

Stock Code: 2010

Chun Yuan Steel Industry Co., Ltd.
Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
and Independent Auditors' Report

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Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
2025 Financial Statements
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Chun Yuan Steel Industry Co., Ltd.

Declaration Statement

March 12, 2026

According to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, for the year of 2025 (from January 1, 2025 to December, 2025), the affiliated companies of Chun Yuan Steel Industry Co., Ltd. which should be included when preparing the Consolidated Financial Statements of Affiliated Enterprises are the same as those which shall be included in the consolidated financial statements of the parent and subsidiaries prepared under No.10 of International Financial Reporting Standards, and all of the related information which shall be disclosed in the Consolidated Financial Statements of Affiliated Enterprises had been disclosed in the above consolidated financial statements of the parent and subsidiaries. Therefore, separate Consolidated Financial Statements of Affiliated Enterprises are not prepared.

Declared herein

Chun Yuan Steel Industry Co., Ltd.

Legal Representative: Tsai, Hsi-Yi

Independent Auditors' Report

To: Chun Yuan Steel Industry Co., Ltd.

Opinion

We have audited the consolidated financial statements of Chun Yuan Steel Industry Co., Ltd. and subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025 and 2024, its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards and interpretations recognized, published and made effective by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards 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 Group in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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; we do not provide a separate opinion on these matters. Key audit matters for the consolidated financial statements of the Group for the year ended December 31, 2025 are stated as follows:

Valuation of inventories

For the accounting policies regarding inventories, please refer to Note 4.8 of the consolidated financial statements. Regarding accounting estimates and assumptions of inventory impairment assessment, please refer to Note 5.2(7) of the consolidated financial statements.

Illustration of the key audit matters:

As of December 31, 2025, the net balance of inventories of the Group was NT\$3,835,093 thousand (net of NT\$93,562 thousand of allowance for inventory valuation loss), which mainly consist of steel plates and structural steel materials, etc. Due to either changes in economic environment, advancements in manufacturing technology, or fluctuation in the price of raw materials, the products in stock may be obsolete or no longer meet the market demand, and drastic changes in the demand for and selling prices of related products may result. Since inventory valuation is relevant to significant judgement and estimates, it is regarded as a key audit matter.

Audit procedures in response:

By performing test of internal controls, we obtained understanding of the Group's assessment method for estimating impairment of its inventories and the design and implementation of the related control system. In addition, we have also performed the following major audit procedures: Assessed reasonableness of accounting policy for inventory valuation. Reviewed inventory aging reports, analyzed changes in inventory aging and evaluated if the inventory valuation had been carried out according to the accounting policy. Obtained understanding and assessed reasonableness of the basis of net realizable value adopted by the management, selected samples and agreed to the related supporting document for testing accuracy of the amounts, and assessed if the management had made proper disclosure regarding subsequent inventory evaluations

Revenue recognition

For the accounting policies regarding recognition of construction revenue, please refer to Note 6.18 of the consolidated financial statements. For the related revenue disclosures, please refer to Note 6.23.

Illustration of the key audit matter:

Revenue is an important index used by enterprises and investors for assessing financial and business performance. The sources of the Group's revenue are divided mainly in two categories, revenue from sales of merchandise and construction revenue. Selling prices are affected by fluctuations in market prices of materials. Construction revenue are mainly from provision of construction-related services and are recorded according to the degree of completion during the period of construction contract. The degree of completion is computed based on the percentage of cost incurred up to the reporting date for each construction contract out of the estimated total cost of the respective construction contract. Due to complexity in estimating the total cost of contract items, which often involves judgements and would affect the degree of completion and revenue recognition of constructions, recognition of revenue is regarded as a key audit matter.

Audit procedures in response:

By performing test of internal controls, we obtained understanding of the Group's assessment method for recognizing construction revenue and the design and implementation of the related

control system.

In addition, we have performed the following key audit procedures:

1. Tested whether or not the timing of revenue recognition by the company is correct, perform analysis on the top ten sales customers, compared changes, and assess if there is any material abnormality.
2. Reviewed major contracts to understand specific terms and risks of the respective contracts and assessed accuracy of revenue recognition.
3. Obtained summarized schedules of construction costs and performed the related substantive procedures, including agreeing the sampled current-period cost incurred to the related document, extra/deducted works agreed to supporting document, recomputing the construction revenue according to the degree of completion and confirming that the revenue has been properly booked.

Evaluation on expected credit loss of notes and accounts receivable

As of December 31, 2025, the net balance of notes and accounts receivable was NT\$5,554,636 thousand (net of NT\$57,078 thousand of allowance for expected credit loss), which accounted for 23% of the total consolidated assets and was material to the consolidated financial statements of the Group. Since the expected credit-loss valuation of the notes and accounts receivable, whose sign of impairment and historical rate of loss involve significant judgement by management, we consider that evaluation on expected credit loss of notes and accounts receivable to be a key audit matter.

Our audit procedures performed include the following:

1. Tested the internal controls used by the management for managing notes and accounts receivable, such as sampling and testing for understanding of the controls regarding granting of credit lines and collection of overdue accounts by responsible personnel.
2. Considered the historical experience on occurrences of expected credit loss, assessed appropriateness of the recognition policy for loss allowance, including identification for client risks and analysis of historical bad-debt ratio.
3. Verified aging intervals of notes and accounts receivables and analyzed whether or not the changes in aging were reasonable, accompanied by confirmation of accounts and understanding of subsequent receipts.
4. We also considered appropriateness of the disclosures regarding notes and accounts receivables and the related risks, as in Note 5 and Note 6 to the consolidated financial statements of the Group.

Other matters

Chun Yuan Steel Industry Co., Ltd. had prepared the 2025 and 2024 consolidated financial statements, along with the independent auditors' report with unqualified opinion issued, available for reference.

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

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by

Securities Issuers, International Financial Reporting Standards, International Accounting Standards, and interpretations recognized, published and made in effect by the Financial Supervisory Commission, and for maintaining necessary internal controls relating to preparation of the consolidated financial statements, to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the audit committee) of the Group are responsible for overseeing the Group's 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 auditing standards 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 based on these consolidated financial statements.

As part of an audit in accordance with the auditing standards 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether any material uncertainty exists in the events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements



(including the related notes) and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and performance for the audit of the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned audit scope, timing of the audit and significant audit findings (including any significant deficiencies in internal control that we have identified 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 affect our independence (including the 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 the laws or regulations preclude public disclosure on the matter or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to be greater than the additional benefits brought to the public from such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wang, Wu-Chang and Chen, Kui-Mei.

Wu-Chang, Wang

Chen, Kui-Mei

Crowe (TW) CPAs

Taipei, Taiwan, Republic of China

March 12, 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 of 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 accepted and 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.

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2025 and 2024

Code	Assets	In thousands of NTD			
		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6.1)	\$ 609,169	2	\$ 528,727	2
1110	Financial assets measured at FVTPL – current (Note 6.2)	127,999	1	120,724	1
1140	Contract assets - current (Note 6.23)	4,801,409	20	3,928,402	18
1150	Notes receivable, net (Note 6.3)	1,006,529	4	978,019	4
1170	Accounts receivable, net (Note 6.4)	4,535,490	19	4,092,409	18
1180	Accounts receivable - related parties, net (Note 6.4, Note 7)	12,617	–	2,636	–
1200	Other receivables	33,271	–	31,149	–
1210	Other receivables - related parties (Note 7)	2,484	–	910	–
130x	Inventories (Note 6.5)	3,835,093	16	4,358,545	20
1410	Prepayments	115,844	–	181,680	1
1476	Other financial assets - current (Note 6.6)	388,941	2	288,131	1
1479	Other current assets - others	14,196	–	26,613	–
11xx	Total Current Assets	15,483,042	64	14,537,945	65
	Noncurrent Assets				
1517	Financial assets measured at FVTOCI – noncurrent (Note 6.7)	1,051,068	4	874,939	4
1550	Investments accounted for using equity method (Note 6.8)	739,209	3	675,015	3
1600	Property, plant and equipment (Note 6.9)	6,201,981	26	5,976,673	27
1755	Right-of-use assets (Note 6.10)	81,784	–	49,933	–
1780	Intangible assets	3,726	–	3,718	–
1840	Deferred income tax assets (Note 6.28)	64,563	–	104,335	1
1915	Prepayments for equipment	457,968	2	29,477	–
1920	Refundable deposits	16,390	–	16,040	–
1975	Net defined benefit assets - noncurrent (Note 6.17)	92,468	1	35,482	–
1990	Other noncurrent assets - others	32,005	–	41,938	–
15xx	Total Noncurrent Assets	8,741,162	36	7,807,550	35
1xxx	Total Assets	\$ 24,224,204	100	\$ 22,345,495	100

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Code	Liabilities and Equity	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Liabilities				
2100	Short-term borrowings (Note 6.12)	\$ 3,937,158	16	\$ 3,700,405	17
2110	Short-term notes payable (Note 6.13)	199,963	1	501,853	2
2126	Current financial liabilities for hedging - (Note 6.14)	–	–	11,375	–
2130	Contract liabilities - current (Note 6.23)	2,254,822	9	1,674,072	7
2150	Notes payable	64,152	–	50,855	–
2160	Notes payable - related parties (Note 7)	8,936	–	14,405	–
2170	Accounts payable	1,289,892	5	1,081,029	5
2180	Accounts payable - related parties (Note 7)	108,278	1	32,384	–
2200	Other payables	647,453	3	563,442	3
2230	Current-period income tax liabilities	178,350	1	173,094	1
2250	Provisions - current (Note 6.15)	42,859	–	36,841	–
2280	Lease liabilities - current (Note 6.10)	17,819	–	11,726	–
2320	Long-term liabilities due within one year or one operating cycle (Note 6.16)	7,300	–	240,525	1
2399	Other current liabilities - others	16,433	–	15,953	–
21xx	Total Current Liabilities	8,773,415	36	8,107,959	36
	Noncurrent Liabilities				
2540	Long-term borrowings (Note 6.16)	1,255,860	5	708,250	3
2570	Deferred income tax liabilities (Note 6.28)	837,427	4	852,018	4
2580	Lease liabilities - noncurrent (Note 6.10)	30,720	–	3,819	–
2645	Guarantee deposits received	27,653	–	25,512	–
25xx	Total Noncurrent Liabilities	2,151,660	9	1,589,599	7
2xxx	Total Liabilities	10,925,075	45	9,697,558	43
	Equity				
	Equity attributable to owners of the parent				
3100	Share capital (Note 6.18)	6,476,554	26	6,476,554	29
3200	Capital surplus (Note 6.19)	177,964	1	177,964	1
3300	Retained earnings (Note 6.20)	6,477,085	27	5,760,474	26
3310	Legal reserve	2,097,271	9	1,987,753	9
3320	Special reserve	1,324,287	5	1,324,287	6
3350	Unappropriated retained earnings (accumulated deficit)	3,055,527	13	2,448,434	11
3400	Other equity (Note 6.21)	(219,454)	(1)	(150,875)	(1)
3410	Exchange differences on translation of foreign operations	(195,621)	(1)	(201,254)	(1)
3420	Unrealized gains (losses) on financial assets measured at FVTOCI	23,833	–	50,379	–
31xx	Total equity attributable to owners of the parent	12,912,149	53	12,264,117	55
36xx	Non-controlling interest (Note 6.22)	386,980	2	383,820	2
3xxx	Total Equity	13,299,129	55	12,647,937	57
	Total Liabilities and Equity	\$ 24,224,204	100	\$ 22,345,495	100

(The accompanying notes form an integral part of the consolidated financial statements)

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

In thousands of NTD

Code	Item	2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Note 6.23)	\$ 24,189,382	100	\$ 24,014,291	100
5000	Operating costs (Note 6.5)	(21,530,917)	(89)	(21,945,625)	(91)
5900	Gross profit (loss) from operations	2,658,465	11	2,068,666	9
	Operating expenses				
6100	Selling expenses	(452,046)	(2)	(432,597)	(2)
6200	Administrative expenses	(467,203)	(2)	(425,472)	(2)
6450	Loss (gain) on expected credit impairment	(6,622)	–	(8,387)	–
6000	Total operating expenses	(925,871)	(4)	(866,456)	(4)
6900	Operating income (loss)	1,732,594	7	1,202,210	5
	Non-operating income and expenses				
7100	Interest income	10,605	–	10,548	–
7010	Other income (Note 6.24)	135,829	1	152,929	1
7020	Other gains and losses (Note 6.25)	3,313	–	22,537	–
7050	Financial costs (Note 6.26)	(114,559)	–	(91,513)	–
7060	Share of profits of subsidiaries, associates, and joint ventures under equity method	97,616	–	90,579	–
7000	Total non-operating income and expenses	132,804	1	185,080	1
7900	Net income (loss) before income tax	1,865,398	8	1,387,290	6
7950	Income tax (expense) benefit (Note 6.28)	(344,561)	(2)	(301,482)	(1)
8200	NET INCOME (LOSS)	1,520,837	6	1,085,808	5
	Other comprehensive income (loss) (Note 6.29)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plan	52,323	–	24,942	–
8316	Unrealized measurement gains or losses on equity instruments at FVTOCI	(74,212)	–	54,646	–
8321	Remeasurements of defined benefit plan - associates and joint ventures	1,212	–	954	–
8360	Items that may be subsequently reclassified into profit or loss				
8361	Exchange differences on translation of foreign operations	25,371	–	53,955	–
8371	Exchange differences on translation of foreign operations - associates and joint ventures	(5)	–	18	–
8300	Other comprehensive income (loss), net	4,689	–	134,515	–
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,525,526	6	\$ 1,220,323	5
8600	Net income (loss) attributed to:				
8610	Owners of the parent	\$ 1,505,028	6	\$ 1,069,282	5
8620	Non-controlling interest	15,809	–	16,526	–
	Subtotal	\$ 1,520,837	6	\$ 1,085,808	5
8700	Total comprehensive income or loss attributed to:				
8710	Owners of the parent	\$ 1,489,984	6	\$ 1,219,350	5
8720	Non-controlling interest	35,542	–	973	–
	Subtotal	\$ 1,525,526	6	\$ 1,220,323	5
	EARNINGS PER SHARE				
9750	Basic earnings per share (Note 6.30)	\$ 2.32		\$ 1.65	
9850	Diluted earnings per share (Note 6.30)	\$ 2.32		\$ 1.65	

(The accompanying notes form an integral part of the consolidated financial statements)

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2025 and 2024

In thousands of NTD

Item	Equity attributable to owners of the parent								Non-controlling interest	Total equity
	Retained Earnings					Other Equity Items				
	Share capital - common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign operations	Unrealized measurement gains (loss) on FVTOCI equity instruments	Total equity attributable to owners of the parent		
Balance, January 1, 2024	\$ 6,476,554	\$ 177,636	\$ 1,901,157	\$ 1,324,287	\$ 2,087,507	(\$ 270,780)	(\$ 4,267)	\$ 11,692,094	\$ 368,624	\$ 12,060,718
Appropriation and distribution of earnings:										
Record legal reserve	–	–	86,596	–	(86,596)	–	–	–	–	–
Cash dividends – common shares	–	–	–	–	(647,655)	–	–	(647,655)	–	(647,655)
Other changes in capital surplus										
Other changes in capital surplus	–	328	–	–	–	–	–	328	–	328
Net income (loss) in 2024	–	–	–	–	1,069,282	–	–	1,069,282	16,526	1,085,808
Other comprehensive income (loss) in 2024	–	–	–	–	25,896	69,526	54,646	150,068	(15,553)	134,515
Total comprehensive income (loss) in 2024	–	–	–	–	1,095,178	69,526	54,646	1,219,350	973	1,220,323
Increase (decrease) in non-controlling interest	–	–	–	–	–	–	–	–	14,223	14,223
Balance, December 31, 2024	\$ 6,476,554	\$ 177,964	\$ 1,987,753	\$ 1,324,287	\$ 2,448,434	(\$ 201,254)	\$ 50,379	\$ 12,264,117	\$ 383,820	\$ 12,647,937
Balance, January 1, 2025	\$ 6,476,554	\$ 177,964	\$ 1,987,753	\$ 1,324,287	\$ 2,448,434	(\$ 201,254)	\$ 50,379	\$ 12,264,117	\$ 383,820	\$ 12,647,937
Appropriation and distribution of earnings:										
Record legal reserve	–	–	109,518	–	(109,518)	–	–	–	–	–
Cash dividends – common shares	–	–	–	–	(841,952)	–	–	(841,952)	–	(841,952)
Other changes in capital surplus										
Net income (loss) in 2025	–	–	–	–	1,505,028	–	–	1,505,028	15,809	1,520,837
Other comprehensive income (loss) in 2025	–	–	–	–	53,535	5,633	(74,212)	(15,044)	19,733	4,689
Total comprehensive income (loss) in 2025	–	–	–	–	1,558,563	5,633	(74,212)	1,489,984	35,542	1,525,526
Increase (decrease) in non-controlling interest	–	–	–	–	–	–	–	–	(32,382)	(32,382)
Balance, December 31, 2025	\$ 6,476,554	\$ 177,964	\$ 2,097,271	\$ 1,324,287	\$ 3,055,527	(\$ 195,621)	(\$ 23,833)	\$ 12,912,149	\$ 386,980	\$ 13,299,129

(The accompanying notes form an integral part of the consolidated financial statements)

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Item	In thousands of NTD	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	\$ 1, 865, 398	\$ 1, 387, 290
Adjustment items		
Income/gain or expense/loss items		
Depreciation expense	300, 105	294, 369
Amortization expense	21, 864	18, 411
Loss (gain) on expected credit impairment	6, 622	8, 387
Net loss (gain) on FVTPL financial assets or liabilities	(7, 275)	(25, 215)
Interest expense	114, 559	91, 513
Interest income	(10, 605)	(10, 548)
Dividend income	(28, 298)	(20, 553)
Share of loss (profit) of associates and joint ventures under equity method	(97, 616)	(90, 579)
Loss (gain) on disposal of property, plant and equipment	(1, 718)	(3, 069)
Total income/gain or expense/loss items	297, 638	262, 716
Changes in operating assets / liabilities		
Net changes in operating assets		
(Increase) decrease in contract assets	(873, 007)	(419, 406)
(Increase) decrease in notes receivable	(29, 775)	(948)
(Increase) decrease in notes receivable – related parties	-	28, 715
(Increase) Decrease in accounts receivable	(448, 483)	(539, 835)
(Increase) Decrease in accounts receivable - related parties	(9, 981)	69, 077
(Increase) Decrease in other receivables	(1, 687)	7, 120
(Increase) Decrease in other receivables - related parties	(1, 574)	2, 233
(Increase) Decrease in inventories	523, 055	(641, 684)
(Increase) Decrease in prepayments	65, 836	(38, 592)
(Increase) Decrease in other current assets	1, 042	(8, 349)
(Increase) Decrease in other operating assets	(5, 170)	(2, 963)
Total net changes in operating assets	(779, 744)	(1, 544, 632)
Net changes in operating liabilities		
Increase (Decrease) in contract liabilities	580, 750	944, 251
Increase (Decrease) in notes payable	13, 297	(153, 178)
Increase (Decrease) in notes payable - related parties	(5, 469)	10, 054
Increase (Decrease) in accounts payable	208, 863	268, 981
Increase (Decrease) in accounts payable - related parties	75, 894	(10, 919)
Increase (Decrease) in other payables	83, 927	56, 074
Increase (Decrease) in provisions	6, 018	(731)
Increase (Decrease) in other current liabilities	480	1, 600
Total net changes in operating liabilities	963, 760	1, 116, 132
Total net changes in operating assets/liabilities	184, 016	(428, 500)
Total Adjustment items	481, 654	(165, 784)
Cash generated (used) by operating activities	2, 347, 052	1, 221, 506
Interest received	10, 170	10, 434
Dividends received	62, 926	60, 561
Interest paid	(113, 694)	(91, 710)
Income tax refunded (paid)	(313, 525)	(163, 371)
Net cash generated (used) by operating activities	1, 992, 929	1, 037, 420

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Item	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of FVTOCI financial assets	(\$ 250,340)	\$ –
Acquisition of property, plant and equipment	(396,807)	(442,914)
Disposal of property, plant and equipment	6,780	6,134
Decrease (increase) in refundable deposits	(350)	(3,251)
Increase in other financial assets	(100,810)	(57,876)
Decrease in other non-current assets	269	10,973
Increase in prepayments for equipment	(539,872)	(52,931)
Increase in long-term prepayments	(12,285)	(19,567)
Net cash flows generated (used) by investing activities	(1,293,415)	(559,432)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	236,753	(294,454)
Increase (decrease) in short-term notes and bills payable	(301,890)	101,870
Increase in long-term borrowings	554,910	808,250
Repayment of long-term borrowings	(240,525)	(415,725)
Increase (decrease) in guarantee deposits received	2,141	302
Repayment of lease principal	(19,943)	(17,128)
Distribution of cash dividends	(841,952)	(647,655)
Change in non-controlling interest	(32,382)	14,223
Net cash flows generated (used) by financing activities	(642,888)	(450,317)
Effects on cash and cash equivalents due to fluctuations in exchange rates	23,816	40,517
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	80,442	68,188
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	528,727	460,539
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 609,169	\$ 528,727

(The accompanying notes form an integral part of the consolidated financial statements)

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Amounts in thousands of NTD, unless otherwise stated)

1. General Information

Chun Yuan Steel Industry Co., Ltd. (the “Company”) was approved and founded on January 7, 1966, with initial registered capital of \$3,000,000. After several capital increases, the current capital is \$6,476,553,900, which is divided into 647,655,390 registered common shares, with \$10 par value each share. The main business activities of the Company are manufacturing, processing and trading of steel plates, silicon steel sheets, container parts, special steel materials, H-beam steel and undertaking of steel structure constructions, etc. For the main business activities of the Company and its subsidiaries (together, the “Group”), please refer to illustrations in Note 4.3(2).

