

**China Steel Chemical Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
China Steel Chemical Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of China Steel Chemical Corporation (the Corporation) and its subsidiaries as of June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months ended June 30, 2025 and 2024 and six months ended June 30, 2025 and 2024, and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard NO.34 “Interim Financial Reporting” endorsed and issued into effect by the FSC.

The engagement partners on the reviews result in this independent auditor's review report are Chao Chun Wang and Hung Ju Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 29, 2025

Notice to Readers

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

The English version of independent auditors' review report and consolidated financial statements are not reviewed nor audited by independent auditors.

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

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025 (Reviewed)		December 31, 2024 (Audited)		June 30, 2024 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 746,599	7	\$ 1,151,306	10	\$ 645,469	6
Financial assets at fair value through profit or loss - current (Note 7)	316,469	3	378,329	3	280,369	3
Financial assets at fair value through other comprehensive income - current (Note 8)	247,524	2	247,711	2	280,385	3
Financial assets for hedging- current (Note 10)	4,851	-	33,374	-	-	-
Notes receivable (Note 11)	46,020	-	44,903	-	132,288	1
Accounts receivable, net (Note 11)	274,762	3	431,260	4	424,916	3
Accounts receivable - related parties (Notes 11 and 28)	74,134	1	92,465	1	88,270	1
Other receivables (Note 28)	206,894	2	16,930	-	82,538	1
Current tax assets	-	-	879	-	-	-
Inventories (Note 12)	1,354,564	12	1,333,369	12	1,321,252	12
Other current assets	<u>36,291</u>	<u>-</u>	<u>41,324</u>	<u>-</u>	<u>70,175</u>	<u>-</u>
Total current assets	<u>3,308,108</u>	<u>30</u>	<u>3,771,850</u>	<u>32</u>	<u>3,325,662</u>	<u>30</u>
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	80,666	1	80,867	1	81,503	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	129,540	1	128,238	1	150,624	1
Financial assets at amortized cost - non-current (Note 9)	20,000	-	20,000	-	20,000	-
Investments accounted for using equity method (Note 14)	1,686,640	16	1,792,062	16	1,814,637	17
Property, plant and equipment (Notes 15 and 28)	4,489,112	41	4,441,619	39	4,324,056	39
Right-of-use assets (Notes 16 and 28)	590,565	5	601,907	5	615,345	6
Investment properties (Note 17)	533,013	5	533,013	5	533,013	5
Deferred tax assets	59,106	1	59,263	1	64,688	1
Prepaid equipment	2,537	-	1,350	-	8,777	-
Refundable deposits	4,811	-	4,451	-	4,451	-
Other non-current assets	<u>29,155</u>	<u>-</u>	<u>30,840</u>	<u>-</u>	<u>24,475</u>	<u>-</u>
Total non-current assets	<u>7,625,145</u>	<u>70</u>	<u>7,693,610</u>	<u>68</u>	<u>7,641,569</u>	<u>70</u>
TOTAL	<u>\$ 10,933,253</u>	<u>100</u>	<u>\$ 11,465,460</u>	<u>100</u>	<u>\$ 10,967,231</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 221,593	2	\$ 301,009	3	\$ 40,716	-
Short-term bills payable (Note 18)	-	-	100,000	1	-	-
Contract liabilities - current (Note 22)	71,387	1	98,399	1	40,451	-
Accounts payable	27,733	-	30,180	-	112,872	1
Accounts payable - related parties (Note 28)	185,515	2	240,524	2	250,313	3
Other payables (Notes 19 and 28)	1,282,415	12	341,917	3	1,276,122	12
Current tax liabilities	77,132	1	106,867	1	130,848	1
Lease liabilities - current (Notes 16 and 28)	33,845	-	36,050	-	34,869	-
Other current liabilities	<u>15,358</u>	<u>-</u>	<u>10,196</u>	<u>-</u>	<u>14,622</u>	<u>-</u>
Total current liabilities	<u>1,914,978</u>	<u>18</u>	<u>1,265,142</u>	<u>11</u>	<u>1,900,813</u>	<u>17</u>
NONCURRENT LIABILITIES						
Long-term borrowings (Note 18)	900,000	8	1,300,000	11	600,000	6
Deferred tax liabilities	3,489	-	3,489	-	1,643	-
Lease liabilities - non-current (Notes 16 and 28)	568,867	5	577,686	5	586,909	5
Net defined benefit liabilities (Note 4)	96,188	1	98,587	1	108,892	1
Guarantee deposit received	<u>3,965</u>	<u>-</u>	<u>3,960</u>	<u>-</u>	<u>3,910</u>	<u>-</u>
Total non-current liabilities	<u>1,572,509</u>	<u>14</u>	<u>1,983,722</u>	<u>17</u>	<u>1,301,354</u>	<u>12</u>
Total liabilities	<u>3,487,487</u>	<u>32</u>	<u>3,248,864</u>	<u>28</u>	<u>3,202,167</u>	<u>29</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 21)						
Ordinary shares capital	<u>2,369,044</u>	<u>22</u>	<u>2,369,044</u>	<u>21</u>	<u>2,369,044</u>	<u>22</u>
Capital surplus	<u>967,954</u>	<u>9</u>	<u>971,984</u>	<u>8</u>	<u>952,419</u>	<u>9</u>
Retained earnings						
Legal reserve	3,092,576	28	3,090,378	27	3,090,378	28
Special reserve	317,861	3	193,150	2	193,150	2
Unappropriated earnings	<u>1,213,436</u>	<u>11</u>	<u>2,027,539</u>	<u>18</u>	<u>1,438,601</u>	<u>13</u>
Total retained earnings	<u>4,623,873</u>	<u>42</u>	<u>5,311,067</u>	<u>47</u>	<u>4,722,129</u>	<u>43</u>
Other equity	<u>(397,467)</u>	<u>(4)</u>	<u>(317,861)</u>	<u>(3)</u>	<u>(160,890)</u>	<u>(2)</u>
Treasury shares	<u>(117,638)</u>	<u>(1)</u>	<u>(117,638)</u>	<u>(1)</u>	<u>(117,638)</u>	<u>(1)</u>
Total equity	<u>7,445,766</u>	<u>68</u>	<u>8,216,596</u>	<u>72</u>	<u>7,765,064</u>	<u>71</u>
TOTAL	<u>\$ 10,933,253</u>	<u>100</u>	<u>\$ 11,465,460</u>	<u>100</u>	<u>\$ 10,967,231</u>	<u>100</u>

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

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 22 and 28)	\$ 1,431,291	100	\$ 2,029,330	100	\$ 3,123,081	100	\$ 3,758,571	100
OPERATING COSTS (Notes 22 and 28)	<u>1,175,403</u>	<u>82</u>	<u>1,523,115</u>	<u>75</u>	<u>2,492,240</u>	<u>80</u>	<u>2,841,879</u>	<u>76</u>
GROSS PROFIT	<u>255,888</u>	<u>18</u>	<u>506,215</u>	<u>25</u>	<u>630,841</u>	<u>20</u>	<u>916,692</u>	<u>24</u>
OPERATING EXPENSES (Notes 23 and 28)								
Selling and marketing expenses	33,125	2	43,342	2	77,960	3	85,735	2
General and administrative expenses	26,406	2	37,870	2	64,313	2	74,741	2
Research and development expenses	<u>67,189</u>	<u>5</u>	<u>68,623</u>	<u>3</u>	<u>134,697</u>	<u>4</u>	<u>122,342</u>	<u>3</u>
Total operating expenses	<u>126,720</u>	<u>9</u>	<u>149,835</u>	<u>7</u>	<u>276,970</u>	<u>9</u>	<u>282,818</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>129,168</u>	<u>9</u>	<u>356,380</u>	<u>18</u>	<u>353,871</u>	<u>11</u>	<u>633,874</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 28)								
Interest income	3,561	-	6,120	-	5,606	-	8,423	-
Other income	31,651	2	25,318	1	45,776	1	39,536	1
Other gains and losses	(29,168)	(2)	10,670	1	(19,362)	-	27,602	1
Share of the profit of associates	27,221	2	8,744	-	46,094	2	30,653	1
Interest expense	<u>(3,908)</u>	<u>-</u>	<u>(1,634)</u>	<u>-</u>	<u>(7,139)</u>	<u>-</u>	<u>(6,282)</u>	<u>-</u>
Total non-operating income and expenses	<u>29,357</u>	<u>2</u>	<u>49,218</u>	<u>2</u>	<u>70,975</u>	<u>3</u>	<u>99,932</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	158,525	11	405,598	20	424,846	14	733,806	20
INCOME TAX (Notes 4 and 24)	<u>2,334</u>	<u>-</u>	<u>60,296</u>	<u>3</u>	<u>50,408</u>	<u>2</u>	<u>110,907</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>156,191</u>	<u>11</u>	<u>345,302</u>	<u>17</u>	<u>374,438</u>	<u>12</u>	<u>622,899</u>	<u>17</u>
OTHER COMPREHENSIVE INCOME (Note 21)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gain/(loss) on financial assets in equity instruments at fair value through other comprehensive income	(27,893)	(2)	(5,188)	-	(5,555)	-	(33,497)	(1)