Stocks of the Company are listed and available for transaction at Taiwan Stock Exchange (TWSE) since December, 1989.

The accompanying Consolidated Financial Statements are expressed in the Company’s functional currency, New Taiwan Dollars.

2. The Authorization of the Consolidated Financial Statements

The accompanying Consolidated Financial Statements were approved and authorized for release by the Board of Directors on March 12, 2026.

3. Application of New Standards, Amendments, and Interpretations

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

The following summarizes the newly issued, amended or revised IFRSs that are endorsed by FSC and effective for 2025:

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025
Amendments to IAS 21 “Lack of Exchangeability”	

This amendment defines exchangeability and provides guidance on how to determine the spot exchange rate for measurement purposes when a currency lacks exchangeability. Additionally, this amendment requires entities to provide more

useful information in their financial statements when a currency is not exchangeable into another currency.

Based on the Group's assessment, the application of the New IFRSs above will not have significant impact on the Group's financial position or financial performance.

- 3.2 The impact of not yet adopting the newly issued and revised IFRSs endorsed by the FSC is summarized in the following table:

New standards, interpretations and amendments endorsed by the FSC and effective from 2026 are as follows:

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17: "First-time Adoption of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Annual Improvements to IFRS Standards—Volume 11	January 1, 2026

Except as described below, the Group has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance.

- (1) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
 - A Clarify and enhance guidance for assessing whether financial assets meet the Solely Payment of Principal or Interest (SPPI) criteria, covering contractual terms that alter cash flows based on contingent events (e.g., interest rates linked to ESG targets), non-recourse instruments, and contractually linked instruments.
 - B Newly added instruments with certain contract terms that can alter cash flows (such as instruments with features related to achieving environmental, social, and governance (ESG) objectives) should disclose: a qualitative description of the contingent nature; Quantitative information regarding the range of potential changes in contractual cash flows arising from such contractual terms; and the aggregate carrying amount of financial assets and the amortized cost of financial liabilities under such contractual terms.
 - C Clarify the recognition and derecognition dates for certain financial assets and liabilities. Add that when using an electronic payment system to settle a financial liability (or part thereof) in cash, an entity may recognize the financial liability as

extinguished before the settlement date only when the entity initiates a payment instruction that results in the following conditions:

- (A) The entity lacks the ability to revoke, stop, or cancel the payment instruction;
- (B) The entity lacks the practical ability to obtain cash for settlement due to the payment instruction;
- (C) Settlement risks associated with the electronic payment system are not significant.

D Equity instruments designated irrevocably as measured at fair value through other comprehensive income (FVTOCI) shall disclose their fair value by category and are no longer required to disclose fair value information by underlying asset. Additionally, the amount of fair value gains or losses recognized in other comprehensive income during the reporting period shall be disclosed, separately presenting the fair value gains or losses related to investments derecognized during the reporting period and those related to investments still held at the end of the reporting period; as well as the cumulative gains or losses transferred to equity during the reporting period due to the derecognition of investments.

(2) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

This amendment describes separately the contracts where the enterprise is involved in generating electricity on the basis that the source of generation depends on uncontrollable natural conditions (e.g. weather) as follows:

- A. Clarify the application of requirements regarding “self-use” by enterprises for their contracts for purchasing or sale of natural electricity:

When a contract obligates an enterprise to purchase and receive electricity at the time of generation and the design and operation of the contracted electricity trading market requires the enterprise to sell any amount of unused electricity within a specified period of time, the enterprise shall take into account reasonable and supported information about its past, current, and expected future electricity transactions within a reasonable period of time not to exceed twelve months. An enterprise becomes a net purchaser of electricity when it purchases sufficient electricity to offset any unused power sold in the same market in which it sells electricity. Contracts involving natural electricity for self-consumption are required by the new amendments to be disclosed:

- (A) The risk that the enterprise may face changes in base electricity and that the enterprise may be required to purchase electricity during delivery intervals when electricity is unavailable,
 - (B) Unrecognized contractual commitments, including the expected future cash flows from electricity purchases under these contracts, and
 - (C) The impact of the contracts on the financial performance of the enterprise during the reporting period.
- B. Determine how the designation of contracts involving natural electricity as hedging instruments enables the application of hedge accounting:
- Hedged item may be designated as a projected electricity transaction for a variable notional amount that corresponds to the variable amount of natural electricity expected to be delivered by the generation facility referred to in the hedging instrument. Also when the cash flow enterprise of the hedging instrument is in a cash flow hedging relationship, when the designation of a contract involving natural electricity as a hedging instrument is conditional on the occurrence of a specified forecasted transaction, it is presumed to be highly probable that the forecasted transaction will occur.
- For companies that designate contracts involving natural electricity as hedging instruments, the terms and conditions shall be disclosed by risk category in accordance with IFRS 7.

(3) IFRS 17 “Insurance Contracts”

IFRS 17 Insurance Contracts replaces IFRS 4 and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued by an entity. This Standard applies to insurance contracts issued by an entity (including reinsurance contracts), reinsurance contracts held by an entity, and investment contracts with discretionary participation features issued by an entity, provided that the entity also issues insurance contracts. Embedded derivatives, separable investment components, and separable performance obligations shall be separated from the insurance contract. Upon initial recognition, an entity shall classify its portfolio of insurance contracts issued into three groups: loss-making, not significantly at risk of becoming loss-making, and the residual contract group. IFRS 17 requires the current measurement model to remeasure these estimates at each reporting period. Measurement is based on discounted and probability-weighted cash flows from the contract, risk adjustments, and an element representing the contract's unearned profit (contract service margin). An entity may apply a simplified measurement method (premium allocation method) to some insurance contracts. The

entity recognizes income from insurance contract groups over the period it provides insurance coverage and when it is released from risk.

If an insurance contract portfolio incurs a loss, the enterprise shall recognize the loss immediately. The enterprise shall separately report insurance revenue, insurance service fees, and insurance financial gains and expenses, and must disclose information regarding amounts, judgments, and risks arising from insurance contracts.

(4) Amendments to IFRS 17 “Insurance Contracts”

This amendment includes adjustments to the deferred effective date, the expected recovery of cash flows from insurance, the contract service margin attributable to investment services, the recovery of losses from held reinsurance contracts, and other items. These amendments do not alter the fundamental principles of the standard.

(5) Amendments to IFRS 17: “First-time Adoption of IFRS 17 and IFRS 9 — Comparative Information”

This amendment permits entities, upon initial adoption of IFRS 17, to elect to apply the classification overlay method to each comparative period presented. This election allows entities to classify all financial assets, including those held in activities not linked to contracts within the scope of IFRS 17, on an instrument-by-instrument basis during comparative periods, based on their expected classification at the time of initial adoption of IFRS 9. Entities that have already adopted IFRS 9, or that will adopt both IFRS 9 and IFRS 17 for the first time, may elect to apply the classification overlay method.

(6) Annual Improvements to IFRS Accounting Standards—Volume 11

A. Hedge accounting by a first-time adopter (Amendments to IFRS 1)

Amend IFRS 1 paragraph B5 and B6 to be consistent with IFRS 9. Add cross-references to improve the accessibility and understandability of IFRS Accounting Standards.

B. Gain or loss on derecognition (Amendments to IFRS 7)

Amend IFRS 7 paragraph B38 to update obsolete cross-references.

C. Introduction (Amendments to guidance on implementing IFRS 7)

Amend IFRS 7 paragraph IG1 to add a statement clarifying that the guidance does not illustrate all the requirements in IFRS 7.

D. Credit risk disclosures (Amendments to guidance on implementing IFRS 7)

Amend IFRS 7 paragraph IG20B to simplify its wording.

E. Disclosure of deferred difference between fair value and transaction price (Amendments to guidance on implementing IFRS 7)

Amend IFRS 7 paragraph IG14 to improve its consistency with paragraph 28 of IFRS 7.

F. Derecognition of lease liabilities (Amendments to IFRS 9)

Amend IFRS 9 paragraph 2.1(b) (ii) to add a cross-reference to paragraph 3.3.3 of that Standard and to resolve potential confusion for a lessee applying the derecognition requirements in the Standard.

G. Transaction price (Amendments to IFRS 9)

Amend IFRS 9 paragraph 5.1.3 and Appendix A to clarify the use of the term “transaction price” in the Standard.

H. Determination of a “de facto agent” (Amendments to IFRS 10)

Amend IFRS 10 paragraph B73 and B74 to remove an inconsistency in the application of standard requirements when determining a de facto agent.

I. Cost method (Amendments to IFRS 7)

Replace the term “cost method” with “at cost”.

3.3 The impact of IFRSs issued by IASB but not yet endorsed and issued into effect by FSC:

New standards, interpretations and amendments issued by IASB but not endorsed by the FSC are as follows:

<u>Newly Issued/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Pending for IASB decision
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: In the press release dated September 25, 2025, the FSC announced that publicly listed companies will adopt IFRS 18 starting in fiscal year 2028. Additionally, enterprises requiring early adoption of IFRS 18 may choose to implement the standard ahead of schedule once the FSC has approved IFRS 18.

Except for the following, based on the Company’s assessment, the application of the New IFRSs above will not have significant impact on the Company’s financial position or financial performance.

(1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

This amendment resolves an inconsistency between existing IFRS 10 and IAS 28. Depending on the nature of the assets sold (invested), an investor who sells (invests) an asset to an associate or a joint venture may recognize all or part of the gain or loss on disposal:

- A. All gains or losses on disposals are recognized when the assets sold (invested) qualify as "business";
 - B. When the assets sold (invested) do not qualify as "business", only a portion of the gain or loss on disposal with unaffiliated investors within the scope of their interests in related parties or joint ventures can be recognized.
- (2) IFRS 18 "Presentation and Disclosure in Financial Statements"
- IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of consolidated income statements, adds disclosure of management performance measures, and strengthens the principles of aggregation and breakdowns applied to the primary financial statements and notes.
- (3) IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- This standard allows qualified subsidiaries to apply IFRS accounting standards that reduce disclosure requirements.
- (4) Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"
- This amendment adds that when translating from a functional currency of a non-hyperinflationary economy to a presentation currency of a hyperinflationary economy, all amounts (including comparative amounts) must be translated using the closing exchange rate on the most recent financial statement date. This amendment also includes an exception: for entities whose functional currency and presentation currency are both currencies of a hyperinflationary economy, and whose foreign operations are in functional currencies of non-hyperinflationary economies, comparative amounts need not be retranslated. It further requires disclosure of consolidated financial information, including the translation method and the foreign operations to which that method applies.

As of the date of issuance of these consolidated financial statements, the Group is continuously evaluating the impact of the above standards and interpretations on the Group's financial position and financial performance, and the related impact will be disclosed when the evaluation is completed.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

4.1 Statement of Compliance

The accompanying consolidated financial statements have been prepared in the

conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.2 Basis of Preparation

- (1) Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - A. Financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss (“FVTPL”).
 - B. Financial assets and liabilities measured at fair value through other comprehensive income (“FVTOCI”).
 - C. Liabilities for cash-settled share-based payment agreements measured at fair value.
 - D. Defined benefit liabilities recognized based on the present value of defined benefit obligation, net of the pension fund assets.
- (2) The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in Note 5.

4.3 Basis of Consolidation

- (1) Principles for preparing the consolidated financial statements:
 - A. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - B. Inter-group transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - C. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. 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.
- E. When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(2) The subsidiaries in the consolidated financial statements:

Investor	Subsidiaries	Main Businesses	Percentage of Ownership	
			2025.12.31	2024.12.31
Chun Yuan Steel Industry Co., Ltd.	Chun Yuan Investment (Singapore) Pte Ltd . (“Chun Yuan Singapore”)	General investment activities	100.00%	100.00%
Chun Yuan Singapore	Shenzhen Hong Yuan Metal Industry Co., Ltd. (“Shenzhen Hong Yuan”)	Manufacture of stamped silicon steel transformer parts, rotors and stators.	66.75%	66.75%
	Shenzhen Chun Yuan Steel Industry Co., Ltd. (“Shenzhen Chun Yuan”)	Manufacture and sale of galvanized, coated, aluminum and other metal sheets.	78.56%	78.56%
	Chun Yuan Investment (BVI) Co, Ltd. (“BVI Chun Yuan”)	General investment activities.	100.00%	100.00%
BVI Chun Yuan	Shanghai Huateng Metal Processing Co., Ltd. (“Shanghai Huateng”)	Manufacture of stamped silicon steel transformer parts, rotors, stators, home appliance housings, and processing and sales of office furniture and steel plates for bicycles.	80.59%	80.59%
	Qingdao Chun Yuan Precision Mechatronic Co., Ltd. (“Qingdao Chun Yuan”)	Manufacturing of new types of mechanical and electrical components, fine blanking dies, and other related metal products.	95.00%	95.00%
	Shenzhen Chun Yuan	Manufacture of galvanized, coated, aluminum and other metal sheets.	9.41%	9.41%
Shenzhen Chun Yuan	Shenzhen Hong Yuan	Manufacture of stamped silicon steel transformer parts, rotors and stators.	22.13%	22.13%

A. Increase or decrease in consolidation subsidiaries: None.

B. Subsidiaries not included in the consolidated financial statements: None.

C. Adjustments and treatments for subsidiaries with different accounting periods: None.

D. Significant restrictions: Due to local foreign exchange controls, the cash and bank deposits in Mainland China by the amount of \$359,446 thousand and \$294,031 thousand as of December 31, 2025 and 2024, respectively, are restricted from transferring out of Mainland China (except for normal dividends).

E. The parent company’s securities held by subsidiaries: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: After assessment by the Group, non-controlling interests held by the subsidiaries are not material.

4.4 Foreign Currency Exchange

- (1) Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars (NT\$), which is the Company's functional currency.
- (2) 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. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are translated 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 on the translation 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 in terms of historical cost in foreign currencies are not retranslated.
- (3) For the purpose of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into NT\$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in exchange differences on translation of foreign operations under equity. (attributed to non-controlling interests as appropriate).

4.5 Classification standards for Current and Noncurrent Assets and Liabilities

- (1) Assets that meet one of the following criteria are classified as current assets:
 - A. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
 - B. Assets held mainly for trading purposes.
 - C. Assets that are expected to be realized within twelve months from the balance sheet date.

D. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

The Group classifies all assets that do not meet any of the above criteria as noncurrent assets.

(2) Liabilities that meet one of the following criteria are classified as current liabilities:

- A. Liabilities that are expected to be paid off within the normal operating cycle.
- B. Liabilities arising mainly from trading activities.
- C. Liabilities that are to be paid off within twelve months from the balance sheet date. (Even when long-term refinance or payment rearrangement agreements have been formed after the balance sheet date and before issuance date of the financial statements, the liabilities are current liabilities).
- D. Liabilities for which the Group does not have a substantive right to defer payment until at least twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all liabilities that do not meet any of the above criteria as noncurrent liabilities.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including the original maturity of the time deposits within three months.).

4.7 Financial instruments

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

Financial assets and financial liabilities are initially recognized at fair value. Upon initial recognition, except for financial assets and liabilities classified as measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition (or issuance) of financial assets (or financial liabilities) shall be added to (or deducted from) the fair value of the financial assets (or financial liabilities). The transaction costs directly attributable to financial assets and liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial assets

A. Measurement type

Transaction date accounting is adopted for recording customary transactions of financial assets.

The financial assets held by the Group are classified as financial assets measured at fair value through profit or loss (“FVTPL”), financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income (“FVTOCI”).

(A) Financial assets at fair value through profit or loss (“FVTPL financial assets”)

FVTPL financial assets include either financial assets mandatorily measured at FVTPL or designated as measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments that are not designated as measured at FVTOCI and investments in debt instruments that are not classified as measured at amortized cost or FVTOCI.

FVTPL financial assets are measured at fair value, the generated dividends and interests are recognized as other income and interest income, respectively, and the subsequent gains or losses from re-measurements are reported in other gains and losses. Regarding the method for determining fair value, please refer to Note 12.

(B) Financial assets measured at amortized cost

If the invested financial assets by the Group meet both of the following two criteria, those assets are classified as financial assets measured at amortized cost:

- a. The purpose of holding the financial assets is to receive contractual cash flows.
- b. The contractual provisions of the investments generate cash flows on specified date(s), and such cash flows are fully for payment of the principals and the interests from the outstanding principals.

After initial recognition of the financial assets measured at amortized cost, they are subsequently measured at amortized cost computed based on the total book value determined by effective interest method, net of any impairment loss. Any foreign exchange gain or loss is recorded in profit or loss.

Except for the following two conditions, interest income is computed using the total book value of the financial assets, multiplied by the effective interest rate:

- a. For purchased or originated credit-impaired financial asset, interest income is computed using the amortized cost of the financial assets, multiplied by the credit-adjusted effective interest rate.
- b. For financial assets that are not purchased or originated credit-impaired but later become credit-impaired, interest income is computed using the amortized cost of the financial assets, multiplied by the effective interest rate.

(C) Equity instrument investments measured at FVTOCI

Upon initial recognition, the Group made an irrevocable choice to designate the equity instrument investments that are not held for trading, recognized for business combination or with consideration, as measured at FVTOCI.

Equity instrument investments measured at FVTOCI are measured at fair value, and the subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. Upon disposal of the investments, the accumulated gains or losses are transferred to retained earnings, without reclassification to profit or loss.

The dividends from equity instrument investments measured at FVTOCI are recorded in profit or loss when the Group's rights to receive dividends are established, unless the dividends clearly represent recovery for part of investment cost.

B. Impairment of financial assets

- (A) On each balance sheet date, based on the projected credit loss, the Group assesses impairment loss for its financial assets measured at amortized cost (including accounts receivable), investments in debt instruments measured at FVTOCI, lease receivable, and contract assets.
- (B) According to the expected credit loss in the existing period, loss allowances are recognized for accounts receivable, contract assets, and lease receivable. For other financial assets, first evaluates whether or not their credit risks increase significantly after their initial recognition, if not significantly increase, then use 12-months expected credit loss to recognize loss allowance; if significantly increased, then use the lifetime expected credit loss in the existing period to recognize loss allowance.

- (C) Expected credit loss is the weighted average credit loss using risk of default as the weight. 12-month expected credit loss represents the expected credit loss generated from defaults of the financial instruments within 12 months after the reporting date, and lifetime expected credit loss represents expected credit loss generated from all possible defaults of the financial instruments during the expected existing period.
- (D) Through allowance accounts, impairment losses adjust and reduce book value of all financial assets, but allowance loss for debt instruments measured at FVTOCI is recorded in other comprehensive income, without reducing their book value.

C. Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- (A) The contractual right to receive cash flows from the financial asset is lost.
- (B) The contractual rights to receive cash flows from the financial asset have been transferred, and the Group has transferred almost all risks and rewards of ownership of the financial asset.
- (C) The Group neither retains nor transfers almost all risks and rewards of ownership of the financial asset; however, it has not retained control of the financial asset.

Upon writing off the whole financial asset measured at amortized cost, the difference between their book value and consideration received is recognized in profit or loss. Upon writing off the whole debt instrument measured at fair value through other comprehensive income or loss, the difference between their book value and the consideration received (plus the summary of any accumulated gains or losses already recognized in other comprehensive income) is recognized in profit or loss. Upon writing off the whole investment in equity instruments measured at fair value through other comprehensive income or loss, the accumulated profit or loss is transferred directly to retained earnings and will not be reclassified to profit or loss.

(2) Equity instrument

Debt and equity instruments issued by the Group are classified as financial liabilities or equity according to substance of the agreements and definition of financial debt and equity instruments. An equity instrument refers to any contract(s) that represents the residual equity (assets minus all liabilities) of an

enterprise. Equity instruments issued by the Group are recorded at the amount of acquisition proceeds, after deducting the direct issuance cost.

(3) Financial liabilities

A. Subsequent measurement

Except for the following conditions, all financial liabilities are measured at amortized costs using effective interest method:

(A) Financial liabilities measured at fair value through profit or loss refer to financial liabilities held for trading or financial assets assigned as measured at fair value through profit or loss upon initial recognition. Financial liabilities classified as held for trading refer to those that are mainly held for short-term repurchase and derivatives that are not financial guarantee contracts or assigned as effective hedge instruments. When financial liabilities meet one of the following conditions, the Group will assign them as measured at fair value through profit or loss upon initial recognition:

- a. They are hybrid (combined) contracts with embedded derivative instruments and the main contract is not an asset within the scope of IFRS 9; or
- b. May be eliminated, materially reduced in measurement, or inconsistent in recognition; or
- c. Are instruments, with written risk management policies, managed and with performances assessed based on fair value.

(B) Financial liabilities measured at fair value through profit or loss are initially measured at fair value, with related transaction costs are recorded in the current period, and subsequently measured at fair value. The changes in fair value are recorded in the current period.

(C) For financial liabilities assigned as measured at fair value through profit or loss, since the amount of change in fair value generated from changes in credit risks is recorded other comprehensive income, they are not reclassified to profit or loss later on. The changes in fair value of remaining liabilities are reported in profit or loss. However, if the above accounting treatments trigger or intensify inappropriate accounting proportion, then all gains or losses of the liabilities are recorded in profit or loss.

B. Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(4) Modification of Financial Instruments

When the contractual cash flows of a financial instrument are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the total carrying amount of the financial asset or the amortized cost of the financial liabilities using the original effective interest rate and recognizes a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial instrument and are amortized over the remaining term of the modified financial instrument. If the renegotiation or modification results in that the derecognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

Amendments to financial instruments resulting from changes to interest rate benchmarks

If the basis for determining the contractual cash flows of a financial asset or financial liability changes resulting from interest rate benchmark reform and the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, the Group applies the practical expedient to account for that change as a change in effective interest rate. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient aforementioned to the changes required by interest rate benchmark reform, and then applies the applicable requirements to any additional changes to which that practical expedient does not apply.

4.8 Inventories

Inventories, under a perpetual system, are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in

applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost to complete the sales.

4.9 Investments accounted for using equity method

- (1) Associates refer to all entities over which the Group has influence but without control, generally refer to direct or indirect holding of 20% or more of the voting shares. Equity method is adopted for the investments in associates and are recognized at cost upon acquisition.
- (2) The share of profit or loss, after acquisition of the associates by the Group, is recognized in profit or loss in the current period, and the share of other comprehensive income or loss is recognized in other comprehensive income or loss. If the Group's share of loss from an associate equal or exceeds its interests in the associate, including the carrying amount of the investment in the associate determined using the equity method plus the long-term interests that, in substance, form part of the Group's net investment in the associate, the Group would not further recognize loss, unless the Group has legal obligation or constructive obligation to pay, or had made the payment on behalf of the associate.
- (3) The unrealized gains or losses generated from the transactions between the Group and the associates had been eliminated proportionate to the shareholding ratios in the associates. Unless there is evidence showing that the transferred assets are impaired, the unrealized losses are also eliminated. Necessary adjustments had been made to the accounting policies of the associates had been, in order to be consistent with the policies adopted by the Group.
- (4) When an associate issue new shares, if the Group does not purchase or acquire new shares proportionately and leads to change in shareholding ratio but the Group still maintains material influence, the increase/decrease in the net equity amount is adjusted in "Additional paid-in capital" and "Investments accounted for using equity method". If the shareholding ratio reduces, in addition to the above adjustment, the previously recorded relating gains or losses in other comprehensive income or loss, where the gains or losses shall be reclassified to profit or loss upon disposal, are reclassified to profit or loss proportionate to the reduction.
- (5) If the Group losses material influence over the associate, the remaining investment in the original associate is remeasured at fair value, and the difference

between the fair value and the book value is recorded in the current-period profit or loss.

- (6) When the Group disposes of an associate, if it loses material influence over the associate, for all of the amounts that were previously recognized in other comprehensive income that were related to the associates, the accounting treatments are the same as if the Group directly disposes the related assets or liabilities. That is, if the previously recognized gains or losses as other comprehensive income or loss, upon disposal of the related assets or liabilities, would be reclassified to profit or loss, then when the material influence the associates is lost, the gains or losses would be reclassified from equity to profit or loss. If there is still a significant impact on the related enterprise, only a proportionate share of the amount previously recognized in other comprehensive income will be transferred out as described above.
- (7) When the Group disposes of an associate, if it loses material influence over the associate, the additional paid-in capital related to the associate is transferred to profit or loss. If the Group still maintains material influence over the associate, then transfer to profit or loss according to the disposal ratio.

4.10 Property, plant and equipment

- (1) Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. For property, plant and equipment under construction, sample produced from testing whether the asset is functioning properly before its intended use are measured at lower of the costs or net realizable value. Proceeds from selling such an item and the cost of the item are recognized in profit or loss.
- (2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance are recognized in profit or loss as incurred.
- (3) Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous

estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The useful lives of the various assets are as following:

Buildings	3 years~60 years
Machinery equipment	2 years~16 years
Transportation equipment	4 years~14 years
Miscellaneous equipment	3 years~10 years

- (4) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.11 Leases

The Group assesses whether or not a contract is a (or contains) lease on the date when the contract is formed. For contracts that contain lease component and one or more additional lease or non-lease components, based on the corresponding stand-alone price of each lease component and the summarized stand-alone prices of non-lease components, the Group allocates the proceeds of the contract to the respective lease components.

(1) When the Group is a lessee

Except for leases with low-value underlying assets or short-term leases with expense recognition on straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all other leases on the starting date of the leases.

Right-of-use assets

Right-of-use assets are initially recognized at cost (including the initial measurement amount of lease liabilities, lease payments before the starting date of lease after subtracting the incentives received, the initial direct cost and estimated cost of recovering the underlying assets), then subsequently measured at the amount of costs after subtracting the accumulated depreciation and accumulated impairment losses, and then adjust the remeasurement amount of the lease liabilities.

Except for right-of-use assets which meet the definition of investment property, right-of-use asset is listed as a stand-alone item in the consolidated balance sheet.

Depreciation for right-of-use asset is recognized on straight-line basis, beginning from the starting date of the lease to either reaching the economic useful life or the lease period, whichever is earlier. But if, upon expiry of the lease period, the Group will obtain ownership to the underlying asset, or if the cost of the right-of-use asset reflects exercising purchase for the right-of-use asset, then recognize depreciation from the starting date of the lease until reaching the economic useful life of the underlying asset.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments (including fixed payments, substantial fixed payments, variable lease payments determined by indices or fee rates, expected amount of payment by lessee under residual-value guarantee, price of reasonably expected execution price for purchasing the right-of-use asset, and expected termination penalty from execution of option to terminate the lease by the lessee during the lease period, less the lease incentive received). If the implied interest rate of the lease can be easily determined, lease payments are discounted using the interest rate. If the interest rate cannot be easily determined, then use the incremental borrowing rate of the lessee.

Lease liabilities are subsequently measured at amortized costs using the effective interest method, and interest expenses are allocated among the lease periods.

If there is change in future lease payment due to change in assessment of lease period and purchase option of underlying asset, change in expected amount of payment by lessee under residual-value guarantee, or change in indices or fee rates used to determine lease payments, the Group will re-measure the lease liabilities and adjust the right-of-use assets accordingly. But if the book value of right-of-use assets has been reduced to zero, then recognize the remaining remeasurement amount in profit or loss. Lease liabilities are listed as a standalone item in the consolidated balance sheet.

Variable lease payments not determined by indices or fee rates under lease agreements are recorded as expenses in the period as they occur.

(2) When the Group is a lessor

If almost all risks and returns attached to the underlying asset of a lease have been transferred, then classify the lease as finance lease; otherwise, classify as operating lease.

When a lease contains both land and building factors, the Group assesses the respective factors and classified the lease into either finance lease or operating

lease and allocates the lease payments (including any one-time advance payment) among the land and building proportionate to the fair value of the lease rights of the land and building on the contract formation date. If the lease payments could not be reliably allocated to the two factors, then the whole lease is classified as finance lease. However, if both of the two factors clearly meet the operating lease standards, then the whole lease is classified as operating lease.

4.12. Impairment of non-financial assets

The Group assesses at the end of reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the indication of impairment loss recognized in prior years for an asset other than goodwill no longer exists, the impairment loss is reversed to the extent of the loss previously recognized in profit or loss.

4.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date. The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. This increase is recognized as interest expense. Provisions are not recognized for future operating losses.

Carbon fees levied under the Republic of China's Climate Change Response Act and its subsidiary regulations are not subject to IFRS Interpretation 21, "Government Levies," but are recognized and measured in accordance with the provisions of IAS 37, "Provisions, Contingent Liabilities, and Contingent Assets." If it is highly probable that estimated annual emissions will exceed the threshold for the levy, a liability for the carbon levy should be estimated in interim financial reports based on the proportion of emissions already incurred relative to estimated annual emissions.

4.14 Employee benefits

(1) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render their services.

(2) Pensions

A. Defined contribution plan

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund from the plan or a reduction in future contributions to the plan.

B. Defined benefit plan

(A) The net obligation under the defined benefit plan is calculated by discounting the amount of future benefits earned by employees for current or past service and is stated at the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is estimated annually by independent actuaries using the projected unit credit method. The discount rate is the market yield rate of government bonds (at the balance sheet date) using a currency and period consistent with that of the defined benefit plan at the balance sheet date.

(B) Remeasurements of defined benefit plans are recognized in other comprehensive income as incurred and are recorded as retained earnings.

(C) Past-service costs are recognized immediately in profit or loss.

(3) Employees compensation and directors and supervisors' remuneration

Employees compensation and directors and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

(4) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or when it recognizes related restructuring costs,

whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date are discounted to their present value.

4.15 Share capital

Ordinary shares are classified as equity. The classification of special shares is based on assessment of the specified rights attached to the special shares against the substance of the contractual agreements and the definition of financial liabilities and equity. When the special shares show basic features of those of financial liabilities, then they are classified as liability, otherwise they are classified as equity. The incremental costs directly attributed to the issuance of new shares or subscription rights are listed as deduction item(s) in equity.

4.16 Share-based payments

- (1) The share-based payment agreements in equity and the obtained employees' services are measured based on the fair value of the equity instruments given on the payment date and are recorded as compensation costs during the vesting periods, and equity is adjusted respectively. The fair value of equity instruments should reflect the effects on the market prices under vested conditions or non-vested conditions. The recorded compensation costs are adjusted along with the expected satisfaction of service conditions and the compensation quantity of non-market price vesting conditions, until that the final recorded amount is recorded at the vested quantity on the vesting date.
- (2) The share-based payment agreements in cash, based on the fair value of liability assumed, are recorded as compensation costs and liability during the vesting period and measured at fair value of the equity instruments on each balance sheet date and payment date, with any changes recorded in profit or loss in the period when occurred.

4.17 Income tax

- (1) The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income.
- (2) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates the status of income tax filing with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities

based on the amount of tax expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- (3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (tax loss) loss), or doesn't give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- (4) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- (5) Current income tax assets and liabilities are offset against each other and the allowance for impairment loss reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- (6) Tax credits for purchases of equipment or technology, research and development expenditures, personnel training expenditures, and equity investments are accounted for as income tax credits.

4.18 Revenue recognition

The Group use the following steps and principle to record revenue from contracts with customers:

- (1) Identify contract(s) with a customer;

- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognize revenue when (or as) the entity satisfies a performance obligation.

After the Group identifies the contractual obligations with the customers, the transaction prices are allocated to the respective contractual obligations, and revenue is recognized when the respective contractual obligations are fulfilled.

A. Revenue from sales of goods

The Group records revenue when the control of goods is transferred to the customers. Transferring control of goods means delivery of goods to the customers, and there is no un-fulfilled obligation that will affect acceptance of the goods by the customer. Delivery time means that customers have accepted the goods according to the transaction terms, the risk of obsolete and loss has been transferred to the customer, and the Group has objective evidence considering that all acceptance criteria have been satisfied.

The Group records accounts receivable upon delivery of goods, because that is the time when the Group has unconditional rights to receive the consideration.

When sending materials for processing, since the control of the ownership of the processing products is not transferred, no revenue is recognized upon delivering of materials.

B. Construction revenue

The Group undertakes steel-structure construction contracts and records revenue with passage of time. Since the input costs of construction contracts are directly related to the completion progress of the contractual obligations, the Group measures the completion progress based on the ratio of actual input costs over the expected total cost. The Group records contract assets during the progress of the construction and transfer to accounts receivable upon issuance of bills. If the construction receipts exceed the recognized revenue amount, the difference is recorded as contract liability. The purpose of the construction reserved funds withheld by the customers according to the contractual terms is to ensure that the Group completes all contractual liabilities, and the Group records the funds as contract assets before fulfillment of the contracts.

If the result of the contract fulfillment could not be reliably measured, then only records construction revenue to the extent of expected recoverable costs that has been generated.

4.19 Borrowing costs

Borrowing costs that can be directly attributed to acquisition, building or production of assets meeting certain criteria are part of the cost of the assets, until almost all the activities necessary for the assets to reach the expected condition for use or sale have been completed.

For certain borrowings, before they meet certain criteria for capital expenditures, if the investment income is earned from temporary investment, then the investment income is subtracted from the borrowing cost that meet certain criteria.

Except for the above, all other borrowing costs are recorded in profit or loss in the current period.

4.20 Derivative financial instruments and hedge accounting

The derivative financial instruments are forward exchange contract signed by the Group for managing exchange risk of the Group.

The signed derivative financial instruments are initially recorded at fair value and subsequently remeasured at fair value by the end of reporting periods, and the generated gains or losses are directly recorded in profit or loss in the period occurred.

However, for designated derivatives that are effective hedge instruments, the timing for them in profit loss will depend on the nature of hedging relationships. When the fair value of derivative financial instruments is positive, they are recorded as financial assets. When the fair value is negative, record as financial liabilities.

When the Group cancels the designated hedging relationships, and the maturity, sale, contract termination, execution of the hedging instruments no longer meets the definition of hedge accounting, then hedge accounting is prospectively stopped.

The Group has assigned several derivatives as fair-value hedges for recorded assets, liabilities or confirmed commitments. When a hedge transaction starts, the relationship between the hedge instrument and the hedged item, the Group's risk management goal and the strategy for executing various hedging transactions are documented. Right after hedging begins, on a continuing basis, the Group also records and assesses whether or not the adopted derivative instruments for hedging transactions can highly and effectively offset the fair-value changes in the hedged items.

When the remaining period of the hedged items exceed 12 months, the total fair value of the derivative financial instruments is classified as either noncurrent financial asset or liability. When the remaining period of the hedged items is within 12 months, the total fair value of the derivative financial instruments is classified as either

current financial asset or liability. For derivative instruments held for trading, they are classified as either current financial assets or liabilities.

Fair-value changes in derivative instruments that are assigned and are fair value hedges, along with any fair-value changes of the hedged assets or liabilities attributed to hedged risks, are recorded as “Finance costs” in profit or loss in the period occurred. And the gains or losses related to ineffective portion are recorded as “Other gains and losses” in profit or loss in the period occurred.

5. Critical Accounting Judgments and Major Sources of Estimation and Assumption Uncertainty

The Group takes into account the economic impact of changes in climates and related governmental policies and regulations as well as inflation and volatility in interest rate on significant accounting estimates and reviews the basic assumptions and estimation on an ongoing basis. If a change in accounting estimate affects only the current period, the effect is recognized in the current period. If a change in accounting estimate affects both current and future periods, the effects are recognized in both periods.

Critical accounting judgements, estimations, and assumptions adopted in developing the accounting policies when the Group prepares these consolidated financial statements are as following:

5.1 Critical judgements adopted by the accounting policies

(1) Business model determination for classification of financial assets

According to the reflected level of groups of financial assets jointly managed for achieving certain business purposes, the Group assesses the business model to which its financial assets belong. This assessment requires consideration on all relevant evidence, including measurement method for assets performance, risks that affect performance and the approach for determining compensation for the related managers, and requires utilization of judgements. The Group continues to assess whether its judgement for business model is appropriate or not. For this purpose, the Group monitors its financial assets measured at amortized cost that are written off before maturity date and investments in debt instruments measured at FVTOCI, understands whether or not the reason of disposal is consistent with the goal of business model. If it is found that the business model has changed, the Group would reclassify the financial assets according to IFRS 9 and prospectively apply after the reclassification date.

(2) Revenue recognition

According to IFRS 15, the Group determines whether or not the control over the specified goods or services had been obtained by the Group prior to transferring the goods or services to the customers and determines if the Group would be a

principal or an agent in the transaction. If it is determined that the Group is an agent in the transaction, then recognize net transaction amount as revenue.

If any one of the following conditions applies, the Group would be a principal:

- A. Before the goods or other assets are transferred to the customers, the Group had obtained the control over the goods or services from another party; or
- B. The Group controls the rights to the services provided by another party and has the ability to direct the party to provide the services to the customers on behalf of the Group; or
- C. The Group obtains control over the goods or services from another party, combining with other goods or services, to provide specified goods or services to the customers.

Indices used to determine whether or not the Group had obtained control over the goods or services prior to transferring the goods or services to the customers include (but not limited to):

- (A) The Group bears the main responsibility for the commitment to provide the specified goods or services.
- (B) The Group bears the risk of the inventories before and after the goods or services are transferred to the customers.
- (C) The Group has the discretionary power to determine the price.

(3) Lease period

When determining lease period, the Group considers all relevant facts and conditions that generate economic incentives to exercise (or not to exercise) options, including any anticipated changes to the facts or conditions from the starting date to the execution date of the options. Factors considered include contractual terms and conditions during the contractual period of the options, material leasehold improvement conducted during the contractual period (or expected contractual period), importance of the target assets to the Group's operations, etc. When there is a material change in material event or condition within the Group's controlling scope, re-assess the lease period.

5.2 Critical accounting estimates and assumptions

(1) Revenue recognition

Sales revenue is recognized when the control of goods or services are transferred to the customers and the contractual obligations are satisfied, and the related expected sales return, discount or other similar allowances are subtracted. The sales return and allowances are estimated based on historical experience and

other known reasons, and the Group periodically reviews reasonableness of the estimates.

(2) Estimated impairment on financial assets

The assessments of impairment loss on accounts receivable, debt instruments and financial guarantee contracts are based on the Group's assumptions regarding default rate and expected loss ratio. The Group considers past experience, current market condition and prospective information to make the assumptions and choose the input value for the impairment loss assessment. If the future actual cash flows are less than expected, material impairment loss may result.

(3) Fair value measurement and evaluation procedures

When there are no market quotes in an active market for the assets and liabilities measured at fair value, the Group, according to applicable laws and regulations or its own judgement, determines whether or not to outsource the evaluation work and determine the proper fair-value evaluation technique. If level one input value could not be obtained when estimating the fair value, the Group refers to the financial condition and operating results of the investees, latest transaction prices, quotes in inactive market for the same equity instrument, quotes for similar instruments in active market, evaluation multipliers for comparable companies and other information and determine the input value. If, in the future, the actual changes in input value differ from the expected value, changes in fair value may result. To monitor if the fair-value measurement is appropriate or not, the Group periodically updates the various input value based on market conditions.

(4) Impairment assessment of tangible and intangible assets

In the course of impairment assessments, the Group determines, based on how assets are utilized and relevant industrial characteristics, the useful lives of assets and the future cash flows of a specific group of the assets. Changes in economic circumstances or the Group's strategy might result in material impairment of assets in the future.

(5) Impairment assessment for investments accounted for using equity method

When there is sign showing that a particular investment under equity method may already have been impaired and the carrying amount could not be recovered, the Group immediately performs impairment assessment on the investment. The Group evaluates the recoverable amount and analyze reasonableness of the related assumptions according to the discounted present value of expected future cash flows either from operations of the investee company or from cash dividend and disposal of the investee company.

(6) Realizability of deferred income tax assets

Deferred income tax assets are recognized to the extent that it is probable that sufficient taxable income will be available in the future to allow the deductible temporary differences to be utilized. The Group's management assesses the realizability of deferred tax assets by making critical accounting judgements and significant estimates of expected future revenue growth rate and gross profit rate, the tax exemption period, available tax credits, and tax planning, etc. Changes in global economic environment, industrial environment, and laws and regulations might result in material adjustments to deferred income tax assets.

(7) Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value; thus, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items on balance sheet date due to the rapid technology changes and writes down inventories to the net realizable value.

(8) Calculation of net defined benefit liability

When calculating the present value of defined benefit obligations, the Group is required to apply judgment and estimates to determine the relevant actuarial assumptions at the balance sheet date, including discount rates and future salary increase rate. Any changes in actuarial assumptions may have a significantly impact on the amount of defined pension obligations of the Group.

(9) Incremental borrowing interest rate of lessee

When determining the lessee's incremental borrowing interest rate used for discounting lease payments, the risk-free rate under the same currency and relevant period is used as reference benchmark, along with consideration on the lessee's credit risk premium and specific lease adjustment (factors such as pledge of assets).

6. Description of Significant Accounting Items

6.1 Cash and cash equivalents

Item	December 31, 2025	December 31, 2024
Cash and petty cash	\$ 1, 971	\$ 2, 471
Checking account	83, 250	198, 651
Demand deposits	474, 328	303, 440
Foreign currency deposits	42, 127	18, 272
Time deposits	7, 493	5, 893
Total	<u>\$ 609, 169</u>	<u>\$ 528, 727</u>

Note: (1) The Group conducts businesses with financial institutions with good credit quality, and the Group conducts business with many financial institutions to diversify credit risks. The expected possibility of default is quite low.

(2) The Group does not have any cash and cash equivalents pledged to others.

6.2 Financial assets measured at FVTPL - current

Item	December 31, 2025	December 31, 2024
Mandatorily measured at FVTPL		
Domestic publicly traded shares	\$ 127, 999	\$ 120, 724

(1) The Group does not pledge any of its financial assets measured at FVTPL.

(2) Please refer to Note 12 for the related credit risk management and assessment methods.

6.3 Notes receivable, net

Item	December 31, 2025	December 31, 2024
Measured at amortized costs		
Notes receivable	\$ 1, 015, 203	\$ 985, 428
Less: Loss allowance	(8, 674)	(7, 409)
Notes receivable, net	\$ 1, 006, 529	\$ 978, 019

(1) As of December 31, 2025 and 2024, the Group has no notes receivable pledged to others.

(2) For disclosures relating to loss allowance for notes receivable, please refer to Note 6.4.

6.4 Accounts receivable, net

Item	December 31, 2025	December 31, 2024
Measured at amortized costs		
Accounts receivable	\$ 2, 006, 880	\$ 2, 267, 388
Construction accounts receivable	2, 568, 798	1, 859, 807
Accounts receivable - related parties	–	2, 636
Construction accounts receivable - related parties	12, 617	–
Less: Loss allowance	(40, 188)	(34, 786)
Accounts receivable, net	\$ 4, 548, 107	\$ 4, 095, 045

(1) The Group offers average 90 days credit period for accounts receivables from sale of goods. The credit standards are established based on the industrial characteristics, business scale and profitability of the transaction parties.

(2) The Group does not pledge any of its accounts receivable to others.

(3) A. The Group's accounts receivable is measured at amortized costs.

B. The Group adopts the simplified method in recognizing allowance for the uncollectable notes and accounts receivable based on the expected credit loss during the existing period. The expected credit loss during the existing period is the loss rate established after considering the customer's past default records, its present financial and economic conditions, and consideration on business prospect and external credit ratings for adjusting historical and present information. Since the Group's past credit loss experience shows that there was no significant difference in the types of loss among the different groups of customers, the provision matrix does not further distinguish these customer groups but only sets the expected rate of credit loss based on number of overdue days of the accounts receivable.