(Continued)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Gain/(loss) on hedging instruments	\$ (460)	-	\$ -	-	\$ 783	-	\$ -	-
Shares of the other comprehensive income (loss) of associates accounted for using the equity method	(107,972)	(8)	(12,381)	(1)	(30,516)	(1)	(99,834)	(3)
Income tax related to items that will not be reclassified subsequently	92	-	-	-	(156)	-	-	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statement of foreign operations	(20,687)	(1)	1,638	-	(16,550)	(1)	5,211	-
Unrealized gain/(loss) on financial assets in debt instruments at fair value through other comprehensive income	(11,641)	(1)	659	-	(9,700)	-	3,126	-
Shares of the other comprehensive income (loss) of associates accounted for using the equity method	(14,755)	(1)	(9,306)	-	(12,561)	-	(8,271)	-
Other comprehensive income (loss) for the period, net of income tax	(183,316)	(13)	(24,578)	(1)	(74,255)	(2)	(133,265)	(4)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (27,125)</u>	<u>(2)</u>	<u>\$ 320,724</u>	<u>16</u>	<u>\$ 300,183</u>	<u>10</u>	<u>\$ 489,634</u>	<u>13</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Corporation	<u>\$ 156,191</u>	<u>11</u>	<u>\$ 345,302</u>	<u>17</u>	<u>\$ 374,438</u>	<u>12</u>	<u>\$ 622,899</u>	<u>17</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	<u>\$ (27,125)</u>	<u>(2)</u>	<u>\$ 320,724</u>	<u>16</u>	<u>\$ 300,183</u>	<u>10</u>	<u>\$ 6,489,634</u>	<u>13</u>
EARNINGS PER SHARE								
(Note 25)								
Basic	<u>\$ 0.67</u>		<u>\$ 1.49</u>		<u>\$ 1.61</u>		<u>\$ 2.68</u>	
Diluted	<u>\$ 0.67</u>		<u>\$ 1.49</u>		<u>\$ 1.61</u>		<u>\$ 2.68</u>	

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

(Concluded)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
							Other Equity					
	Ordinary Shares Capital	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain/(Loss) on Hedging Instruments	Total Other Equity	Treasury stock	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings						
BALANCE AT JANUARY 1, 2025	\$ 2,369,044	\$ 971,984	\$ 3,090,378	\$ 193,150	\$ 2,027,539	\$ 5,311,067	\$ (26,644)	\$ (290,338)	\$ (879)	\$ (317,861)	\$ (117,638)	\$ 8,216,596
Appropriation of 2024 earnings (Note 21)												
Legal reserve	-	-	120,650	-	(120,650)	-	-	-	-	-	-	-
Special reserve	-	-	-	124,711	(124,711)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(947,618)	(947,618)	-	-	-	-	-	(947,618)
Cash dividends distributed by legal reserve	-	-	(118,452)	-	-	(118,452)	-	-	-	-	-	(118,452)
	-	-	2,198	124,711	(1,192,979)	(1,066,070)	-	-	-	-	-	(1,066,070)
Net profit for the six months ended June 30, 2025	-	-	-	-	374,438	374,438	-	-	-	-	-	374,438
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	10	10	(29,111)	(45,777)	623	(74,265)	-	(74,255)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	374,448	374,448	(29,111)	(45,777)	623	(74,265)	-	300,183
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	5,341	5,341	-	(5,341)	-	(5,341)	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	(4,030)	-	-	(913)	(913)	-	-	-	-	-	(4,943)
BALANCE AT JUNE 30, 2025	\$ 2,369,044	\$ 967,954	\$ 3,092,576	\$ 317,861	\$ 1,213,436	\$ 4,623,873	\$ (55,755)	\$ (341,456)	\$ (256)	\$ (397,467)	\$ (117,638)	\$ 7,445,766
BALANCE AT JANUARY 1, 2024	\$ 2,369,044	\$ 928,925	\$ 2,948,165	\$ 193,150	\$ 1,910,865	\$ 5,052,180	\$ (26,929)	\$ 8,873	\$ 15	\$ (18,041)	\$ (117,638)	\$ 8,214,470
Appropriation of 2023 earnings (Note 21)												
Legal reserve	-	-	142,213	-	(142,213)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(947,618)	(947,618)	-	-	-	-	-	(947,618)
	-	-	142,213	-	(1,089,831)	(947,618)	-	-	-	-	-	(947,618)
Net profit for the six months ended June 30, 2024	-	-	-	-	622,899	622,899	-	-	-	-	-	622,899
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	(1)	(1)	(3,059)	(130,204)	(1)	(133,264)	-	(133,265)
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	622,898	622,898	(3,059)	(130,204)	(1)	(133,264)	-	489,634
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	9,585	9,585	-	(9,585)	-	(9,585)	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	23,494	-	-	(14,916)	(14,916)	-	-	-	-	-	8,578
BALANCE AT JUNE 30, 2024	\$ 2,369,044	\$ 952,419	\$ 3,090,378	\$ 193,150	\$ 1,438,601	\$ 4,722,129	\$ (29,988)	\$ (130,916)	\$ 14	\$ (160,890)	\$ (117,638)	\$ 7,765,064