The Group's loss allowances (including related parties) for notes and accounts receivable (including overdue receivables) measured according to the provision matrix are as following:

December 31, 2025	Expected credit loss rate	Total book value	Loss allowance (Lifetime expected credit loss)	Amortized cost
Not overdue	0%~1%	\$ 5,603,498	\$ 48,862	\$ 5,554,636
Overdue 1~30 days (Note)	0%~1%	-	-	-
Overdue 31~180 days (Note)	0%~1%	-	-	-
Overdue 181~365 days and over (Note)	100%	8,216	8,216	-
		<u>\$ 5,611,714</u>	<u>\$ 57,078</u>	<u>\$ 5,554,636</u>

December 31, 2024	Expected credit loss rate	Total book value	Loss allowance (Lifetime expected credit loss)	Amortized cost
Not overdue	0%~1%	\$ 5,115,259	\$ 42,195	\$ 5,073,064
Overdue 1~30 days (Note)	0%~1%	-	-	-
Overdue 31~180 days (Note)	0%~1%	-	-	-
Overdue 181~365 days and over (Note)	100%	8,265	8,265	-
		<u>\$ 5,123,524</u>	<u>\$ 50,460</u>	<u>\$ 5,073,064</u>

Note: Based on the company's actual aging analysis schedule.

Expected rates of credit loss for the Group's above aging intervals (excluding abnormal accounts where 100% loss should be recognized): 0%~1% for

accounts that are not overdue or overdue within 180 days; 100% for accounts overdue 181~365 days and over.

C. Movements in loss allowance for notes and accounts receivable (including related parties):

Item	2025	2024
Beginning balance	\$ 50,460	\$ 74,619
Plus: Record impairment loss	6,622	8,387
Less: Reversed for impairment loss	–	–
Less: Write-down for uncollectable accounts	–	(33,435)
Effects of foreign exchange difference	(4)	889
Ending balance	<u>\$ 57,078</u>	<u>\$ 50,460</u>

The Group does not hold any collateral or credit enhancement for its accounts receivable.

D. With regards to credit risk management and assessment method, please refer to Note 12.

6.5 Inventories and cost of goods sold

Item	December 31, 2025	December 31, 2024
Finished goods	\$ 703,130	\$ 788,792
Work in progress	103,965	77,430
Raw materials	2,949,927	3,386,790
Supplies	9,737	11,210
Inventory in transit	68,334	94,323
Total	<u>\$ 3,835,093</u>	<u>\$ 4,358,545</u>

(1) Gains and losses related to inventory recognized as cost of goods sold were as follows:

Item	2025	2024
Costs to sell inventories	\$ 12,304,277	\$ 13,305,692
Construction cost	9,386,787	8,933,998
Processing cost	118,852	111,128
Loss (gain) for market price decline (recovery) of inventories and obsolete and slow-moving inventories	19,853	(27,643)
(Gain) loss on inventory counts	(552)	(1)
Income from sale of scraps	<u>(298,300)</u>	<u>(377,549)</u>

Item	2025	2024
Total operating costs	\$ 21,530,917	\$ 21,945,625

(2) The Group either reduces the book value of its inventories to their net realizable value, or records gains due to price recovery of inventories and consumption of stock. In the years of 2025 and 2024, the Group recorded \$19,853 thousand and (\$27,643) thousand of loss for market price decline (gain from price recovery) of inventories, respectively.

(3) The Group does not pledge any of its inventories.

6.6 Other financial assets - current

Item	December 31, 2025	December 31, 2024
Time deposits over 3 months	\$ 342,754	\$ 245,283
Restricted time deposits	45,217	41,878
Court deposits for false sequestration or provisional injunction of court	970	970
Total	\$ 388,941	\$ 288,131

(1) For the restricted and pledged time deposits and receivable court deposits for false sequestration or provisional injunction, please refer to Note 8.

(2) Since the Group's time deposits with original maturity date over three months do not meet the definition of cash equivalents, these time deposits are classified under other financial assets – current and, due to immaterial discount effects from short holding period, measured at investment amount. As of December 31, 2025 and 2024, the range of market interest rates for time deposits with original maturity date over three months was 1.20%~1.90% and 1.565%~2.20%, respectively.

6.7 FVTOCI financial assets - noncurrent

	December 31, 2025	December 31, 2024
Noncurrent items:		
Equity instruments		
Domestic investments		
Listed and emerging stocks		
Clientron Corp.	\$ 72	\$ 122
TBI Motion Technology Co., Ltd.	3,440	6,150
China Ecotek Corporation	159,109	182,736
Newmax Technology Co., Ltd.	1,180	1,264
Subtotal	163,801	190,272
Unlisted stocks		
Wabo Global Trading Corporation	5,056	5,226

	December 31, 2025	December 31, 2024
Chun Yuan Construction Co., Ltd. Preferred stock (Purchased in September 2023)	313, 002	262, 421
Chun Yuan Construction Co., Ltd. Preferred stock (Purchased in June 2025)	269, 326	–
Pro-Ascentek Investment Corporation	80, 995	88, 316
Subtotal	668, 379	355, 963
Foreign investments		
Unlisted stocks		
China Steel And Nippon Steel Vietnam Joint Stock Company	216, 901	327, 506
CSGT(Shenzhen) Co., Ltd.	1, 987	1, 198
Subtotal	218, 888	328, 704
Total	\$ 1, 051, 068	\$ 874, 939

- (1) The Group makes the above stock investments based on medium-to-long term strategic purposes and expects to earn profits through long-term investments. Since the management of the Group considers that, if short-term fluctuations in fair value of such investments are recorded in profit or loss, it will be inconsistent with the aforementioned long-term investment planning. Therefore, the Group had chosen to designate such investments as measured at FVTOCI.
- (2) As of December 31, 2025 and 2024, the Group did not pledge any of its FVTOCI financial assets.
- (3) For the related credit risk management and evaluation methods, please refer to Note 12.

6.8 Investments accounted for using equity method

Investees	December 31, 2025	December 31, 2024
Individually immaterial associates	\$ 739, 209	\$ 675, 015

- (1) Associates:

A. The Group's shares of individually immaterial associates are listed below:

Shares	2025	2024
Net income (loss)	\$ 97, 616	\$ 90, 579
Other comprehensive income (loss) (net of tax)	1, 207	972
Total comprehensive income (loss)	\$ 98, 823	\$ 91, 551

- B. The Group's shares of profit (loss) and other comprehensive income (loss) of its investments accounted for using equity method are computed using the financial statements audited by certified public accountants.
- C. In years of 2025 and 2024, the cash dividends that the Group received from the associates accounted for using equity method were \$34,628 thousand and \$40,007 thousand
- D. In years of 2025 and 2024, the stock dividends that the Group received from the associates accounted for using equity method were \$36,485 thousand and \$20,730 thousand
- E. None of the Group's held investments accounted for using equity method are used as collateral or pledged.

6.9 Property, plant and equipment

	December 31, 2025	December 31, 2024
Self-use	\$ 5, 859, 538	\$ 5, 630, 182
Rent out as operating lease	342, 443	346, 491
Total	<u>\$ 6, 201, 981</u>	<u>\$ 5, 976, 673</u>

- (1) Regarding amount of capitalized interests, please refer to Note 6.26.
- (2) After the Group performed impairment assessment, as of December 31, 2025 and 2024, there was no sign of impairment.
- (3) The Group does not pledge any of its property, plant and equipment.

Self-use

Item	December 31, 2025	December 31, 2024
Land (Note)	\$ 2, 794, 846	\$ 2, 794, 956
Buildings	2, 514, 150	2, 497, 649
Machinery equipment	5, 012, 016	4, 942, 078
Other equipment	692, 688	654, 929
Unfinished construction or equipment pending for inspection	1, 441, 364	1, 136, 137
Total cost	<u>12, 455, 064</u>	<u>12, 025, 749</u>
Less: Accumulated depreciation	(6, 584, 501)	(6, 384, 542)
Less: Accumulated impairment	(11, 025)	(11, 025)
Total	<u>\$ 5, 859, 538</u>	<u>\$ 5, 630, 182</u>

Note: Including land improvements.

	Land	Buildings	Machinery equipment	Other equipment	Unfinished construction or equipment pending for inspection	Total
<u>Cost</u>						
Balance, January 1, 2025	\$ 2,794,956	\$ 2,497,649	\$ 4,942,078	\$ 654,929	\$ 1,136,137	\$ 12,025,749
Additions	–	3,051	31,567	28,585	333,604	396,807
Disposals	(110)	(1,790)	(65,621)	(22,038)	–	(89,559)
Reclassification	–	12,248	97,285	30,352	(28,377)	111,508
Effect of foreign exchange differences	–	2,992	6,707	860	–	10,559
Balance, December 31, 2025	<u>\$ 2,794,846</u>	<u>\$ 2,514,150</u>	<u>\$ 5,012,016</u>	<u>\$ 692,688</u>	<u>\$ 1,441,364</u>	<u>\$ 12,455,064</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2025	\$ 24,258	\$ 1,914,756	\$ 3,930,986	\$ 525,567	\$ –	\$ 6,395,567
Depreciation expense	5	62,102	178,777	34,199	–	275,083
Disposals	–	(1,787)	(60,717)	(21,993)	–	(84,497)
Reclassification	–	–	(30)	30	–	–
Effect of foreign exchange differences	(1)	3,040	6,084	250	–	9,373
Balance, December 31, 2025	<u>\$ 24,262</u>	<u>\$ 1,978,111</u>	<u>\$ 4,055,100</u>	<u>\$ 538,053</u>	<u>\$ –</u>	<u>\$ 6,595,526</u>
	Land	Buildings	Machinery equipment	Other equipment	Unfinished construction or equipment pending for inspection	Total
<u>Cost</u>						
Balance, January 1, 2024	\$ 2,794,911	\$ 2,470,454	\$ 4,822,025	\$ 610,287	\$ 830,684	\$ 11,528,361
Additions	45	2,520	18,311	19,617	402,421	442,914
Disposals	–	(585)	(97,730)	(20,817)	–	(119,132)
Reclassification	–	7,103	154,171	44,556	(96,968)	108,862
Effect of foreign exchange differences	–	18,157	45,301	1,286	–	64,744
Balance, December 31, 2024	<u>\$ 2,794,956</u>	<u>\$ 2,497,649</u>	<u>\$ 4,942,078</u>	<u>\$ 654,929</u>	<u>\$ 1,136,137</u>	<u>\$ 12,025,749</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2024	\$ 24,247	\$ 1,836,568	\$ 3,810,304	\$ 516,336	\$ –	\$ 6,187,455
Depreciation expense	11	63,495	179,232	28,902	–	271,640
Disposals	–	(584)	(94,756)	(20,728)	–	(116,068)
Effect of foreign exchange differences	–	15,277	36,206	1,057	–	52,540
Balance, December 31, 2024	<u>\$ 24,258</u>	<u>\$ 1,914,756</u>	<u>\$ 3,930,986</u>	<u>\$ 525,567</u>	<u>\$ –</u>	<u>\$ 6,395,567</u>

Rent out as operating lease

Item	December 31, 2025	December 31, 2024
Land	\$ 306,034	\$ 306,034
Buildings	379,456	379,456
Machinery equipment	95,342	95,342
Total cost	780,832	780,832
Less: Accumulated depreciation	(438,389)	(434,341)
Total	\$ 342,443	\$ 346,491

	Land	Buildings	Machinery equipment	Total
Cost				
Balance, January 1, 2025	\$ 306,034	\$ 379,456	\$ 95,342	\$ 780,832
Additions	—	—	—	—
Disposals	—	—	—	—
From self-use assets	—	—	—	—
Balance, December 31, 2025	\$ 306,034	\$ 379,456	\$ 95,342	\$ 780,832

Accumulated depreciation and impairment				
Balance, January 1, 2025	\$ —	\$ 346,128	\$ 88,213	\$ 434,341
Depreciation expense	—	3,207	841	4,048
Disposal	—	—	—	—
From self-use assets	—	—	—	—
Balance, December 31, 2025	\$ —	\$ 349,335	\$ 89,054	\$ 438,389

	Land	Buildings	Machinery equipment	Total
Cost				
Balance, January 1, 2024	\$ 306,034	\$ 379,456	\$ 95,342	\$ 780,832
Additions	–	–	–	–
Disposals	–	–	–	–
From self-use assets	–	–	–	–
Balance, December 31, 2024	\$ 306,034	\$ 379,456	\$ 95,342	\$ 780,832
Accumulated depreciation and impairment				
Balance, January 1, 2024	\$ –	\$ 342,429	\$ 87,371	\$ 429,800
Depreciation expense	–	3,699	842	4,541
From self-use assets	–	–	–	–
Disposals	–	–	–	–
Balance, December 31, 2024	\$ –	\$ 346,128	\$ 88,213	\$ 434,341

The Group rents out land, offices and factories, with leasing periods from 1~3 years. All operating lease contracts include clauses that, when lessees exercise the lease-renewal rights, the rents are adjusted according to market rates. When the lease periods are ended, the lessees do not have bargain purchase option toward the assets.

The total lease receivable amounts for the property, plant and equipment rented out as operating leases in the future are as below:

	December 31, 2025	December 31, 2024
1 st year	\$ 54,349	\$ 54,349
2 nd year	13,388	53,551
3 rd year	–	13,388
Total	\$ 67,737	\$ 121,288

As of December 31, 2025 and 2024, the market value of the Group's assets rented out as operating leases are still higher than their net book value and are not impaired.

6.10 Leases

(1) Right-of-use assets

Item	December 31, 2025	December 31, 2024
Land	\$ 49,121	\$ 48,923
Buildings	57,839	42,333
Transportation equipment	858	3,553
Total cost	107,818	94,809
Less: Accumulated depreciation	(26,034)	(44,876)
Less: Accumulated impairment	–	–
Net amount	\$ 81,784	\$ 49,933

Cost	Land	Buildings	Transportation equipment	Total
Balance, January 1, 2025	\$ 48,923	\$ 42,333	\$ 3,553	\$ 94,809
Increase in this period	–	52,221	858	53,079
Decrease in this period	–	(36,715)	(3,553)	(40,268)
Effects of exchange rates	198	–	–	198
Balance, December 31, 2025	\$ 49,121	\$ 57,839	\$ 858	\$ 107,818

Accumulated depreciation and impairment				
Balance, January 1, 2025	\$ 11,882	\$ 30,201	\$ 2,793	\$ 44,876
Depreciation expense	2,133	17,986	855	20,974
Written off in this period	–	(36,348)	(3,553)	(39,901)
Effects of exchange rates	85	–	–	85
Balance, December 31, 2025	\$ 14,100	\$ 11,839	\$ 95	\$ 26,034

Cost	Land	Buildings	Transportation equipment	Total
Balance, January 1, 2024	\$ 47,373	\$ 36,103	\$ 3,553	\$ 87,029
Increase in this period	341	11,047	–	11,388
Decrease in this period	–	(4,817)	–	(4,817)
Effects of exchange rates	1,209	–	–	1,209
Balance, December 31, 2024	\$ 48,923	\$ 42,333	\$ 3,553	\$ 94,809

Accumulated depreciation and impairment				
Balance, January 1, 2024	\$ 9,503	\$ 20,165	\$ 1,609	\$ 31,277
Depreciation expense	2,151	14,853	1,184	18,188
Written off in this period	–	(4,817)	–	(4,817)
Effects of exchange rates	228	–	–	228
Balance, December 31, 2024	\$ 11,882	\$ 30,201	\$ 2,793	\$ 44,876

(2) Lease liabilities

Item	December 31, 2025	December 31, 2024
Book value of lease liabilities		
Current	\$ 17,819	\$ 11,726
Noncurrent	\$ 30,720	\$ 3,819

Range of discount rates for lease liabilities is shown as below:

	December 31, 2025	December 31, 2024
Land	0.78%	0.78%
Buildings	0.78%	0.78%

Regarding maturity analysis for lease liabilities, please refer to Note 12.2.

(3) Material leasing activities and terms

The Group leases several land, buildings for business use, with leasing periods from 1~8.5 years. The Group has recorded the renewal rights as part of lease liabilities. In addition, according to the contracts, without consent by the lessor, the Group may not sub-lease to third parties. As of December 31, 2025 and 2024, there was no sign of impairment on the right-of-use assets.

(4) Other lease information

A. For the Group's property, plant and equipment rented out as operating leases and agreements for investment properties, please refer to Note 6.9 "Property, plant and equipment".

B. Related lease expense information of the Group in 2025 and 2024:

Item	2025	2024
Short-term lease expense	\$ 4, 405	\$ 3, 975
Lease expense on low-value assets	\$ 1, 628	\$ 1, 603
Variable lease expense not included in lease liability measurement	\$ -	\$ -
Total cash outflow of lease (Note)	\$ 26, 201	\$ 22, 860

Note: Including principal and interest payments for lease liabilities in this period.

C. In 2025 and 2024, the Group has adopted the exemption treatment for short-term leases and low-asset-value leases and does not record the related right-of-use assets and lease liabilities.

6.11 Long-term notes receivable and receivables

	December 31, 2025	December 31, 2024
Overdue receivables	\$ 8, 216	\$ 8, 265
Less: Bad debt allowance	(8, 216)	(8, 265)
Net amount	\$ -	\$ -

(1) For the related disclosures on long-term notes receivable and allowance losses, please refer to Note 6.4.

(2) With regards to credit risk management and assessment method, please refer to Note 12.

6.12 Short-term borrowings

Nature of borrowing	December 31, 2025	
	Amount	Interest rate
Credit loan	\$ 3, 700, 333	1. 82%~1. 99%
Loan for purchasing materials	236, 825	1. 825%~5. 40%
Total	\$ 3, 937, 158	

Nature of borrowing	December 31, 2024	
	Amount	Interest rate
Credit loan	\$ 3, 254, 557	1. 814%~1. 99%
Loan for purchasing materials	445, 848	1. 90%~6. 501%
Total	<u>\$ 3, 700, 405</u>	

The Group does not provide any of its financial assets, factories or equipment as collateral for its short-term borrowings and had issued separate guaranteed notes collaterals. Please refer to Note 9 for details.

6.13 Short-term notes and bills payable

Item	December 31, 2025	December 31, 2024
Commercial papers payable	\$ 200, 000	\$ 502, 000
Less: Unamortized discount	(37)	(147)
Net amount	<u>\$ 199, 963</u>	<u>\$ 501, 853</u>
Range of interest rates	<u>1. 868%~1. 888%</u>	<u>1. 66%~1. 79%</u>

Commercial papers payable are guaranteed by the Bills Finance Company. Promissory notes are provided at the borrowing amounts as commitments to repay the loans. Please refer to Note 9 for details.

6.14 Financial liability for hedging - current

Item	December 31, 2025	December 31, 2024
Derivative financial liability for hedging - current		
Forward exchange contract - fair value hedge	<u>\$ -</u>	<u>\$ 11, 375</u>

- (1) The objective of hedge accounting is to minimize the impact of inconsistent accounting for hedged items and hedging instruments. In order to hedge the exposure to exchange rate fluctuations of purchase contracts without recognizing firm commitments, the Group undertakes forward purchases of Australian dollar contracts at a hedge ratio of 1:1 to keep the exchange rate within the Group's tolerable range.
- (2) Information on transactions for which the Group applies hedge accounting is as follows:

A. December 31, 2025: None

B. December 31, 2024 :

Hedging instrument	December 31, 2025				2025	
	Nominal amount (\$)	Carrying amount of assets	Carrying amount of liabilities	Changes in fair value of the basis for recognition of hedge ineffectiveness	Average price or rate	Gain or loss on valuation of financial assets/liabilities at fair value through profit or loss due to hedge ineffectiveness
Fair Value Hedging: Foreign exchange Rate Risk Forward foreign exchange transactions	AUD18,936,250	\$ -	\$11,375	(\$ 11,375)	\$20.483~20.99	(\$ 11,375)

Hedged items	Carrying amount of assets	Cumulative adjustments to carrying amount of assets due to fair value hedges	Carrying amount of liabilities	Cumulative adjustments to carrying amount of liabilities due to fair value hedges	Changes in fair value of the basis for recognition of hedge ineffectiveness	Amounts recognized in profit or loss due to hedge ineffectiveness
Fair Value Hedging: Foreign exchange Rate Risk Forward foreign exchange transactions	\$ 11,375	\$ 11,375	\$ -	\$ -	\$ 11,375	\$ 11,375

Note: Other current assets

6.15 Provisions - current

Item	December 31, 2025	December 31, 2024
Employee benefits	\$ 42, 859	\$ 36, 841

Item	2025	2024
Beginning balance	\$ 36, 841	\$ 37, 572
Accrued in this period	42, 742	36, 836
Reversed in this period	(36, 777)	(37, 629)
Foreign exchange rate effects	53	62
Ending balance	\$ 42, 859	\$ 36, 841

The provision for employee benefit liabilities is a valuation of employees' vested short-term service leave entitlements.

6.16 Long-term borrowings and long-term debt due within one year or one operating cycle

Item	December 31, 2025	December 31, 2024
Unsecured bank loan	\$ 1, 263, 160	\$ 948, 775
Less: Due within 1 year	(7, 300)	(240, 525)
Long-term borrowings	\$ 1, 255, 860	\$ 708, 250
Interest rate range	0. 964%~1. 500%	1. 375%~2. 036%

The Group provides no financial asset, plant and equipment as the collateral of long-term borrowings. Please refer to Note 9 for notes issued for guarantee.