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

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 424,846	\$ 733,806
Adjustments for:		
Depreciation expense	212,645	224,841
Amortization expense	2,088	2,795
Net gain on fair value change of financial assets at fair value through profit or loss	7,944	(18,450)
Interest expense	7,139	6,282
Interest income	(5,606)	(8,423)
Dividend income	(3,751)	(80)
Share of the profit of associates	(41,032)	(18,374)
Loss on disposal of property, plant and equipment	451	19
Gain on disposal of subsidiary	(25,586)	-
Reversal of impairment loss on non-financial assets	(4,166)	(570)
Changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	36,352	146,304
Notes receivable	(1,117)	40,824
Accounts receivable	156,498	157,585
Accounts receivable - related parties	18,331	10,628
Other receivables	(86,371)	1,270
Inventories	(16,615)	(193,360)
Other current assets	5,033	69,323
Contract liabilities	(27,012)	(4,515)
Accounts payable	(2,447)	71,787
Accounts payable - related parties	(55,009)	(4,873)
Other payables	(150,708)	(105,184)
Other current liabilities	5,162	5,579
Net defined benefit liabilities	(2,399)	(2,304)
Cash generated from operations	454,670	1,114,910
Income taxes paid	(79,294)	(268,427)
Net cash generated from operating activities	375,376	846,483
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(16,370)	(23,587)
Acquisition of financial assets at fair value through profit or loss	(430,000)	(430,000)
Proceeds from disposal of financial assets at fair value through profit or loss	439,342	394,628
Proceeds from the capital reduction on investments accounted for using equity method	32,922	-
Acquisition of property, plant and equipment	(184,560)	(544,869)
Proceeds from disposal of property, plant and equipment	2	-
Increase in refundable deposits	(360)	-

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CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
Decrease in refundable deposits	\$ -	\$ 70
Increase in other non-current assets	(527)	(659)
Interest received	5,233	6,091
Dividends received from associates	-	6,589
Dividends received from others	<u>54</u>	<u>80</u>
Net cash used in investing activities	<u>(154,264)</u>	<u>(591,657)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,344,957	2,222,660
Repayments of short-term borrowings	(2,424,373)	(2,629,530)
Decrease in short-term bills payable	(100,000)	-
Proceeds from long-term borrowings	500,000	200,000
Repayments of long-term bank borrowings	(900,000)	(550,000)
Increase in guarantee deposit received	5	-
Repayment of principal of lease liabilities	(21,651)	(19,849)
Interest paid	<u>(10,482)</u>	<u>(12,164)</u>
Net cash used in financing activities	<u>(611,544)</u>	<u>(788,883)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(14,275)</u>	<u>4,849</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(404,707)	(529,208)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,151,306</u>	<u>1,174,677</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 746,599</u>	<u>\$ 645,469</u>

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

(Concluded)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

China Steel Chemical Corporation (the Corporation) was incorporated by China Steel Corporation (CSC) and other shareholders in February 1989. The Corporation started operations in May 1993, and CSC is the parent company that has substantive control over the Corporation. As of June 30, 2024 and 2023, CSC owned 29.04% of the Corporation's voting shares. The Corporation mainly engages in the production, processing and sales of coal tar distillation products, Naphtha products, coke products and refined carbon materials; in addition, it also trades related upstream and downstream products.

The shares of the Corporation have been listed and traded on the Taiwan Stock Exchange (TWSE) since November 1998.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and authorized for issue on July 29, 2025.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)
- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and 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" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note : An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the possible impact of the application of the amendments on the Corporation and its subsidiaries' financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries is continuously assessing the possible impact of the application of other standards and interpretations on the Corporation’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

Refer to Note 13, Table 5 and Table 6 for the detail information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, refer to the summary of significant accounting policy and basis of preparation in the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

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

2) Income tax expense

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 500	\$ 500	\$ 500
Checking accounts and demand deposits	710,507	1,150,806	644,969
Cash equivalents (investment with original maturities less than three months)			
Time deposits	<u>35,592</u>	<u>-</u>	<u>-</u>
	<u>\$ 746,599</u>	<u>\$ 1,151,306</u>	<u>\$ 645,469</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL - current