6.17 Pensions

(1) Defined contribution plan

- A. At the end of 2004, the Group adopted the "Labor Pension Act" to handle the employees' self-appointed retirement and voluntary retirement plans. Since July 1, 2005, the Group has adopted a defined contribution pension plan under the Labor Pension Act, which is applicable to employees with nationalities of Taiwan. The Company and its employees who are under the Labor Pension Act choose to apply for the Labor Pension Plan, and contribute 6% of their monthly wages to the employees' individual accounts at the Bureau of Labor Insurance. The payment of the employee's pension depends on the amount of the employee's pension account and accumulated earnings, and is either in the form of a monthly pension or a lump-sum pension.
- B. The Group recognized total expenses of \$33,894 thousand and \$31,078 thousand in the statements of comprehensive income for the years ended December 31, 2025 and 2024, respectively, based on the amounts that should have been appropriated in accordance with the percentages specified in the defined contribution plan.

(2) Defined benefit plan

- A. The Group's pension plan under the Labor Standards Act of the R.O.C. is a government-administered defined benefit pension plan. Pension payments are based on the number of years of service and the average salary of the six months prior to the approved retirement date. The Company contributes 2% of the employees' monthly wages to the employees' pension fund, which is deposited by and in the name of the Supervisory Committee of Labor Retirement Reserve in a special account at the Bank of Taiwan. If the balance of the special account is not sufficient to cover the employees' retirement

benefits in the following year, the Company will make a lump-sum contribution to the special account at the amount of the difference by the end of March of the following year. The Bank of Taiwan has entrusted the management of this account to the Bureau of Labor Funds of the Ministry of Labor, and the Group has no right to influence the investment management strategy.

B. The Group's obligations arising from defined benefit plans are included in the balance sheet in the following amounts.

Item	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 610,782	\$ 651,451
Fair value of plan assets	(703,250)	(686,933)
Defined benefit liability (asset), net	(\$ 92,468)	(\$ 35,482)

C. Changes in the defined benefit liability are presented as follows.

Item	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance, January 1, 2025	\$ 651,451	(\$ 686,933)	(\$ 35,482)
Service cost			
Current-period service cost	6,924	–	6,924
Interest expense (revenue)	9,449	(10,044)	(595)
Recorded in profit or loss	16,373	(10,044)	6,329
Remeasurements			
Plan assets returns (excluding the amount in net interests)	–	(49,729)	(49,729)
Actuarial (gains) losses -			
Change in financial assumption	7,623	–	7,623
Experience adjustments	(10,217)	–	(10,217)
Recorded in other comprehensive income (loss)	(2,594)	(49,729)	(52,323)
Contribution by employer	(48,550)	(5,094)	(53,644)
Payment for benefits	(5,898)	48,550	42,652
Balance, December 31, 2025	\$ 610,782	(\$ 703,250)	(\$ 92,468)

Item	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance, January 1, 2024	\$ 663, 773	(\$ 671, 566)	(\$ 7, 793)
Service cost			
Current-period service cost	3, 038	–	3, 038
Interest expense (revenue)	7, 187	(7, 306)	(119)
Recorded in profit or loss	10, 225	(7, 306)	2, 919
Remeasurements			
Plan assets returns (excluding the amount in net interests)	–	(63, 229)	(63, 229)
Actuarial (gains) losses -			
Change in financial assumption	(15, 492)	–	(15, 492)
Experience adjustments	53, 779	–	53, 779
Recorded in other comprehensive income (loss)	38, 287	(63, 229)	(24, 942)
Contribution by employer	(60, 036)	(4, 868)	(64, 904)
Payment for benefits	(798)	60, 036	59, 238
Balance, December 31, 2024	\$ 651, 451	(\$ 686, 933)	(\$ 35, 482)

D. Because of the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

(A) Investment risk

Through self-investment or management assignment, the Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank savings. However, the distributable amount to the Group's plan assets is at no less than the revenue computed based on the interest rate of 2-year time deposits in local banks.

(B) Interest rate risk

A decrease in the government 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 debt investments of the plan assets.

(C) 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.

E. The main actuarial assumptions used were as follows:

Item	Measurement date	
	December 31, 2025	December 31, 2024
Discount rate	1.31%	1.57%
Future salary increase rate	1.50%	1.50%
Average duration of defined benefit obligations	5.2years	6.2years

(A) Assumptions of future mortality rates for the years ended December 31, 2025 and 2024 were based on the Taiwan Region 6th Experience Life Table.

(B) If there is any reasonable possible change in material actuarial assumption, holding other assumptions constant, would have affected increase (decrease) the defined benefit obligation by the amounts shown below:

Item	December 31, 2025	December 31, 2024
Discount rate		
0.5% increase	(\$ 14,659)	(\$ 18,241)
0.5% decrease	\$ 14,659	\$ 19,544
Future salary increase rate		
0.5% increase	\$ 14,048	\$ 18,892
0.5% decrease	(\$ 13,437)	(\$ 18,241)

The sensitivity analysis presented above may not be representative of the actual change in 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.

F. The contribution that the Group expects to make to its defined benefit pension plans and payment in 2026 is \$5,077 thousand.

6.18 Share capital - common shares

- (1) Reconciliation of the Group's outstanding common shares and amounts from the beginning to the end of period:

Item	2025	
	Number of shares (thousands)	Amount
Balance, January 1	647,655	\$ 6,476,554
Balance, December 31	647,655	\$ 6,476,554

Item	2024	
	Number of shares (thousands)	Amount
Balance, January 1	647,655	\$ 6,476,554
Balance, December 31	647,655	\$ 6,476,554

- (2) As of December 31, 2025, the Company's authorized capital is \$7,000,000 thousand, which is divided into 700,000 thousand shares.

6.19 Capital surplus

Item	December 31, 2025	December 31, 2024
Consolidation surplus	\$ 148, 853	\$ 148, 853
Long-term investments	15, 627	15, 627
Others	13, 484	13, 484
Total	\$ 177, 964	\$ 177, 964

According to the Company Act, in addition to offsetting against accumulated loss, when a company does not have accumulated loss, the capital surplus from additional paid-in capital in excess of par during stock issuance and from gifts received may be distributed to shareholders in form of new shares or cash according to their respective shareholding ratios. And according to the Securities and Exchange Act, when reinvest the above capital surplus as additional capital, the total amount is limited to 10% of the received capital. Unless when profit surplus is insufficient to offset loss, a company shall not replenish with capital surplus. Capital surplus generated from investments accounted for using equity method shall not be used for any purpose.

6.20 Retained earnings and dividend policy

(1) According to the Company's corporate charter regarding earnings-distribution policies, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve based the amount of stockholders' equity deduction item in the current year. After deducting various reserve items, the remainder, if any, then either to be combined with accumulated earnings from prior years or to be appropriated, shall be proposed by the board of directors and resolved by the stockholders at the stockholders' meeting. In the event that all payments are to be made in cash, the board of directors may do so by special resolution, which shall be reported to the stockholders meeting.

(2) Dividend policy:

The Company is in a matured industry, with stable profitability and robust financial structure. Over many years, the Company commits in diversification and investments in high-value-added steel products and high-tech industry to enlarge its business base. When the board of directors plans for earnings distribution, considering the financial structure, shareholders' equity, stability of dividends, except when capital funds are required, the actual earnings distribution each year accounts for at least 50% of current-year distributable earnings, of which cash dividend should account for no less than 10%.

(3) Except for being used to offset losses or for distributing new shares or cash according to shareholding ratios, legal reserve shall not be used. However, the amount for distributing new shares or cash is limited to the portion of legal reserve that is over 25% of the total received capital.

(4) Special reserve

A. When the Group distributes earnings, according to the laws and regulations, special reserve needs to be recognized based on the debit balance of other equity items on the balance sheet date of the year. Later when the debit balance of other equity items is reversed, the reversed amount can be included in the earnings available for distribution.

B. In accordance with Jin-Guan-Zheng-Fa-Zi Letter No.1090150022, dated March 31, 2021, the amounts previously set aside by the Group as special reserve may be reversed proportionately to distributable retained earnings when the relevant assets are used, disposed of or reclassified subsequently.

Item	December 31, 2025	December 31, 2024
Recorded debit balance of other equity	\$ -	\$ -
Recorded amount due to first adoption of IFRSs	1,324,287	1,324,287
Total	<u>\$ 1,324,287</u>	<u>\$ 1,324,287</u>

- (5) The appropriations of 2024 and 2023 earnings have been approved by the shareholders in its meetings in June 2025 and June 2024, respectively. The appropriations and dividends per share were as follows:

Item	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$ 109,518	\$ 86,596		
Cash dividends for common shares	841,952	647,655	\$ 1.30	\$ 1.00
Total	<u>\$ 951,470</u>	<u>\$ 734,251</u>		

- (6) On March 12, 2026, the Group's board of directors proposed the following plan for 2025 earnings distribution:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 155,856	
Cash dividends for common shares	1,295,311	\$ 2.00
Total	<u>\$ 1,451,167</u>	

- (7) Information on the resolution of the Board of Directors' and shareholders' meetings regarding the appropriation of earnings is available from the Market Observation Post System on the website of the TWSE.

- (8) Shenzhen Chun Yuan

According to Article 46 of corporate charter :

“When joint venture companies set aside reserve fund, business development funds or employee incentives and benefits funds from profits after income taxes are paid, with the set-aside ratio determined after discussion of the board of directors based on operating conditions of the company. But the total amount

shall be limited to 15% of after-tax profit, and the appropriation of reserve fund should be no less than 10% of after-tax profit.”

Note: Reserve fund is called Legal Reserve in the Republic of China (Taiwan).

(9) Shanghai Huateng, Shenzhen Hong Yuan, Qingdao Chun Yuan:

The Group shall set aside reserve fund and employee incentives and benefits funds from profits after income taxes are paid per regulations, with the set-aside ratio determined by the board of directors based on actual conditions. Reserve fund is mainly used in offsetting against company losses, and the set-aside ratio generally shall not be no less than 10% of after-tax profit.

6.21 Other equity

Item	Exchange differences from translation of foreign operations	Unrealized valuation (loss) gain on FVTOCI financial assets	Total
Balance, January 1, 2025	(\$ 201, 254)	\$ 50, 379	(\$ 150, 875)
Exchange differences generated from translation of foreign operations - parent company	5, 638	-	5, 638
Unrealized valuation (loss) gain on FVTOCI financial assets	-	(74, 212)	(74, 212)
Share of profits of subsidiaries, associates, and joint ventures under equity method	(5)	-	(5)
Balance, December 31, 2025	(\$ 195, 621)	(\$ 23, 833)	(\$ 219, 454)

Item	Exchange differences from translation of foreign operations	Unrealized valuation (loss) gain on FVTOCI financial assets	Total
Balance, January 1, 2024	(\$ 270, 780)	(\$ 4, 267)	(\$ 275, 047)
Exchange differences generated from translation of foreign operations - parent company	69, 508	-	69, 508
Unrealized valuation (loss) gain on FVTOCI financial assets	-	54, 646	54, 646
Share of profits of subsidiaries, associates, and joint ventures under equity method	18	-	18
Balance, December 31, 2024	(\$ 201, 254)	\$ 50, 379	(\$ 150, 875)

6.22 Non-controlling interest

Item	2025	2024
Beginning balance	\$ 383,820	\$ 368,624
Share attributed to non-controlling interest:		
Net income (loss) in this year	15,809	16,526
Other comprehensive income (loss) in this year	19,733 (	15,553)
Increase (decrease) in non-controlling interest	(32,382)	14,223
Ending balance	<u>\$ 386,980</u>	<u>\$ 383,820</u>

6.23 Operating revenue

Item	2025	2024
Revenue from contracts with customers		
Sales revenue	\$ 13,267,962	\$ 14,086,635
Revenue from construction contracts	10,921,420	9,927,656
Total sales revenue from contracts with customers	<u>\$ 24,189,382</u>	<u>\$ 24,014,291</u>

(1) Sales revenue

The Group's merchandise sales revenue comes from sale of steel and related products, mainly sold to retailers. According to general commercial practices, the Group accepts returned products and refunds the full amount. Considering past experience, the rate of product return does not have material effect on the Group.

(2) Revenue from construction contracts

Revenue from construction contracts of the Group comes from undertaking of steel structure constructions. By referencing the completion progress of the contract activities on the balance sheet date, the Group records revenue and cost, respectively, and the completion progress is measured based on the ratio of actual input cost over the expected total cost.

(3) Breakdown of revenue from contracts with customers

The Group's revenue may be divided into the following major product lines and geographical area:

2025:

Major product lines and geographical area	Steel	Construction	Total
Major market area			
Taiwan	\$ 8,908,539	\$10,921,420	\$ 19,829,959
Asia	3,712,553	–	3,712,553
The Americas	545,648	–	545,648
Europe	101,222	–	101,222
Total	<u>\$ 13,267,962</u>	<u>\$10,921,420</u>	<u>\$ 24,189,382</u>

Timing for recording revenue

Contract obligation fulfilled at a point of time	\$ 13,267,962	\$ –	\$ 13,267,962
Contract obligation fulfilled along with time	–	10,921,420	10,921,420
Total	<u>\$ 13,267,962</u>	<u>\$10,921,420</u>	<u>\$ 24,189,382</u>

2024:

Major product lines and geographical area	Steel	Construction	Total
Major market area			
Taiwan	\$ 9,349,523	\$ 9,927,656	\$ 19,277,179
Asia	4,164,390	–	4,164,390
The Americas	388,283	–	388,283
Europe	184,439	–	184,439
Total	<u>\$ 14,086,635</u>	<u>\$ 9,927,656</u>	<u>\$ 24,014,291</u>

Timing for recording revenue

Contract obligation fulfilled at a point of time	\$ 14,086,635	\$ –	\$ 14,086,635
Contract obligation fulfilled along with time	–	9,927,656	9,927,656
Total	<u>\$ 14,086,635</u>	<u>\$ 9,927,656</u>	<u>\$ 24,014,291</u>

(4) Contract balance

The Group records notes and accounts receivable, contract assets and contract liabilities related to revenue from contracts with customers are shown as following:

Item	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (including related parties)	\$ 1,006,529	\$ 978,019	\$ 1,013,195
Accounts receivable (including related parties)	\$ 4,548,107	\$ 4,095,045	\$ 3,625,483
Contract assets - current			
Construction contracts	\$ 4,801,409	\$ 3,928,402	\$ 3,508,996
Contract liabilities - current			
Construction contracts	\$ 2,189,536	\$ 1,664,844	\$ 723,130
Sale of merchandise	\$ 65,286	\$ 9,228	\$ 6,691

(5) Changes in contract assets and contract liabilities

Changes in contract assets and contract liabilities mainly come from different timing for fulfillment of contract obligations and payment by customers.

	2025	2024
Contract assets		
Change in measurement of completion	\$ 873,007	\$ 419,406
Contract liabilities		
Change in measurement of completion	\$ 524,692	\$ 941,714

(6) Revenue recorded from beginning contract liabilities

	2025	2024
Beginning balance of contract liabilities		
Revenue recorded		
Sales of merchandise	\$ 5,962	\$ 6,440
Construction contracts	\$ 1,664,844	\$ 723,130

(7) Unfulfilled customer contracts

As of December 31, 2025 and 2024, the existing periods for the unfulfilled merchandise-sale customer contracts and construction contracts of the Group do not exceed one year or one operating cycle and are expected to be fulfilled with revenue recorded within future one year or one operating cycle.

6.24 Other income

Item	2025	2024
Rental income	\$ 57,861	\$ 59,352
Dividend income	28,298	20,553
Commission income	15,286	19,109
Others	34,384	53,915
Total	<u>\$ 135,829</u>	<u>\$ 152,929</u>

6.25 Other gains and losses

Item	2025	2024
Net (loss) gain from FVTPL financial assets	\$ 7,275	\$ 25,215
Net foreign exchange (loss) gain	(4,615)	(906)
Gain on disposal of property, plant and equipment	1,718	3,069
Other losses	(1,065)	(4,841)
Total	<u>\$ 3,313</u>	<u>\$ 22,537</u>

6.26 Financial costs

Item	2025	2024
Interest expense:		
Bank loans	\$ 121,258	\$ 111,463
Interests from lease liabilities	225	154
Less: Capitalized assets that meet the requirements	(6,924)	(20,104)
Financial costs	<u>\$ 114,559</u>	<u>\$ 91,513</u>

6.27 Employee benefits, depreciation and amortization expense

By nature	2025		
	Operating costs	Operating expenses	Total
Employee benefits			
Salary	\$ 939,326	\$ 403,900	\$ 1,343,226
Labor and health insurance	144,805	48,280	193,085
Pension	30,333	9,890	40,223
Directors compensation	–	18,532	18,532
Other employee benefits	57,067	63,676	120,743
Depreciation expense	271,622	28,483	300,105
Amortization expense	11,113	10,751	21,864
Total	<u>\$ 1,454,266</u>	<u>\$ 583,512</u>	<u>\$ 2,037,778</u>

By nature	2024		
	Operating costs	Operating expenses	Total
Employee benefits			
Salary	\$ 886,660	\$ 366,978	\$ 1,253,638
Labor and health insurance	119,769	40,313	160,082
Pension	24,781	9,216	33,997
Directors compensation	–	13,556	13,556
Other employee benefits	72,784	56,005	128,789
Depreciation expense	266,388	27,981	294,369
Amortization expense	10,348	8,063	18,411
Total	<u>\$ 1,380,730</u>	<u>\$ 522,112</u>	<u>\$ 1,902,842</u>

- (1) Based on the earnings before tax and before subtracting compensation to employees and directors, the Company shall allocate not higher than 2% as employees' compensation and shall allocate not higher than 1% of annual profits as directors' remuneration. In 2025 and 2024, the accrued employees' compensation / directors remuneration were \$37,064 thousand / \$27,113 thousand and \$18,532 thousand / \$13,556 thousand, respectively, which were accrued based on the aforementioned 2% and 1% of earnings before tax. If subsequently, the actual distribution amounts after the issuance date of these financial statements are different from the above amounts, the difference would be adjusted and treated as changes in accounting estimates in the following year.
- (2) In 2026 and 2025, the board of directors of the Company passed the 2025 and 2024, respectively, the employees' compensation, directors' remuneration, and the related amounts recorded in the financial statements

	2025		2024	
	Employees compensation	Directors remuneration	Employees compensation	Directors remuneration
Resolved distribution amount	\$ 37,064	\$ 18,532	\$ 27,113	\$ 13,556
Amount recorded in annual financial statements	37,064	18,532	27,113	13,556
Difference amount	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

- (3) Information on employees' compensation and directors' and supervisors' remuneration of the Group as resolved by the meeting of Board of Directors is available from the Market Observation Post System at the website of the TWSE.

6.28 Income tax

(1) Income tax expense:

Item	2025	2024
<u>Current-period income tax</u>		
Income tax generated from current-period income	\$ 286,716	\$ 173,539
Deduction of income tax in Mainland China	(9,883)	(4,213)
Additional tax on undistributed earnings		–
Adjustments in respect of prior years	23	(2,880)
Total current-period income tax	<u>276,856</u>	<u>166,446</u>
<u>Deferred income tax</u>		
Initially generated or reversal of temporary differences	24,626	64,008
Deferred income tax expense	<u>24,626</u>	<u>64,008</u>
Income tax expense	<u>\$ 301,482</u>	<u>\$ 230,454</u>

(2) Income tax (expense) benefit related to other comprehensive income: None.

(3) Reconciliation between income tax (expense) and accounting profit:

Item	2025	2024
Income before income tax	<u>\$1, 865, 398</u>	<u>\$1, 387, 290</u>
Income before income tax at the statutory tax rate	\$ 373, 079	\$ 277, 458
Income tax affected by adjustment items:		
Effects from items not included when computing income tax		
Net investment loss (income) under equity method	(19, 523)	(18, 116)
Valuation loss (gain) on financial assets	(1, 455)	(5, 043)
Loss on expected credit impairment	36	14
Tax-exempt loss	(5, 660)	(4, 111)
Other adjustments	13, 102	36, 514
Adjustments in respect of prior years	(31, 383)	23
Deduction of income tax in Mainland China	(8, 816)	(9, 883)
Net changes in deferred income tax	<u>25, 181</u>	<u>24, 626</u>
Income tax expense recognized in profit or loss	<u>\$ 344, 561</u>	<u>\$ 301, 482</u>

The income tax rate for the Group entities under the tax laws of Republic of China is 20%, and the applicable tax rate on unappropriated earnings is 5%. The tax amounts generated in other regions are computed according to the applicable tax rates in respective regions.

Under the revised Statute for Industrial Innovation published by the President Office on July 2019, starting from year of 2018, the unappropriated retained earnings that are used to build or acquire certain assets or technology, when

reaching certain amount, may be included as a deduction item in computing unappropriated retained earnings. When the Group computes taxes on unappropriated retained earnings, only the portion of capital expenditures actually used for substantial investments was deducted.