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 274,966	\$ 321,610	\$ 214,299
Domestic listed shares	32,219	40,114	49,657
Financial bonds	<u>9,284</u>	<u>16,605</u>	<u>16,413</u>
	<u>\$ 316,469</u>	<u>\$ 378,329</u>	<u>\$ 280,369</u>

Financial assets at FVTPL - non-current

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Emerging market shares	\$ 24,428	\$ 24,001	\$ 24,070
Domestic unlisted shares	<u>56,238</u>	<u>56,866</u>	<u>57,433</u>
	<u>\$ 80,666</u>	<u>\$ 80,867</u>	<u>\$ 81,503</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Current

	June 30, 2025	December 31, 2024	June 30, 2024
Foreign investments in debt instrument			
Financial bonds	\$ 88,365	\$ 81,695	\$ 86,232
Domestic investments in equity instrument -			
Listed shares			
Ordinary shares	149,896	156,673	184,180
Preference shares	<u>9,263</u>	<u>9,343</u>	<u>9,973</u>
	<u>\$ 247,524</u>	<u>\$ 247,711</u>	<u>\$ 280,385</u>

Non-Current

	June 30, 2025	December 31, 2024	June 30, 2024
Domestic equity investments-listed shares			
Domestic listed shares	\$ 106,100	\$ 102,010	\$ 90,000
Emerging market shares	-	-	36,112
Foreign equity investments			
Unlisted shares	<u>23,440</u>	<u>26,228</u>	<u>24,512</u>
	<u>\$ 129,540</u>	<u>\$ 128,238</u>	<u>\$ 150,624</u>

These investments in equity instruments are held by the Corporation and its subsidiaries' strategy and are not for the purposes of trading and for short-term profit. Accordingly, management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST - NON-CURRENT

	June 30, 2025	December 31, 2024	June 30, 2024
Domestic investments in financial bonds	\$ 20,000	\$ 20,000	\$ 20,000
Foreign investment in corporate bonds	3,682	4,030	4,001
Less: Allowance for impairment loss	<u>(3,682)</u>	<u>(4,030)</u>	<u>(4,001)</u>
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

Impairment loss has been recognized fully since the Corporation and its subsidiaries are unable to reliably measure the recoverable amount of the corporate bonds.

10. FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2025	December 31, 2024	June 30, 2024
<hr/> Financial assets for hedging - current <hr/>			
Cash flow hedges			
Foreign currency time deposits	\$ 4,851	\$ 33,374	\$ -

The Corporation and its subsidiaries plan to pay for production equipment in foreign currency. For the purpose of managing cash flow risk arising from exchange rate fluctuations, the Corporation and its subsidiaries designated foreign currency time deposits are used. The Corporation and its subsidiaries performed an assessment of effectiveness and it is expected that the value of the foreign currency time deposits and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying exchange rates.

Refer to Note 27 for information relating to gain (loss) arising from changes in the fair value of financial instruments for hedging.

11. NOTES AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable (Operating)			
At amortized cost			
Gross carrying amount	\$ 46,020	\$ 44,903	\$ 132,288
Accounts receivable (including related parties)			
At amortized cost			
Gross carrying amount	\$ 348,896	\$ 523,725	\$ 513,186

The average credit period of sales of goods was 30-90 days. No interest was charged on accounts receivables. The Corporation and its subsidiaries adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, management of the Corporation and its subsidiaries has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation and its subsidiaries reviews the recoverable amount of each individual trade debt at the end of the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes that the Corporation and its subsidiaries' credit risk was significantly reduced.

The expected credit losses on notes and accounts receivable are estimated using a provision matrix prepared by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for general economic conditions of the industry in which the customers operates, as well as an assessment of industry outlook at the reporting date. As the Corporation and its subsidiaries' historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation and its subsidiaries' different customer base. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Corporation and its subsidiaries' have no allowance for impairment.

The following table details the loss allowance of notes and accounts receivables based on the Corporation and its subsidiaries' provision matrix.

June 30, 2025

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	-
Gross carrying amount	\$ 394,908	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 394,916
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 394,908</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394,916</u>

December 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	-
Gross carrying amount	\$ 558,628	\$ 9,327	\$ 673	\$ -	\$ -	\$ -	\$ 568,628
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 558,628</u>	<u>\$ 9,327</u>	<u>\$ 673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 568,628</u>

June 30, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	-
Gross carrying amount	\$ 620,563	\$ 24,911	\$ -	\$ -	\$ -	\$ -	\$ 645,474
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 620,563</u>	<u>\$ 24,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,474</u>

The were no movements of the loss allowance of notes and accounts receivable for the six months ended June 30, 2025 and 2024.

12. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	\$ 759,440	\$ 709,400	\$ 728,838
Work in progress	310,894	341,110	249,102
Raw materials	95,112	109,094	174,658
Supplies	<u>189,118</u>	<u>173,765</u>	<u>168,654</u>
	<u>\$ 1,354,564</u>	<u>\$ 1,333,369</u>	<u>\$ 1,321,252</u>

The cost of inventories recognized as cost of goods sold for the three months and six months ended June 30, 2025 and 2024 was NT\$1,160,264 thousand, NT\$1,508,917 thousand, NT2,460,190 thousand and NT\$2,814,380 thousand, respectively. The cost of goods sold included inventory write-downs and reversal of gain NT\$9,323 thousand, gain NT\$348 thousand, gain NT\$4,166 thousand and gain NT\$570 thousand, respectively.

The reversal of inventory write-downs was mainly caused by the disappearance of the factors that previously caused the net realizable value of inventories to fall below cost for the three months and six months ended June 30, 2025 and 2024.

13. SUBSIDIARIES

The consolidated entities were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)		
			June 30, 2025	December 31, 2024	June 30, 2024
China Steel Chemical Corporation (CSCC)	Ever Wealthy International Corporation (EWI)	General investment	100	100	100
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Processing and trading of asphalt mesocarbon microbeads product sorting	100	100	100

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The Corporation and its subsidiaries' investments accounted for using equity method were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Material associates			
CHC Resources Corporation (CHC)	\$ 361,278	\$ 387,402	\$ 353,732
Transglory Investment Corporation (TIC)	514,457	544,803	626,144
CSC Solar Corporation (CSCSC)	<u>302,454</u>	<u>306,795</u>	<u>298,550</u>
	1,178,189	1,239,000	1,278,426
Associates that are not individually material	<u>508,451</u>	<u>553,062</u>	<u>536,211</u>
	<u>\$ 1,686,640</u>	<u>\$ 1,792,062</u>	<u>\$ 1,814,637</u>

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	June 30, 2025	December 31, 2024	June 30, 2024
CHC	6	6	6
TIC	9	9	9
CSCSC	15	15	15

Refer to Table 5 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the above associates.

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

	June 30, 2025	December 31, 2024	June 30, 2024
CHC	<u>\$ 1,129,454</u>	<u>\$ 1,007,798</u>	<u>\$ 988,273</u>

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Corporation and its subsidiaries for equity accounting purposes.

CHC

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 2,984,104	\$ 2,846,985	\$ 3,020,025
Non-current assets	8,501,009	8,956,289	9,128,450
Current liabilities	(3,304,291)	(2,358,328)	(3,148,793)
Non-current liabilities	<u>(1,984,716)</u>	<u>(2,790,903)</u>	<u>(2,916,321)</u>
Equity	6,196,106	6,654,043	6,083,361
Non-controlling interests	<u>(214,674)</u>	<u>(240,103)</u>	<u>(226,877)</u>
	<u>\$ 5,981,432</u>	<u>\$ 6,413,940</u>	<u>\$ 5,856,484</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	6	6	6
Equity attributable to the Corporation and its subsidiaries	<u>\$ 361,278</u>	<u>\$ 387,402</u>	<u>\$ 353,732</u>
Carrying amount	<u>\$ 361,278</u>	<u>\$ 387,402</u>	<u>\$ 353,732</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Operating revenue	<u>\$ 3,682,318</u>	<u>\$ 3,381,0954</u>	<u>\$ 7,143,969</u>	<u>\$ 6,319,631</u>
Net profit for the period	\$ 346,417	\$ 300,264	\$ 681,660	\$ 597,012
Other comprehensive income (loss)	<u>(171,223)</u>	<u>(14,728)</u>	<u>(125,898)</u>	<u>(40,657)</u>
Total comprehensive income	<u>\$ 175,194</u>	<u>\$ 285,536</u>	<u>\$ 555,762</u>	<u>\$ 556,355</u>

TIC

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 388,009	\$ 517,995	\$ 429,399
Non-current assets	5,463,766	5,603,440	6,605,929
Current liabilities	<u>(71,360)</u>	<u>(55)</u>	<u>-</u>
Equity	<u>\$ 5,780,415</u>	<u>\$ 6,121,380</u>	<u>\$ 7,035,328</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	9	9	9
Equity attributable to the Corporation and its subsidiaries	<u>\$ 514,457</u>	<u>\$ 544,803</u>	<u>\$ 626,144</u>
Carrying amount	<u>\$ 514,457</u>	<u>\$ 544,803</u>	<u>\$ 626,144</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Operating Revenue	\$ 2,516	\$ 2,972	\$ 5,738	\$ 6,046
Net profit for the period	\$ 249	\$ 756	\$ 1,214	\$ 1,619
Other comprehensive income (loss)	<u>(1,074,751)</u>	<u>(237,932)</u>	<u>(263,402)</u>	<u>(1,116,712)</u>
Total comprehensive income (loss)	<u>\$ (1,074,502)</u>	<u>\$ (237,176)</u>	<u>\$ (262,188)</u>	<u>\$ (1,115,093)</u>