- (4) Deferred income tax assets or liabilities generated from temporary differences, operating loss carryover, and investment credits:

Item	2025				
	Beginning balance	Recorded in profit or loss	Recorded in other comprehensive income (loss)	Exchange rate effects	Ending balance
Deferred income tax assets:					
Temporary differences					
Estimated engineering cost exceeding the amount in the contract	\$ 55,058	(\$ 36,929)	\$ -	\$ -	\$ 18,129
Defined benefit liability, net	1,750	247	-	-	1,997
Unrealized inventory valuation loss	7,367	1,861	-	-	9,228
Unused paid leaves	7,369	825	-	-	8,194
Operating loss carryover	16,169	(6,823)	-	-	9,346
Others	16,622	1,047	-	-	17,669
Subtotal	104,335	(39,772)	-	-	64,563
Deferred income tax liabilities					
Temporary differences					
Unrealized exchange gain	(402)	402	-	-	-
Reserve for unrealized land value increment	(808,968)	-	-	-	(808,968)
Others	(42,648)	14,189	-	-	(28,459)
Subtotal	(852,018)	14,591	-	-	(837,427)
Total	(\$ 747,683)	(\$ 25,181)	\$ -	\$ -	(\$ 772,864)

Item	2024				
	Beginning balance	Recorded in profit or loss	Recorded in other comprehensive income (loss)	Exchange rate effects	Ending balance
Deferred income tax assets:					
Temporary differences					
Estimated engineering cost exceeding the amount in the contract	\$ 51,297	\$ 3,761	\$ -	\$ -	\$ 55,058
Defined benefit liability, net	2,168	(418)	-	-	1,750
Unrealized inventory valuation loss	8,278	(911)	-	-	7,367
Unused paid leaves	7,838	(469)	-	-	7,369
Operating loss carryover	14,361	1,808	-	-	16,169
Others	23,719	(7,097)	-	-	16,622
Subtotal	107,661	(3,326)	-	-	104,335
Deferred income tax liabilities					
Temporary differences					
Unrealized exchange gain	(656)	254	-	-	(402)
Reserve for unrealized land value increment	(808,968)	-	-	-	(808,968)
Others	(21,094)	(21,554)	-	-	(42,648)
Subtotal	(830,718)	(21,300)	-	-	(852,018)
Total	(\$ 723,057)	(\$ 24,626)	\$ -	\$ -	(\$ 747,683)

- (5) Items not recognized as deferred income tax assets: None.
- (6) The Group's income tax returns through 2023 have been assessed and approved by the Tax Authority.
- (7) The 2024 corporate income tax had been filed within deadline and is currently under review by the Tax Authority.

6.29 Other comprehensive income or loss

Item	2025		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	\$ 52,323	\$ –	\$ 52,323
Unrealized valuation gain (loss) on FVTOCI financial assets	(74,212)	–	(74,212)
Share of profits of subsidiaries, associates, and joint ventures under equity method:			
Remeasurements of defined benefit liability	1,212	–	1,212
Subtotal	(20,677)	–	(20,677)
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations	25,371	–	25,371
Share of profits of subsidiaries, associates, and joint ventures under equity method:			
Exchange difference on translation of foreign operations	(5)	–	(5)
Subtotal	25,366	–	25,366
Recorded in other comprehensive income (loss)	\$ 4,689	\$ –	\$ 4,689

Item	2024		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	\$ 24,942	\$ –	\$ 24,942
Unrealized valuation gain (loss) on FVTOCI financial assets	54,646	–	54,646
Share of profits of subsidiaries, associates, and joint ventures under equity method:			
Remeasurements of defined benefit liability	954	–	954
Subtotal	80,542	–	80,542
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations	53,955	–	53,955
Share of profits of subsidiaries, associates, and joint ventures under equity method:			
Exchange difference on translation of foreign operations	18	–	18
Subtotal	53,973	–	53,973
Recorded in other comprehensive income (loss)	\$134,515	\$ –	\$134,515

6.30 Earnings per share

	2025	2024
A. Basic earnings per share:		
Net income in the current period (A)	\$ 1,505,028	\$ 1,069,282
Weighted-average outstanding number of shares (thousands) in the current period	647,655	647,655
Weighted-average number of shares (thousands) after retrospective adjustment (B)	647,655	647,655
Basic earnings per share (after tax) (NTD) (A)/(B)	\$ 2.32	\$ 1.65
B. Diluted earnings per share:		
Net income in the current period (C)	\$ 1,505,028	\$ 1,069,282
Weighted-average outstanding number of shares (thousands) in the current period	647,655	647,655
Effects from employees' compensation (thousand shares)	1,795	1,510
Weighted-average outstanding number of shares for computing diluted earnings per share (D)	649,450	649,165
Diluted earnings per share (after tax) (NTD)(C)/(D)	\$ 2.32	\$ 1.65

If the Company may choose to distribute employees' compensation either in stocks or in cash, then when computing diluted earnings per share, assuming that employees' compensation will be distributed in stocks and the potential common shares have dilution effects, the stocks are included in the weighted-average outstanding number of shares for computing diluted earnings per share. When computing diluted earnings per share before resolution to distribute employees' compensation in the next year, such dilution effects from the potential common shares are continuously taken in to consideration.

6.31 Reconciliation of liabilities from financing activities

Item	January 1, 2025	Cash flow	Non-cash movements Other non-cash movements	December 31, 2025
Short-term borrowings	\$ 3,700,405	\$ 236,753	\$ -	\$ 3,937,158
Short-term notes payable	501,853	(302,000)	110	199,963
Long-term borrowings (including borrowings due within one year)	948,775	314,385	-	1,263,160
Refundable deposits	25,512	2,141	-	27,653
Lease liabilities	15,545	(19,943)	52,937	48,539
Total liabilities from financing activities	\$ 5,192,090	\$ 231,336	\$ 53,047	\$ 5,476,473

Item	January 1, 2024	Cash flow	Non-cash movements	
			Other non-cash movements	December 31, 2024
Short-term borrowings	\$ 3,994,859	(\$ 294,454)	\$ –	\$ 3,700,405
Short-term notes payable	399,983	102,000	(130)	501,853
Long-term borrowings (including borrowings due within one year)	556,250	392,525	–	948,775
Refundable deposits	25,210	302	–	25,512
Lease liabilities	21,131	(17,128)	11,542	15,545
Total liabilities from financing activities	\$ 4,997,433	\$ 183,245	\$ 11,412	\$ 5,192,090

7. Related Party Transactions

7.1 Parent company and ultimate controller:

The Company is the ultimate controller of the Group.

7.2 Name of related party and relationship

Name of related party	Relationship with the Company
Chun Shyang Shin Yeh Industry Co., Ltd. ("Chun Shyang Shin Yeh")	Associate
Chun Yuan Construction Co., Ltd. ("Chun Yuan Construction")	Associate
Sinkang Industries Co., Ltd. ("Sinkang Industries")	Other related party
Yung Kuang Hwa Metal Industrial Co., Ltd. ("Yung Kuang Hwa")	Other related party
Marubeni-Itochu Steel Inc. ("Marubeni-Itochu Steel")	Other related party
Taiwan Steel Tower Co., Ltd. ("Taiwan Steel Tower")	Other related party

7.3 Significant transactions with related parties

The balances and transactions between the Group and the subsidiaries (related parties of the Company) had been written off when preparing the Consolidated Financial Statements and are not disclosed. The transaction details between the Group and the other related parties are disclosed as following:

(1) Purchases

Item	Related party category / Name	2025	2024
Purchases	Associate	\$ 1, 756	\$ 1, 696
	Other related party		
	Sinkang Industries	4, 526	9, 002
	Yung Kuang Hwa	5, 680	1, 873
	Marubeni-Itochu Steel	40, 890	42, 179
	Taiwan Steel Tower	429	533
	Total	<u>\$ 53, 281</u>	<u>\$ 55, 283</u>

Note: The transaction terms (price, payment) for the above purchases are the same as those of general non-related parties.

(2) Operating revenue

Item	Related party category / Name	2025	2024
Sales revenue	Associate	\$ 1, 479	\$ 1, 739
	Other related party	29	1, 390
	Total	<u>\$ 1, 508</u>	<u>\$ 3, 129</u>

Note: The transaction terms (price, receipt) for the above sales are the same as those of general non-related parties, with 3 months of collection period.

Item	Related party category / Name	2025	2024
Construction revenue	Associate - Chun Yuan Construction	<u>\$ 559, 386</u>	<u>\$ 348, 302</u>

The Group signed construction contract with the above related party according to the agreed prices and collection deadline under the contract, However, the collections may be postponed after agreement by both sides.

Item	Related party category / Name	2025	2024
Processing revenue	Associate - Chun Shyang Shin Yeh	<u>\$ 7, 232</u>	<u>\$ 8, 076</u>

(3) Property transaction

Acquisition of property, plant and equipment

Related party category / Name	Consideration received	
	2025	2024
Associate - Chun Yuan Construction	\$ 250,606	\$ 286,489

- A. On July 31, 2020, the board of directors of the Company passed the resolution to engage Chun Yuan Construction Co., Ltd. for building main body of the Sanchong office building and had signed the construction contract with Chun Yuan Construction Co., Ltd. on August 21, 2020, with total construction price of \$795,000 thousand with additional payments of \$6,600 thousand attended in August, 2021 and April, 2022, separately. As of December 31, 2025 and 2024, the amount of accumulated payments was \$802,923 thousand and \$694,031 thousand, respectively.
- B. On August 8, 2024, the board of directors of the Company passed the resolution to engage Chun Yuan Construction Co., Ltd. for constructing an additional bridge and special components plant and had signed the construction contract with Chun Yuan Construction Co., Ltd. on August, 2025, with total construction price of \$164,850 thousand. As of December 31, 2025 and 2024, the amount of accumulated payments was \$161,749 thousand and \$20,036 thousand, respectively.

(4) Various expenses

Related party category / Name	2025	2024	Nature of transaction
Associate	\$ 745	\$ 3,112	Finance costs
Associate	8	8	Other expense
Other related party	–	4	Processing expense
Other related party	–	33	Other expense
Total	\$ 753	\$ 3,157	

(5) Lease agreement

Item	Related party category	December 31, 2025	December 31, 2024
Right-of-use assets	Associate	\$ 1, 661	\$ 610
	Other related party	1, 623	3, 245
	Total	<u>\$ 3, 284</u>	<u>\$ 3, 855</u>

Item	Related party category	December 31, 2025	December 31, 2024
Lease liabilities	Associate	\$ 1, 664	\$ 616
	Other related party	1, 635	3, 258
	Total	<u>\$ 3, 299</u>	<u>\$ 3, 874</u>

Item	Related party category	2025	2024
Interest expense	Associate	\$ 7	\$ 9
	Other related party	19	31
	Total	<u>\$ 26</u>	<u>\$ 40</u>

(6) Other income

Related party category / Name	2025	2024	Nature of transaction
Associate	\$ 11, 889	\$ 12, 195	Other income
Associate - Chun Shyang Shin Yeh	53, 697	53, 687	Rental income
Associate - others	1, 917	1, 972	Rental income
Associate	1, 405	734	Interest income
Total	<u>\$ 68, 908</u>	<u>\$ 68, 588</u>	

A. The above rental prices are determined by referencing the market prices and after negotiation between the parties, and the rents are collected monthly or quarterly, of which the main contents of the lease contracts with Chun Yuan Construction and with Chun Shyang Shin Yeh are shown as following:

Lease subject	2025	
	Lease period / Monthly rents	Amount
Chun Yuan Construction:		
No. 236, Sec. Bade, Shengting Rd., Longtan Dist., Taoyuan City	2024.06.01~2025.05.31/74	\$ 1,917
4F.-1, No. 502, Fuxing N. Rd., Taipei City	2025.06.01~2026.05.31/74	
8F., No. 502, Fuxing N. Rd., Taipei City	2024.08.01~2025.07.31/88	2025.08.01~2027.07.31/88
B1., No. 21, Aly. 1, Ln. 488, Fuxing N. Rd., Taipei City	2024.06.01~2025.05.31/3	
	2025.06.01~2026.05.31/3	
	2024.06.01~2025.05.31/7	
	2025.06.01~2026.05.31/7	
Chun Shyang Shin Yeh:		
Longtan land, factory and equipment	2024.04.01~2027.03.31/4,463	53, 697
		<u>\$ 55, 614</u>

Lease subject	2024	
	Lease period / Monthly rents	Amount
Chun Yuan Construction:		
No. 236, Sec. Bade, Shengting Rd., Longtan Dist., Taoyuan City	2023.07.01~2024.05.31/74	\$ 1,972
4F.-1, No. 502, Fuxing N. Rd., Taipei City	2024.06.01~2025.05.31/74	
8F., No. 502, Fuxing N. Rd., Taipei City	2023.08.01~2024.07.31/88	2024.08.01~2025.07.31/88
B1., No. 21, Aly. 1, Ln. 488, Fuxing N. Rd., Taipei City	2023.06.01~2024.05.31/3	
	2024.06.01~2025.05.31/3	
	2023.07.01~2024.05.31/7	
	2024.06.01~2025.05.31/7	
Chun Shyang Shin Yeh:		
Longtan land, factory and equipment	2021.04.01~2024.03.31/4,463	53, 687
	2024.04.01~2027.03.31/4,463	
		<u>\$ 55, 659</u>

(7) Ending balances of receivables (payables)

Item	Related party category / Name	December 31, 2025	December 31, 2024
Accounts receivable	Associate	\$ –	\$ 1,743
Accounts receivable	Other related party	–	893
Construction accounts receivable	Associate - Chun Yuan Construction	12,617	–
Total		12,617	2,636
Less: Loss allowance		–	–
Net amount		\$ 12,617	\$ 2,636

As of December 31, 2025 and 2024, the recorded allowance for losses on the above receivables from related parties were both zero.

Item	Related party category / Name	December 31, 2025	December 31, 2024
Other receivables	Associate	\$ 2,479	\$ 907
Other receivables	Other related party	5	3
		\$ 2,484	\$ 910

As of December 31, 2025 and 2024, the recorded allowance for losses on the above other receivables from related parties were both zero.

Item	Related party category / Name	December 31, 2025	December 31, 2024
Accounts payable	Associate - Chun Yuan Construction	\$ 103,209	\$ 31,655
Accounts payable	Other related party	5,069	729
Notes payable	Other related party - Marubeni-Itochu Steel	8,936	14,405
Total		\$ 117,214	\$ 46,789

Item	Related party category / Name	December 31, 2025	December 31, 2024
Guarantee deposits received	Associate - Chun Shyang Shin Yeh	\$ 8,925	\$ 8,925
Guarantee deposits received	Associate - Chun Yuan Construction	126	126
Total		\$ 9,051	\$ 9,051

- (8) Contract assets (receivables for construction contracts) and Contract liabilities (payables for construction contracts)

Item	Related party category / Name	December 31, 2025	December 31, 2024
Contract assets	Associate - Chun Yuan Construction	\$ 116, 199	\$ 52, 730

Note: Contract assets (price, receipt) for the above purchases are the same as those of general non-related parties.

Item	Related party category / Name	December 31, 2025	December 31, 2024
Contract liabilities	Associate - Chun Yuan Construction	\$ 540, 680	\$ 393, 556

Note: Contract liabilities (price, payment) for the above purchases are the same as those of general non-related parties.

- (9) Others:

The Group's participation in the issuance of preferred shares for cash capital increase and increase in investment in related parties by cash is as follows:

2025:

Investee	Increase in investment		Shareholding	
	Number of shares (thousand shares)	Amount	Before capital increase	After capital increase
Associate				
Chun Yuan Construction	25, 034	\$ 250, 340	83. 13%	83. 27%

(Note) It is a subscription for preferred shares issued by associates and are recorded as a financial asset measured at FVTOCI.

2024: None

- (10) Financing: Please refer to Note 13.1(1).

- (11) Endorsements and guarantees: Please refer to Note 13.1(2).

7.4 Key management compensation

Related party category / Name	2025	2024
Salary and other short-term employee benefits	\$ 73, 579	\$ 58, 057
Post-retirement benefits	95	106
Total	\$ 73, 674	\$ 58, 163

8. Pledged Assets

8.1 Pledging of bank deposits

Item	Purpose of pledge	December 31, 2025	December 31, 2024
Time deposit at First Commercial Bank – Minquan Branch	Guarantee deposit for construction	\$ 591	\$ 581
Time deposit at Chang Hwa Bank - Peimen Branch	Guarantee deposit for construction	619	609
Time deposit at Sunny Bank - Minsheng Branch	Guarantee deposit for construction	44,007	40,688
Total		<u>\$ 45,217</u>	<u>\$ 41,878</u>

8.2 Other pledged assets

Name of pledged asset	Purpose of pledge	December 31, 2025	December 31, 2024
	Deposits for false		
Reserved deposit	sequestration or provisional injunction	\$ 970	\$ 970

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

9.1 To secure loan facilities, offering fulfillment or warranty guarantees for construction contracts, as of December 31, 2025 and 2024, the Group issued guarantee notes of \$21,580,778 thousand and \$19,630,726 thousand, respectively, and are recorded as Guarantee notes deposits and Guarantee notes payable.

9.2 To secure fulfillment guarantees for construction contracts, as of December 31, 2025 and 2024, the Group received guarantee notes of \$93,917 thousand and \$34,590 thousand, respectively, and are recorded as Guarantee notes deposits received and Guarantee notes receivable.

9.3 As of December 31, 2025 and 2024, the details of the Group's issued yet unused letters of credit are as following:

Item	Unit: thousand dollars			
	December 31, 2025		December 31, 2024	
Letter of Credit Amount	NTD	608,774	NTD	648,268
	USD	643	USD	5,708
	AUD	–	AUD	18,936

10. Significant Disaster Losses: None.

11. Significant Subsequent Events: None.

12. Others

12.1 Capital risk management

Since the Group needs to maintain significant capital to pay for the needs of expansion, improving factories and equipment, the Group manages to ensure sufficient financial resources and operating plans required to satisfy the needs of operating funds, capital expenditures, research expenditures, repayment of debts, dividend payments, etc. in the coming 12 months.

12.2 Financial instruments

A. Financial risk management policies

The Group's daily activities are exposed to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk. In order to reduce the related financial risks, the Group's overall risk management strategy focuses on identifying, assessment and avoiding uncertainties of markets in order to mitigate potential adverse effects on the Group's financial performance from market fluctuations.

The Group's material financial activities are reviewed and approved by the Board of Directors in accordance with relevant requirements and internal control mechanism, which requires the Group to comply with its financial operating policies and procedures that provide guiding principles for the overall financial risk management and accountability and separation of duties.

B. Nature and degree of material financial risks

(A) Market Risk

a. Exchange rate risk

The Group is exposed to exchange rate risks from sales, purchases, borrowing transactions in non-functional currencies and from net investments in foreign operations. The Group's functional currency is mainly in NTD. Part of the Group's foreign-currency receivables and payables are in the same currency, where hedge effects would naturally take place. Since the net investments in foreign operations are strategic investments, the Group does not perform hedging for the investments.

The Group assigns the current portion of the foreign exchange forward contracts to avoid exchange rate risks, with the adopted hedge ratio of 1:1, and most of the contract due dates are within 1 year from the reporting date. The future portion of the foreign exchange

forward contracts is not assigned as hedge instrument, but is recorded as a standalone hedge cost as a component “Other equity – gains or losses of hedge instruments” under equity. The Group’s policy is to request that the critical articles of the foreign exchange forward contracts shall match with the hedged items.

Using the exchange rates, amounts and timing of the cash flows as basis, the Group determines whether or not the economic relationships between the hedged items and the hedge instruments exists. The Group uses virtual derivative instrument method to assess if the assigned derivative instruments in each hedge relationship are expected or could actually and effectively offset changes in the cash flows of the hedged items.

In the above hedge relationship, the major sources of ineffective hedges are:

Effects of credit risks of the transaction counterparties and the Group on the fair value of the foreign exchange forward contracts. Because changes in fair value of the hedged items are due to changes in exchange rates of the hedges cash flows, and do not reflect the effects from the above-mentioned credit risks and changes in the timing of the cash flows from the hedged transactions.

b. Exposure to exchange rates and sensitivity analysis (including items and amounts from transactions within the Group that were written off in the consolidated financial statements)

(Foreign currency: functional currency)	December 31, 2025					
	Foreign currency	Exchange rate	Book value (NTD thousand)	Sensitivity analysis		
				Change scale	Effect on profit or loss	Effect on equity
Financial assets						
Monetary items						
USD:NTD	\$ 1,308	31.38	\$ 41,045	Appreciate 1%	\$ 328	\$ -
JPY:NTD	56,031	0.1988	11,139	Appreciate 1%	89	-
USD:RMB	4,514	7.0201	141,651	Appreciate 1%	1,133	-
Long-term investments accounted for using equity method						
USD:NTD	79,928	31.38	2,508,141	Appreciate 1%	-	20,065
Financial liabilities						
Monetary items						
USD:NTD	6,460	31.38	202,715	Appreciate 1%	1,622	-
USD:RMB	446	7.0201	14,021	Appreciate 1%	112	-
(Foreign currency: functional currency)	December 31, 2024					
	Foreign currency	Exchange rate	Book value (NTD thousand)	Sensitivity analysis		
				Change scale	Effect on profit or loss	Effect on equity
Financial assets						
Monetary items						
USD:NTD	\$ 1,748	32.74	\$ 57,230	Appreciate 1%	\$ 458	\$ -
USD:RMB	5,176	7.3573	169,462	Appreciate 1%	1,356	-
Long-term investments accounted for using equity method						
USD:NTD	75,900	32.74	2,484,966	Appreciate 1%	-	19,880
Financial liabilities						
Monetary items						
USD:NTD	2,615	32.74	85,615	Appreciate 1%	685	-
USD:RMB	446	7.3573	14,602	Appreciate 1%	117	-

After assessment, there is no material effect on exchange gains or losses from fluctuations in exchange rates of the Group's monetary items.

c. Price risk

The Group is exposed to price risk of equity instruments since the Group holds investments in equity instruments. These equity instrument investments are classified either as FVTPL financial assets or financial assets measured at FVTOCI.

The Group mainly invests in domestic listed equity instruments, and the prices of such equity instruments would be affected by uncertainty of future value of such instruments. If the prices of equity instruments had increased or decreased by 1%, the after-tax income / other comprehensive income for 2025 and 2024, through increase or decrease in fair value of FVTPL / FVTOCI financial assets, would have increased (decreased) by \$1,280 thousand / \$1,638 thousand and \$1,207 thousand / \$1,903 thousand, respectively.

d. Interest rate risk

(a) The Group's interest rate risk arises primarily from its investment positions and financial liabilities. The carrying amounts of financial assets and financial liabilities exposed to interest rate risk at the reporting date were as follows:

Item	Carrying amount	
	December 31, 2025	December 31, 2024
Interest rate risk on fair value:		
Financial assets	\$ 395,464	\$ 293,054
Financial liabilities	(5,400,281)	(5,151,033)
Net amount	(\$ 5,004,817)	(\$ 4,857,979)
Interest rate risk on cash flows:		
Financial assets	\$ 516,455	\$ 321,712
Financial liabilities	–	–
Net amount	\$ 516,455	\$ 321,712

(b) Sensitivity analysis for instruments with fair value interest rate risk:

The Group does not classify any financial assets and liabilities with fixed interest rates to FVTPL financial assets or FVTOCI financial assets, nor does the Group designate any derivative instrument (interest rate swap) as hedge instrument under the fair-value hedge accounting model. Therefore, the changes in

interest rates on the reporting date will not affect profit or loss and other comprehensive income.

(c) Sensitivity analysis for instruments with cash flow interest rate risk:

The Group's financial instruments with variable interest rates are assets (liabilities) with floating interest rates, and their effective interest rates will change along with fluctuations in market interest rates, which then make future cash flows fluctuate. If the market interest rate increases by 1%, the Group's 2025 and 2024 net income will increase by \$4,132 thousand and \$2,574 thousand, respectively.

(B) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily bank deposits and various financial instruments. Credit risk is managed separately for business related and financial related exposures.

a. Business-related credit risk

In order to maintain the credit quality of trade receivables, the Group has established procedures for credit risk management related to business operations. Risk evaluation for individual customer is performed taking into account various factors that may affect the customer's payment ability, including the customer's financial condition, internal credit ratings of the Group, historical transaction records, current economic conditions, etc.

b. Financial credit risk

The Group's exposure to financial credit risk pertaining to bank deposits and other financial instruments was evaluated and monitored by the Group's treasury function. The Group only transacts with creditworthy counterparties, banks, financial institutions with investment grade, companies and government agencies; therefore, no material concern on fulfillment of contracts, thus there is no material credit risk. In addition, the Group does not classify any financial

instrument as measured at amortized cost or as FVTOCI debt instruments.

(a) Credit concentration risk

As of December 31, 2025 and 2024, the Group's top 10 customer's account for 47.78% and 35.51% of the Group's total accounts receivables, respectively, and the credit concentration risk for the rest of accounts receivable is relatively insignificant.

(b) Measurement of expected credit impairment loss

- (i) Accounts receivable: Simplified method is adopted, please refer to Note 6.4.
- (ii) Basis for determining whether or not credit risk increases significantly: None. (The Group does not have any financial instrument classified as measured at amortized cost or FVTOCI debt instruments)

c. The Group does not hold any collateral or other credit-enhancing securities to avoid credit risk related to financial assets.

(C) Liquidity risk

a. Liquidity risk management

The objective of the Group's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid securities, and banking facilities to ensure that the Group has sufficient financial flexibility for its operations.

b. Maturity analysis for financial liabilities

Non-derivative financial liabilities	December 31, 2025					Contract cash flows	Book value
	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years		
Short-term borrowings	\$ 3,950,424	\$ –	\$ –	\$ –	\$ –	\$ 3,950,424	\$ 3,937,158
Short-term notes and bills payable	200,000	–	–	–	–	200,000	199,963
Notes payable	64,152	–	–	–	–	64,152	64,152
Notes payable - related parties	8,936	–	–	–	–	8,936	8,936
Accounts payable	1,289,892	–	–	–	–	1,289,892	1,289,892
Accounts payable - related parties	108,278	–	–	–	–	108,278	108,278
Other payables	647,453	–	–	–	–	647,453	647,453
Guarantee deposits received	27,653	–	–	–	–	27,653	27,653
Long-term borrowings (including those due within 1 year)	8,620	15,821	243,011	831,620	167,605	1,266,677	1,263,160
Total	<u>\$ 6,305,408</u>	<u>\$ 15,821</u>	<u>\$243,011</u>	<u>\$831,620</u>	<u>\$167,605</u>	<u>\$ 7,563,465</u>	<u>\$ 7,546,645</u>

Additional information for analysis on due dates of lease liabilities:

	< 1 year	1-5 years	5-10 years	10-15 years	> 15 years	Total undiscounted lease payments	Book value
Lease liabilities	\$ 18,120	\$ 31,083	\$ –	\$ –	\$ –	\$ 49,203	\$ 48,539

December 31, 2024

Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flows	Book value
Short-term borrowings	\$ 3,709,980	\$ –	\$ –	\$ –	\$ –	\$ 3,709,980	\$ 3,700,405
Short-term notes and bills payable	502,000	–	–	–	–	502,000	501,853
Notes payable	50,855	–	–	–	–	50,855	50,855
Notes payable - related parties	14,405	–	–	–	–	14,405	14,405
Accounts payable	1,085,599	–	–	–	–	1,085,599	1,085,599
Accounts payable - related parties	32,384	–	–	–	–	32,384	32,384
Other payables	558,872	–	–	–	–	558,872	558,872
Guarantee deposits received	25,512	–	–	–	–	25,512	25,512
Long-term borrowings (including those due within one year)	77,119	176,157	66,416	543,679	125,960	989,331	948,775
Total	\$ 6,056,726	\$ 176,157	\$ 66,416	\$543,679	\$125,960	\$ 6,968,938	\$ 6,918,660

Additional information for analysis on due dates of lease liabilities:

	< 1 year	1-5 years	5-10 years	10-15 years	> 15 years	Total undiscounted lease payments	Book value
Lease liabilities	\$ 11,853	\$ 3,839	\$ –	\$ –	\$ –	\$ 15,692	\$ 15,545

The Group does not expect early realization or significant difference in the actual cash flows in the analysis.

(1) Types of financial instruments

As of December 31, 2025 and 2024, the carrying amounts of the Group's financial assets and financial liabilities are listed below:

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 609, 169	\$ 528, 727
Notes and accounts receivable (including related parties)	5, 554, 636	5, 073, 064
Other receivables (including related parties)	35, 755	32, 059
Other financial assets - current	388, 941	288, 131
Refundable deposits	16, 390	16, 040
Financial assets at FVTOCI - noncurrent	1, 051, 068	874, 939
Financial assets at FVTPL	127, 999	120, 724
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	3, 937, 158	3, 700, 405
Short-term notes and bills payable	199, 963	501, 853
Notes and accounts payable (including related parties)	1, 471, 258	1, 178, 673
Other payables (including related parties)	647, 453	563, 442
Guarantee deposits received	27, 653	25, 512
Long-term borrowings (including those due within one year)	1, 263, 160	948, 775

12.3 Fair value information

(1) For information regarding the fair value of the Group's financial assets and financial liabilities that are not measured at fair value, please refer to Note 12.3(3).

(2) Fair value are grouped into Levels 1 to 3 as follows:

Level 1:

Inputs for this level are openly quoted prices in active markets for the same instruments. An active market refers to a market that meets all of the following criteria: has traded merchandises of the same nature; buyer and seller with intention to trade may be found anytime in the market, and the price information is available to the public. The fair value of Group's investment in listed stocks, beneficiary certificates, and derivative instruments with openly quoted prices in active markets, etc. are all of this level.

Level 2:

Inputs in this level include observable prices other than publicly quoted prices in an active market, including observable inputs obtained directly (e.g., prices) or indirectly (e.g., derived from prices) from an active market.

Level 3:

Inputs in this level represent input parameters for measuring fair value that are not based on observable inputs available in the market.

(3) Financial instruments that are not measured at fair value

The book value of the Group's financial instruments that are not measured at fair value (including cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, refundable deposits, short-term borrowings, notes and accounts payable, other payables and guarantee deposits received) reasonably approximates their fair value.

(4) Fair value information by level:

The Group's financial instruments are measured at fair value on repetitive basis. And assets held for sale are measured at lower of book value or fair value less selling costs on non-repetitive basis. The Group's fair value information by level is shown as following schedule:

Item	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Repetitive fair value				
FVTPL financial assets				
Equity securities	\$ 127, 999	\$ -	\$ -	\$ 127, 999
FVTOCI financial assets				
Equity securities				
Domestic publicly traded shares	163, 801	-	-	163, 801
Domestic or overseas non-publicly traded shares	-	-	887, 267	887, 267
Total	<u>\$ 291, 800</u>	<u>\$ -</u>	<u>\$ 887, 267</u>	<u>\$1, 179, 067</u>

Item	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Repetitive fair value				
FVTPL financial assets				
Equity securities	\$ 120,724	\$ -	\$ -	\$ 120,724
FVTOCI financial assets				
Equity securities				
Domestic publicly traded shares	190,272	-	-	190,272
Domestic or overseas non-publicly traded shares	-	-	684,667	684,667
Total	<u>\$ 310,996</u>	<u>\$ -</u>	<u>\$ 684,667</u>	<u>\$ 995,663</u>

(5) Fair value valuation techniques for instruments measured at fair value:

A. If openly quoted prices in active markets for financial instruments are available, the Group will use the openly quoted prices in active markets as the fair value. The market prices in major exchanges or polished market prices by OTC are all basis for fair value publicly traded equity instruments and debt instruments with quoted prices in the active market.

If the open quotes can be timely and generally obtained from exchange, brokerages, underwriter, industrial union, pricing service agency or competent authority, then the financial instruments are considered having open quotes in active markets. If the above conditions could not be met, then such markets are deemed as inactive. Generally speaking, if the price differences are quite large, significant increase in buying and selling price gap or decrease in transaction volume, then they are all indices of inactive market.

Based on classification and nature of financial instruments (that have active market) held by the Group are listed below:

(A) Listed stocks: Closing price

(B) Close fund: Closing price

B. Except for the above financial instruments with active markets, the fair values of other financial instruments are determined by using valuation techniques or by reference to quotes from counterparty. The fair values of financial instruments determined by using valuation techniques can be referred to current fair values of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including by applying model using market information available on the consolidated balance sheet date (i.e., yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

The Group's held unlisted stocks without active market, their fair value is estimated by market approach. The determination is assessed based on valuation on companies of the same type, quotes from 3rd party, net book value of the Group and operating condition. In addition, the material unobservable inputs are mainly liquidity discount, but since possible changes due to liquidity discounts would not lead to material potential financial effects, therefore, the quantified information is not disclosed.

C. Valuations for derivative financial instruments are based on valuation model widely accepted by market users, such as Discounted Cash Flow Approach and Option Pricing Model. Forward exchange contracts are generically valued based on the forward exchange rates at present time. Structured interest-rate derivative financial instruments are valued according to appropriate Option Pricing Model (such as Black-Scholes Model) or other valuation method, such as Monte Carlo simulation.

D. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

(6) Transfer between Level 1 and Level 2 of the fair value hierarchy: None.

(7) Changes in level 3 instruments:

Item	Investments in financial instruments without open quotes	
	2025	2024
Beginning balance	\$ 684,667	\$ 646,615
Addition in this period	250,340	–
Gains or losses recognized in other comprehensive income or loss	(47,740)	38,052
Disposal in this period (returned capital from liquidation or capital reduction)	–	–
Exchange rate effects	–	–
Ending balance	<u>\$ 887,267</u>	<u>\$ 684,667</u>

(8) Quantified information for fair value measurement of material unobservable input
(Level 3):

	December 31, 2025		Valuation method	Material unobservable inputs	Interval (Weighted average)	Relationships between inputs and fair value
	Fair value					
Non-derivative financial assets:						
Un-listed stocks	\$	223, 944	Market approach	Liquidity discount	8.6%~10.6%	The higher liquidity discount, the lower fair value
Un-listed stocks		80, 995	Net asset value method	Net Asset Value	Not applicable	The higher net asset value, the higher fair value
Un-listed preferred stocks		582, 328	Income approach	Capitalization rate	1.98%	The higher capitalization rate, the lower fair value
	December 31, 2024		Valuation method	Material unobservable inputs	Interval (Weighted average)	Relationships between inputs and fair value
	Fair value					
Non-derivative financial assets:						
Un-listed stocks	\$	333, 930	Market approach	Liquidity discount	9.6%~15.11%	The higher liquidity discount, the lower fair value
Un-listed stocks		88, 316	Net asset value method	Net Asset Value	Not applicable	The higher net asset value, the higher fair value
Un-listed preferred stocks		262, 421	Income approach	Capitalization rate	2.37%	The higher capitalization rate, the lower fair value

(9) Evaluation procedures for Level 3 fair value:

According to the Group's valuation procedures for Level 3 fair value classification, the Group's accounting department take responsibility independently verifying the fair value of the financial instruments. The evaluation works include using independent source data to make the valuation result close to the market condition and confirming independence and reliability of the data source, consistency with other resources, and representing execution price and regularly calibrate the evaluation model, conduct back-testing, and update the

inputs and data required for the evaluation model, as well as any other necessary fair value adjustments are made to ensure reasonable valuation results.

Regarding measurement for Level 3 fair value, the sensitivity analysis on reasonable potential substitute assumption of fair value:

Item	Input value	Change	December 31, 2025			
			Profit or loss		Other comprehensive income (loss)	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument						
Un-listed stocks	Liquidity discount	1%	\$ -	\$ -	\$ -	(\$ 3, 823)
		— 1%	\$ -	\$ -	\$ 3, 823	\$ -
Item	Input value	Change	December 31, 2024			
			Profit or loss		Other comprehensive income (loss)	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument						
Un-listed stocks	Liquidity discount	1%	\$ -	\$ -	\$ -	(\$ 3, 623)
		— 1%	\$ -	\$ -	\$ 3, 623	\$ -

13. Supplementary Disclosures

13.1 Information on significant transactions

- (1) Loans to others: Table 1.
- (2) Endorsements and guarantees provided to others: Table 2.
- (3) Marketable securities held at the end of the period: Table 3.
- (4) Total purchases from or sales to related parties of 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: None.
- (6) Information about the derivative financial instruments transaction: None.
- (7) Business relationships and material transactions between the parent company and subsidiaries: Table 5

13.2 Information on investees: Table 6.

13.3. Information on investment in Mainland China: Table 7.

Table 1

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries

Loans to Others

December 31, 2025

In thousands of NTD and foreign currency

No.	Financing Company	Counter-party	Financial Statement Account	Related Party (Yes/No)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
1	Shenzhen Chun Yuan Steel Industry Co., Ltd. ("Shenzhen Chun Yuan")	Shenzhen Hong Yuan Metal Industry Co., Ltd. ("Shenzhen Hong Yuan")	Other receivables - related parties	Yes	\$ 178,800	\$ 178,800	\$ 129,630	2.85%	1	\$17,032	-	\$ -	None	\$ -	\$ 178,800	\$ 318,421

Note 1: Nature of loan:

- (1) Has business transactions, put 1.
- (2) Has necessity for short-term financing, put 2.

Note 2: Computation for financing limits to any individual entity and total financing limits by Shenzhen Chun Yuan:

- (1) Total lending amount by Shenzhen Chun Yuan to others is limited to 40% of the net worth of Shenzhen Chun Yuan.
- (2) Financing limits by Shenzhen Chun Yuan to each borrower:
 - A. Subsidiary or parent company: No more than 40% of the net worth of Shenzhen Chun Yuan.
 - B. Has business transactions: Accumulated lending amount shall not exceed the total business transaction amount in the latest one year. However, if with related party of Shenzhen Chun Yuan, the lending amount shall not exceed RMB40,000 thousand and no more than 40% of the net worth of Shenzhen Chun Yuan.

Table 2

Chun Yuan Steel Industry Co., Ltd.
Endorsements and Guarantees Provided to Others
December 31, 2025

In thousands of NTD

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed party		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party (Note2)	Maximum Balance for the Period (Note 2)	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 (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	Chun Yuan Steel Industry Co., Ltd.	Chun Yuan Construction Co., Ltd.	Companies mutually guaranteed by contract between industrial peers based on the needs of business relationship and construction undertaking	\$12,912,149	\$ 7,764	\$ 7,764	\$ 7,764	\$ -	0.06%	\$ 12,912,149	N	N	N	
1	Shenzhen Chun Yuan Steel Industry Co., Ltd. ("Shenzhen Chun Yuan")	Shenzhen Hong Yuan	1. Has business transactions 2. Directly or indirectly hold over 50% voting shares of the investee company	1,725,900	1,129,680	1,129,680	1,011,840	-	127.11%	2,582,430	N	N	Y	

Note 1: Illustration for the "No." column:

- (1) Security issuer, put 0.
- (2) Investee companies, start serial numbers from 1.

Note 2: (1) The maximum limit of guarantee provided by the Company to any individual entity and maximum limit of the total amount of guarantee provided by the Company:

Total amount of guarantee provided by the Company, or total amount of guarantee provided by the Company and subsidiaries, shall not exceed the net worth of the Company.

1. Maximum limit of total guarantee provided by the Company to any individual entity:

- A. Has business transactions: Shall not exceed the total transaction amount between the guaranteed party and the Company in the latest one year, and shall not exceed 10% of the Company's net worth.
- B. Parent or subsidiary of the Company: Shall not exceed 50% of the Company's net worth.
- C. Peer companies mutually guaranteed by contract based on the needs of construction undertaking, or providing guarantee due to joint investment per shareholding ratios: Shall not exceed the Company's net worth.

2. Maximum limit of guarantee provided by the Company and subsidiaries to any individual entity:

- A. Has business transactions: Shall not exceed 10% of the Company's net worth and shall not exceed the total transaction amount between the guaranteed party and the Company in the latest one year. But if the guaranteed party is an associate of the Company or the Company's subsidiary, then shall not exceed 20% of the Company's net worth.
- B. Parent or subsidiary of the Company: Shall not exceed 50% of the Company's net worth.

- C. Peer companies mutually guaranteed by contract based on the needs of construction undertaking, or providing guarantee due to joint investment per shareholding ratios:
Shall not exceed the Company's net worth.
3. The computations for the maximum limits in this schedule are based on the net worth amount in the Company's latest (2025 Q4) audited financial statements.
- (2) Computation for maximum limit of guarantee provided by the Shenzhen Chun Yuan to any individual entity and maximum limit of the total amount of guarantee provided by the Shenzhen Chun Yuan:
- Total amount of guarantee provided by the company, or total amount of guarantee provided by the company and subsidiaries, shall not exceed 20% of the net worth of the parent company.
- Maximum limits of guarantee provided by the company or by the company and subsidiaries as a whole, to any individual entity:
- A. Has business transactions: Shall not exceed the total transaction amount between the guaranteed party and the company in the latest one year. But if the guaranteed party is an associate of the company, then shall not exceed USD55,000 thousand and shall not exceed 20% of the net worth of Chun Yuan Steel Industry Co., Ltd.
- B. Parent or subsidiary of the Company: Shall not exceed 20% of the net worth of Chun Yuan Steel Industry Co., Ltd.
- C. Peer companies mutually guaranteed by contract based on the needs of construction undertaking, or providing guarantee due to joint investment per shareholding ratios: Shall not exceed the company's net worth.
- The term "net worth" is based on latest audited financial statements.