CSCSC

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 231,320	\$ 151,655	\$ 256,444
Non-current assets	3,889,875	4,005,941	4,119,580
Current liabilities	(855,900)	(1,121,796)	(1,375,424)
Non-current liabilities	<u>(1,248,938)</u>	<u>(990,499)</u>	<u>(1,010,266)</u>
Equity	<u>\$ 2,016,357</u>	<u>\$ 2,045,301</u>	<u>\$ 1,990,334</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	15	15	15
Equity attributable to the Corporation and its subsidiaries	<u>\$ 302,454</u>	<u>\$ 306,795</u>	<u>\$ 298,550</u>
Carrying amount	<u>\$ 302,454</u>	<u>\$ 306,795</u>	<u>\$ 298,550</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Operating Revenue	<u>\$ 180,108</u>	<u>\$ 156,105</u>	<u>\$ 304,353</u>	<u>\$ 291,481</u>
Net profit for the period	\$ 51,080	\$ 52,167	\$ 65,155	\$ 77,659
Other comprehensive income (loss)	<u>(485)</u>	<u>717</u>	<u>(1,668)</u>	<u>2,852</u>
Total comprehensive income	<u>\$ 50,595</u>	<u>\$ 52,884</u>	<u>\$ 63,487</u>	<u>\$ 80,511</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Corporation and its subsidiaries' share of Net profit (loss) for the period	\$ (3,745)	\$ (28,936)	\$ (9,380)	\$ (28,761)
Other comprehensive income (loss)	<u>(17,728)</u>	<u>214</u>	<u>(12,779)</u>	<u>(6,636)</u>
Total comprehensive income (loss)	<u>\$ (21,473)</u>	<u>\$ (28,722)</u>	<u>\$ (22,159)</u>	<u>\$ (35,397)</u>

Except for the investments in some companies, investments accounted for using the equity method as of June 30, 2025 and 2024, and the share of profit or loss and other comprehensive income of associates for the three months and six months ended June 30, 2025 and 2024 were calculated based on the reviewed financial statements. The Corporations and its subsidiaries' management considered the use of unreviewed financial statements as acceptable and will not have material impact on both the investments and income accounted for using the equity method.

The Corporation and its subsidiaries held more than 20% of the shares with its parent company CSC and fellow subsidiaries and accounted for using the equity method.

15. PROPERTY, PLANT AND EQUIPMENT

For the Six Months Ended June 30, 2025

	Land	Buildings	Machinery and Equipment	Transportatio n Equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2025	\$ 1,145,237	\$ 1,612,156	\$ 6,094,503	\$ 168,475	\$ 203,162	\$ 1,174,556	\$ 10,398,089
Additions	-	-	50,678	1,817	1,875	186,788	241,158
Disposals	-	-	(35,010)	(1,475)	(751)	-	(37,236)
Effect of foreign currency exchange differences	-	-	(3,238)	(371)	(2,057)	-	(5,666)
Balance at June 30, 2025	<u>\$ 1,145,237</u>	<u>\$ 1,612,156</u>	<u>\$ 6,106,933</u>	<u>\$ 168,446</u>	<u>\$ 202,229</u>	<u>\$ 1,361,344</u>	<u>\$ 10,596,345</u>
Accumulated depreciation							
Balance at January 1, 2025	\$ -	\$ 747,918	\$ 4,881,725	\$ 156,539	\$ 170,288	\$ -	\$ 5,956,470
Depreciation expense	-	39,603	146,150	1,775	4,044	-	191,572
Disposals	-	-	(34,692)	(1,345)	(746)	-	(36,783)
Effect of foreign currency exchange differences	-	-	(1,832)	(315)	(1,879)	-	(4,026)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 787,521</u>	<u>\$ 4,991,351</u>	<u>\$ 156,654</u>	<u>\$ 171,707</u>	<u>\$ -</u>	<u>\$ 6,107,233</u>
Carrying amount at December 31, 2024	<u>\$ 1,145,237</u>	<u>\$ 864,238</u>	<u>\$ 1,212,778</u>	<u>\$ 11,936</u>	<u>\$ 32,874</u>	<u>\$ 1,174,556</u>	<u>\$ 4,441,619</u>
Carrying amount at June 30, 2025	<u>\$ 1,145,237</u>	<u>\$ 824,635</u>	<u>\$ 1,115,582</u>	<u>\$ 11,792</u>	<u>\$ 30,552</u>	<u>\$ 1,361,344</u>	<u>\$ 4,489,112</u>