Table 3

Chun Yuan Steel Industry Co., Ltd.
Marketable Securities Held
December 31, 2025

In thousands of NTD

Holding Company	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	End of period				Note
				Shares	Book Value	Percentage of Ownership (%)	Fair value	
Chun Yuan Steel Industry Co., Ltd.	United Microelectronics Corp.	-	FVTPL financial assets - current	7,994	\$ 394	-	\$ 394	
	Fubon Financial Holding Co., Ltd. – Common Shares	-	FVTPL financial assets - current	1,124,872	108,100	-	108,100	
	China Steel Corporation	-	FVTPL financial assets - current	515,613	9,797	-	9,797	
	Taiwan Mask Corporation	-	FVTPL financial assets - current	107,663	3,806	-	3,806	
	Fubon Financial Holding Co., Ltd.- A Special Shares	-	FVTPL financial assets - current	36,515	2,311	-	2,311	
	Fubon Financial Holding Co., Ltd.- B Special Shares	-	FVTPL financial assets - current	40,010	2,468	-	2,468	
	Fubon Financial Holding Co., Ltd.- C Special Shares	-	FVTPL financial assets - current	21,029	1,123	-	1,123	
	Wabo Global Trading Corporation	-	FVTOCI financial assets - noncurrent	595,000	5,056	5.00%	5,056	
	Pro-Ascentek Investment Corporation	-	FVTOCI financial assets - noncurrent	8,000,000	80,995	6.67%	80,995	
	Clientron Corp.	-	FVTOCI financial assets - noncurrent	9,645	72	-	72	
	Shieh-Tai Biochemical Technology Co., Ltd.	-	FVTOCI financial assets - noncurrent	120,339	-	-	-	
	Tbi Motion Technology Co., Ltd.	-	FVTOCI financial assets - noncurrent	100,000	3,440	-	3,440	
	China Steel And Nippon Steel Vietnam Joint Stock Company	-	FVTOCI financial assets - noncurrent	18,368,000	216,901	2.00%	216,901	
	Chien Tai Cement Co., Ltd.	-	FVTOCI financial assets - noncurrent	16	-	-	-	
	Lion Corp. Berhad	-	FVTOCI financial assets - noncurrent	890,400	-	-	-	
	China Ecotek Corporation	-	FVTOCI financial assets - noncurrent	2,990,772	159,109	-	159,109	
	Newmax Technology Co., Ltd.	-	FVTOCI financial assets - noncurrent	43,384	1,180	-	1,180	
	Shenzhen Zongmao International Trading Co., Ltd.	-	FVTOCI financial assets - noncurrent	-	1,987	7.50%	1,987	
	Chun Yuan Construction Co., Ltd. – Special Shares (Purchased in September 2023)	-	FVTOCI financial assets - noncurrent	29,093,766	313,002	83.13%	313,002	
	Chun Yuan Construction Co., Ltd. – Special Shares (Purchased in June 2025)	-	FVTOCI financial assets - noncurrent	25,034,048	269,326	83.45%	269,326	

Table 4

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
Total Purchases From or Sales to Related Parties of at least NT\$100 Million or 20% of the Paid-in Capital
December 31, 2025

In thousands of NTD

Purchasing (Selling) Company	Name of counterparty	Relationship	Transaction Details				Circumstances and reasons why the trading conditions are different from those of ordinary transactions		Notes/Accounts Receivable (Payable)			Footnote
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% to Total	
Chun Yuan Steel Industry Co., Ltd.	Chun Yuan Construction Co., Ltd.	Investee company valued using equity method	Construction revenue	\$ 559, 386	2. 31%	Collect along with construction progress	Same	–	Receivables for construction contracts	\$ 12, 617	0. 23%	
									Payables for construction contracts	103, 209	7. 02%	

Table 5

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
Business Relationships between Parent and Subsidiaries and Significant Transactions
December 31, 2025

In thousands of NTD

No. (Note 1)	Company Name	Counter-Party	Nature of Relationships (Note 2)	Transaction Details			
				Account	Amount	Transaction Terms	% to Total Consolidated Revenue or Total Assets (Note 3)
0	Chun Yuan Steel Industry Co., Ltd.	Shanghai Huateng Metal Processing Co., Ltd.	Parent to subsidiary	Other income	4, 719	Per agreed contract	0. 02
0	Chun Yuan Steel Industry Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Parent to subsidiary	Other receivables	4, 393	Per agreed contract	0. 02
0	Chun Yuan Steel Industry Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Parent to subsidiary	Other income	4, 393	Per agreed contract	0. 02
0	Chun Yuan Steel Industry Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Parent to subsidiary	Operating revenue	634	The transaction terms (price, receipt) are the same as those of general non-related parties	–
0	Chun Yuan Steel Industry Co., Ltd.	Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	Parent to subsidiary	Other income	3, 760	Per agreed contract	0. 02
1	Shenzhen Chun Yuan Steel Industry Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Rental income	10, 811	Per agreed contract	0. 04
1	Shenzhen Chun Yuan Steel Industry Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Other receivables	131, 678	Per agreed contract	0. 54
1	Shenzhen Chun Yuan Steel Industry Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Interest income	3, 324	Per agreed contract	0. 01
1	Shenzhen Chun Yuan Steel Industry Co., Ltd.	Shanghai Huateng Metal Processing Co., Ltd.	Subsidiary to subsidiary	Operating revenue	10, 213	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 04
2	Shanghai Huateng Metal Processing Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Operating revenue	39, 547	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 16
2	Shanghai Huateng Metal Processing Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	7, 796	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 03
2	Shanghai Huateng Metal Processing Co., Ltd.	Shenzhen Chun Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Operating revenue	9, 180	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 04
2	Shanghai Huateng Metal Processing Co., Ltd.	Shenzhen Chun Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	6, 967	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 03
2	Shanghai Huateng Metal Processing Co., Ltd.	Chun Yuan Steel Industry Co., Ltd.	Subsidiary to parent	Operating revenue	6, 271	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 03
3	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Shanghai Huateng Metal Processing Co., Ltd.	Subsidiary to subsidiary	Operating revenue	14, 078	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 06
3	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Chun Yuan Steel Industry Co., Ltd.	Subsidiary to parent	Operating revenue	1, 158	The transaction terms (price, receipt) are the same as those of general non-related parties	–
4	Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Operating revenue	3, 854	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 02
4	Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	Shenzhen Hong Yuan Metal Industry Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	2, 245	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 01
4	Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	Shanghai Huateng Metal Processing Co., Ltd.	Subsidiary to subsidiary	Operating revenue	26, 709	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 11

4	Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	Shanghai Huateng Metal Processing Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	1, 727	The transaction terms (price, receipt) are the same as those of general non-related parties	0. 01
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Note 1: Information regarding transactions between parent and subsidiaries shall be respectively noted in the “No.” column as following:

1. Parent company, put 0.
2. Subsidiaries, start serial numbers from 1.

Note 2: Indication numbers for the following three types of relationship between the transaction parties:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary

Note 3: Regarding computation for the ratio of transaction amount over the total consolidated revenue or assets, for asset or liability items, compute based on ending balance which accounts for the total consolidated assets; for profit or loss items, compute based on accumulated interim amount which accounts for the total consolidated revenue.

Note 4: Whether or not significant transactions are listed in this schedule is determined based on materiality principle of the Company.

Table 6

Chun Yuan Steel Industry Co., Ltd. and Subsidiaries
Information on investees
December 31, 2025

In thousands of foreign currency and NTD
Unit of shares: Share

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at year-end			Net income (losses) of the investee	Share of profit/loss of investee	Footnote
				Year end	Year end of last year	Number of shares	Ratio (%)	Book value			
Chun Yuan Steel Industry Co., Ltd.	Chun Yuan Construction Co., Ltd.	Taiwan	Construction industry; Design and construction for steel structures and bridges	\$ 59,635	\$ 59,635	26,451,364	26.33%	\$ 395,863	\$ 271,867	\$ 71,673	
	Chun Yuan Investment (Singapore) Pte Ltd.	Singapore	General investment activities	967,317	967,317	48,423,650	100.00%	2,508,150	97,590	97,590	
	Chun Shyang Shin Yeh Industry Co., Ltd.	Taiwan	Manufacturing, sale, lease and repair of auto sheet metal parts, stamping parts, molds, jigs, inspection/measuring tools.	68,568	68,568	6,856,000	48.97%	343,346	52,977	25,943	
Chun Yuan Investment (Singapore) Pte Ltd.	Chun Yuan Investment (BVI) Co, Ltd.	British Virgin Islands	General investment activities	693,135 (USD 21,900)	693,135 (USD 21,900)	–	100.00%	USD 54,820	USD 2,558	USD 2,558	

Table 7

Chun Yuan Steel Industry Co., Ltd.
Information on investment in Mainland China
December 31, 2025

(1)

In thousands of foreign currency, NTD

Investee in Mainland China	Main Business Activities	Total Amount of Paid-in Capital	Investment method (Note 1)	Accumulated Outflow of Investment from Taiwan as of beginning of period	Investment Flows		Accumulated Outflow of Investment from Taiwan by the End of Period	Net Income (Losses) of the Investee	Ownership held by the Company (direct or indirect) (%)	Share of Profits/Losses (Note2)	Carrying Amount of Investment by the End of Period	Accumulated Inward Remittance of Earnings by the End of Period
					Outflow	Inflow						
Shenzhen Chun Yuan Steel Industrial Co., Ltd.	Manufacturing of galvanized sheet, coated sheet, aluminum sheet and other metal sheets.	\$ 651,398 (USD 21,245) (Note 6, Note 7)	(B)	\$ 316,773 (USD 10,630)	\$ -	\$ -	\$ 316,773 (USD10,630)	\$ 8,288 (USD 266)	87.97%	(B). 2 \$ 7,291 (USD 234)	\$ 700,288 (USD 22,316)	\$ -
Shanghai Huateng Metal Processing Co., Ltd.	Manufacturing of stamped silicon steel transformer parts, rotors, stators, home appliance cases, office furniture and steel plates for bicycles.	799,583 (USD 24,800)	(B)	249,739 (USD 8,000)	-	-	249,739 (USD 8,000)	53,844 (USD 1,729)	80.59%	(B). 2 43,393 (USD 1,393)	944,404 (USD 30,096)	268,438 (USD 8,991)
Shenzhen Hong Yuan Metal Industry Co., Ltd.	Manufacture of stamped silicon steel transformer parts, rotors and stators.	153,036 (USD 4,680) (Note 4, 8, 9)	(B)	68,477 (USD 2,143)	-	-	68,477 (USD 2,143)	18,939 (USD 608)	86.21%	(B). 2 16,327 (USD 524)	199,749 (USD 6,365)	51,459 (USD 1,758)
Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	Production of new electromechanical components, fine stamping dies and other related metal products.	592,009 (USD 18,000) (Note 5)	(B)	216,497 (USD 6,700)	-	-	216,497 (USD 6,700)	45,089 (USD 1,447)	95.00%	(B). 2 42,834 (USD 1,375)	699,769 (USD 22,300)	129,483 (USD 4,165)

Accumulated Investment in Mainland China by the End of Period	Investment Amounts Authorized by Investment Commission, MOEA	Limit of investment in Mainland China in accordance with the regulations of the Investment Commission, MOEA
\$ 851,486	\$ 966,511	\$ 7,979,477

Note: The investment income or losses recorded in this period are computed based on average exchange rate of 1 USD = 31.15 NTD. And the carrying value of investments at the end of the period are computed based on exchange rate of 1 USD = 31.38 NTD

Note 1: Investment methods are classified into the following 3 categories:

- (A) Direct investment in Mainland China.
- (B) Indirect investment in Mainland China through third country.
- (C) Other method.

Note 2: In the “Share of Profits/Losses” column, the basis for recording the profits or losses are categorized into the following 3 categories, shall indicate clearly:

(A) If under preparation and without profit or loss, shall indicate clearly.

(B) Basis for recording the profits or losses are categorized into the following 3 categories, shall indicate clearly.

1. Based on audited financial statements of international accounting firm with cooperating relationships ROC accounting firms.

2. Audited financial statements of the Taiwan parent company.

3. Other (self-prepared financial statements).

Note 3: According to regulation by Investment Commission, MOEA, the accumulated investment amount or ratio in the investments in Mainland China is limited to 60% of the Company’s equity or consolidated equity, whichever is higher.

Note 4: Invested 45% of shares in 2002 through the third entity Chun Yuan Investment (Singapore) Pte Ltd., and invested 25% of shares in Shenzhen Hong Yuan Metal Industry Co., Ltd. via 2001 earnings of the indirectly invested Shenzhen Chun Yuan. There was no outflow of funds.

Note 5: In April 2005, after permission by Investment Commission, MOEA, invested USD17,100 thousand in Qingdao Chun Yuan Precision Mechatronic Co. through Chun Yuan Investment (Singapore) Pte Ltd. in the third region ; The company obtained business certificate on June 30, 2005, with registered paid-in capital of USD18,000 thousand. Based on the conditions of the funds reaching Mainland China, Chun Yuan Investment (Singapore) Pte Ltd., using the above funds and distributed profits from the directly or indirectly invested subsidiaries in Mainland China over the past years, invested in Qingdao Chun Yuan Precision Mechatronic Co., Ltd. through Chun Yuan Investment (BVI) Co, Ltd. As of December 31, 2024, the accumulated outflow of funds was USD17, 100 thousand.

Note 6: In July 2007, after permission by Investment Commission, MOEA, additional USD5,250 thousand of capital increase was directly transferred out to Chun Yuan Investment (Singapore) Pte Ltd., of which USD2,000 thousand was from distributed profits from subsidiaries in Mainland China, invested in Shenzhen Chun Yuan through Chun Yuan Investment (BVI) Co, Ltd.

Note 7: In July 2008, after permission by Investment Commission, MOEA, additional USD2,850 thousand of capital increase was invested in Chun Yuan Investment (Singapore) Pte Ltd., along with USD1,000 thousand of earnings distribution from subsidiaries in Mainland China over the past years, purchased 14.12% of equity in Shenzhen Chun Yuan that was held by China National Nuclear Corporation (Shenzhen) Limited, Mainland China.

Note 8: In 2008, using its own capital, Shenzhen Chun Yuan purchased 15% of equity in Shenzhen Hong Yuan that was held by China National Nuclear Corporation (Shenzhen) Limited, Mainland China.

Note 9: In March 2010, after permission by Investment Commission, MOEA, additional USD2,500 thousand of capital increase in Chun Yuan Investment (Singapore) Pte Ltd. by the Company. As of December 31, 2024, USD2,143 thousand had been transferred out, and the fund was directly transferred for acquiring 45.79% of equity in Shenzhen Hong Yuan Metal Industry Co., Ltd.

Note 10: In June 2011, Investment Commission, MOEA approved USD16,000 thousand of investment in Xiamen Chun Yuan Precision Mechatronic Co., Ltd. through 3rd region, Chun Yuan Investment (Singapore) Pte Ltd. In April 2013, after approval by Investment Commission, MOEA, the investment amount was reduced to USD9,450 thousand. As of December 31, 2024, USD9,450 thousand had been transferred out. On November 26, 2021, Chun Yuan Singapore sold all of its equity interests in Xiamen Chun Yuan Precision Mechatronic Co., Ltd. Therefore, from that date forward, Xiamen Chun Yuan is no longer the Company’s subsidiary.

Note 11: On November 5, 2021, the Group’s Board of Directors passed a resolution for the early cessation of the operation of Shanghai Chun Yuan Steel Industry Co., Ltd. and adopted the following procedures of dissolution, with the dissolution completed at July 25, 2022 and the registration canceled at September 6, 2022.

Note 12: The Company indirectly invested in Xiamen Chun Yuan Precision Mechatronic Co., Ltd. in Mainland China for the equity transfer price of US\$2,668,121.43 and the residual assets of Shanghai Chun Yuan Steel Industry Co. Ltd. was liquidated for US\$6,101,878.57, totaling US\$8,770,000. The amount was refunded by Chun Yuan Investment (Singapore) Pte Ltd., a third-party investment company, through capital reduction and was remitted back to the Company on January 18, 2023, and it was reported to the Investment Commission of the Ministry of Economic Affairs, with the approval Letter No. 11200013180

Note 13: The Company’s indirect investment in Ningbo Huayang Aluminum Technology Co., Ltd. in Mainland China was liquidated for US\$752,248.10, which had been refunded through a capital reduction by Chun Yuan Investment (Singapore) Pte Ltd and transferred back to the Company on October 7, 2024. On November 25, 2024, the Company was authorized by the Investment Commission of the Ministry of Economic Affairs under Letter No. 11320213200 for record.

(2) Material indirect transactions with Mainland China investee companies through business entities in the third region:

For material direct or indirect transactions that the Group had with the Mainland China investee companies through business entities in the third region during 2024, please refer to “Information on significant transactions” and “Business relationships between parent and subsidiaries and condition of important transactions” in the consolidated financial statements.

14. Segment Information

14.1 The Group currently has 7 reporting segments, which are Construction Business Division, First Business Division, Second Business Division, Third Business Division, Qingdao Chun Yuan, Shanghai Huateng, and Shenzhen Hong Yuan.

Main businesses:

Construction Business Division—Undertaking of various large construction projects (buildings, factories, bridges and equipment).

First Business Division—Manufacturing and processing of various hot-roll steel sheets, cold-roll steel sheets, coating-plated and aluminum materials.

Second Business Division—Manufacturing and selling of EI sheets suitable for various transformers, stabilizers; manufacturing and selling of iron rotor/stator cores for various motors; manufacturing and selling of various molds; as well as the manufacture and sale of special steel alloys, including tool steel and structural steel (round bars and plates).

Third Business Division—Manufacture and sale of stainless steel, carbon steel, alloy steel, carbon tool steel, spring steel coils, steel strips, copper strips (brass, phosphor bronze, red copper, etc.) and general cold- and hot-rolled steel coils; providing laser cutting, clipping, punching, pressing, welding, shaping, and other professional processing services and planning; design, manufacture, install and sell various mechanical or electronically controlled moving cabinets, light/medium/heavy material racks and other logistics storage equipment.

Qingdao Chun Yuan—Manufacturing and selling of new types of mechanical and electrical components, fine blanking dies, and other related metal products.

Shanghai Huateng—Manufacturing of cold-rolled silicon steel sheets, various metal materials, rotors, stators.

Shenzhen Hong Yuan—Manufacturing and selling of transformer parts, rotors, stators made of reel-punched silicon steel.

14.2 Basis for information on the Group's major segments:

(1) Taiwan Region: Based on strategic business units, with respective management team and provide different products and services. Since each strategic business unit requires different technologies and marketing strategies, the respective strategic business units are managed separately and report to their respective operating decision makers.

(2) Mainland China: Based on regional operating units, the respective operating units have their own management team and are managed separately and report to their respective operating decision makers.

14.3 The Group does not allocate income tax expenses (benefits) or non-regular profit or losses to the reporting segments. In addition, not all of profit or losses of the reporting segments include material non-cash items other than depreciation and amortization. The reporting amounts are consistent with the reports used by the operating decision makers.

Except that pension expenses of each operating segment are recorded and measured on cash basis, the accounting policies of the operating segments are the same as those mentioned in the Parent company's summary of significant accounting policies. The operating profit or loss of the Group's operating segments are measured based on before-tax operating profit or loss (not including non-regular profit or losses and foreign exchange gains or losses) and are used as basis for measuring performances. The transactions and transfers among the Group's segments are regarded as arm's length transactions and measured based on current market prices.

14.4 Segment Information:

(1) 2025

Item	In thousands of NTD									
	Construction Business Division	First Business Division	Second Business Division	Third Business Division	Qingdao Chun Yuan	Shanghai Huateng	Shenzhen Hong Yuan	Other Divisions	Adjustment and write-offs	Total
Operating revenue:										
From outside customers	\$11,050,956	\$6,554,324	\$1,274,673	\$1,187,039	\$1,184,842	\$1,790,560	\$ 670,248	\$ 476,740		\$ 24,189,382
Revenue among segments		269,468	20,557	24,424	32,187	54,747	15,374	(302,112)	(114,645)	–
Total revenue	\$11,050,956	\$6,823,792	\$1,295,230	\$1,211,463	\$1,217,029	\$1,845,307	\$ 685,622	\$ 174,628	(\$ 114,645)	\$ 24,189,382
Depreciation and amortization	131,229	41,506	14,155	39,654	31,302	26,246	4,051	33,826	–	321,969
Interest expense	5,781	3,103	2,405	466	4,976	729	693	96,406	–	114,559
Investment income (loss) recorded using equity method	–	–	–	–	–	–	–	385,242	(287,626)	97,616
Interest income	3	12	–	–	1,792	575	200	8,023	–	10,605
Segment profit (loss)	\$ 1,350,166	\$ 184,870	\$ 25,119	\$ 56,904	\$ 60,649	\$ 73,001	\$ 25,410	\$ 376,460	(\$ 287,181)	\$ 1,865,398
Assets										
Capital expenditure on noncurrent assets	–	–	–	–	46,561	6,745	937	894,721	–	948,964
Long-term equity investments at equity	–	–	–	–	–	–	–	3,247,359	(2,508,150)	739,209
Segment assets	\$10,102,973	\$2,411,468	\$ 628,501	\$ 682,201	\$ 832,412	\$1,282,392	\$ 420,259	\$14,816,739	(\$6,952,741)	\$ 24,224,204
Liabilities										
Segment liabilities	\$ 3,495,212	\$ 271,012	\$ 137,058	\$ 167,658	\$ 95,813	\$ 110,530	\$ 188,559	\$ 6,829,549	(\$ 370,316)	\$ 10,925,075

(2) 2024

Item	In thousands of NTD									
	Construction Business Division	First Business Division	Second Business Division	Third Business Division	Qingdao Chun Yuan	Shanghai Huateng	Shenzhen Hong Yuan	Other Divisions	Adjustment and write-offs	Total
Operating revenue :										
From outside customers	\$10,031,312	\$7,036,828	\$1,412,703	\$1,080,423	\$1,334,021	\$1,967,782	\$ 707,342	\$ 443,880	\$ -	\$ 24,014,291
Revenue among segments	-	246,208	18,805	26,511	2,068	22,045	25,543	(280,057)	(61,123)	-
Total revenue	\$10,031,312	\$7,283,036	\$1,431,508	\$1,106,934	\$1,336,089	\$1,989,827	\$ 732,885	\$ 163,823	(\$ 61,123)	\$ 24,014,291
Depreciation and amortization	121,976	39,525	14,993	37,854	30,331	27,572	4,452	36,077	-	312,780
Interest expense	5,282	5,025	1,864	560	8,417	434	1,903	68,028	-	91,513
Investment income (loss) recorded using equity method	-	-	-	-	-	-	-	410,204	(319,625)	90,579
Interest income	4	8	-	-	1,590	1,442	630	6,874	-	10,548
Segment profit (loss)	\$ 850,859	\$ 170,277	\$ 10,791	\$ 26,663	\$ 75,046	\$ 78,590	\$ 22,780	\$ 471,909	(\$ 319,625)	\$ 1,387,290
Assets										
Capital expenditure on noncurrent assets	-	-	-	-	12,044	15,422	783	487,163	-	515,412
Long-term equity investments at equity	-	-	-	-	-	-	-	7,400,939	(6,725,924)	675,015
Segment assets	\$ 8,312,019	\$2,737,850	\$ 664,802	\$ 629,021	\$ 825,734	\$1,405,519	\$ 422,955	\$14,277,181	(\$6,929,586)	\$ 22,345,495
Liabilities										
Segment liabilities	\$ 2,763,630	\$ 367,861	\$ 124,489	\$ 90,445	\$ 93,276	\$ 240,073	\$ 196,160	\$ 6,081,372	(\$ 259,747)	\$ 9,697,559

14.5 Regional information

	Revenue from outside customers		Noncurrent assets	
	2025	2024	December 31, 2025	December 31, 2024
Taiwan	\$ 19,829,959	\$ 19,277,179	\$ 6,353,354	\$ 5,656,714
Asia	3,712,553	4,164,390	440,500	461,065
Americas	545,648	388,283	–	–
Europe	101,222	184,439	–	–
Total	<u>\$ 24,189,382</u>	<u>\$ 24,014,291</u>	<u>\$ 6,793,854</u>	<u>\$ 6,117,779</u>

14.6 Product Information

Product	2025	2024
Construction	\$ 10,970,562	\$ 9,963,893
Steel plates	8,105,803	8,279,657
Special steel plates	858,450	847,170
Silicon steel materials	3,236,198	3,865,339
Special steel materials	818,207	844,821
Processing	122,134	112,432
Others	78,028	100,979
Total	<u>\$ 24,189,382</u>	<u>\$ 24,014,291</u>

14.7 Important Customer Information

Customers that account for 10% or more of the total consolidated revenue: None.