For the Six Months Ended June 30, 2024

	Land	Buildings	Machinery and Equipment	Transportatio n Equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2024	\$ 1,145,237	\$ 1,595,918	\$ 5,954,138	\$ 167,520	\$ 198,495	\$ 441,459	\$ 9,502,767
Additions	-	10,102	111,460	876	5,689	503,091	631,218
Disposals	-	-	(215)	-	(351)	-	(566)
Effect of foreign currency exchange differences	-	-	977	113	615	13	1,718
Balance at June 30, 2024	<u>\$ 1,145,237</u>	<u>\$ 1,606,020</u>	<u>\$ 6,066,360</u>	<u>\$ 168,509</u>	<u>\$ 204,448</u>	<u>\$ 944,563</u>	<u>\$ 10,135,137</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	\$ -	\$ 671,525	\$ 4,620,751	\$ 149,183	\$ 164,874	\$ -	\$ 5,606,333
Depreciation expense	-	38,248	155,434	5,621	4,863	-	204,166
Disposals	-	-	(207)	-	(340)	-	(547)
Effect of foreign currency exchange differences	-	-	483	89	557	-	1,129
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 709,773</u>	<u>\$ 4,776,461</u>	<u>\$ 154,893</u>	<u>\$ 169,954</u>	<u>\$ -</u>	<u>\$ 5,811,081</u>
Carrying amount at December 31, 2023	<u>\$ 1,145,237</u>	<u>\$ 924,393</u>	<u>\$ 1,333,387</u>	<u>\$ 18,337</u>	<u>\$ 33,621</u>	<u>\$ 441,459</u>	<u>\$ 3,896,434</u>
Carrying amount at June 30, 2024	<u>\$ 1,145,237</u>	<u>\$ 896,247</u>	<u>\$ 1,289,899</u>	<u>\$ 13,616</u>	<u>\$ 34,494</u>	<u>\$ 944,563</u>	<u>\$ 4,324,056</u>

(Concluded)

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

Buildings		
Main structure		2-50 years
Facility		5-25 years
Machinery and equipment		
Power equipment		3-20 years
Examination equipment		3-10 years
Computer equipment		3-10 years
Transportation equipment		
Transportation equipment		3-10 years
Telecommunication equipment		3-10 years
Other equipment		
Extinguishment equipment		5-10 years
Air condition and utilities equipment		3-10 years
Monitoring, office and other equipment		3-10 years

16. LEASE AGREEMENT

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amounts			
Land	\$ 306,731	\$ 305,667	\$ 313,730
Machinery	217,775	218,392	224,164
Buildings	<u>66,059</u>	<u>77,848</u>	<u>77,451</u>
	<u>\$ 590,565</u>	<u>\$ 601,907</u>	<u>\$ 615,345</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			\$ <u>-</u>	\$ <u>2,807</u>
Depreciation charge for right-of-use assets				
Land	\$ 4,145	\$ 4,031	\$ 8,290	\$ 8,062
Machinery	2,955	2,886	5,887	5,736
Buildings	<u>3,427</u>	<u>3,446</u>	<u>6,896</u>	<u>6,877</u>
	<u>\$ 10,527</u>	<u>\$ 10,363</u>	<u>\$ 21,073</u>	<u>\$ 20,675</u>

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amounts			
Current	\$ <u>33,845</u>	\$ <u>36,050</u>	\$ <u>34,869</u>
Non-current	\$ <u>568,867</u>	\$ <u>577,686</u>	\$ <u>586,909</u>

Ranges of discount rate (%) for lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.4703	1.4703	1.4703
Machinery	1.4703	1.4703	1.4703
Buildings	0.6253-3.0000	0.6253-3.0000	0.6253-3.0000

c. Material lease activities and terms

The Corporation and its subsidiaries lease machineries for the use of product manufacturing with lease terms of 23 to 25 years. These arrangements do not contain renewal or purchase options. Some lease arrangements for equipment that lease payment will be adjusted every year on the basis of changes in Consumer Price Index.

The Corporation and its subsidiaries' also leases land and building use of factories with lease terms of 3 to 40 years. The rents were calculated according to 3% of the announced total present value. The Corporation and its subsidiaries do not have renewal or purchase option to the right-of-use assets. The Corporation and its subsidiaries will not transfer or sublet all or parts of the lease premises without lessors' approval.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$ <u>990</u>	\$ <u>547</u>	\$ <u>2,138</u>	\$ <u>955</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Total cash outflow for all lease agreements (including short-term lease agreements)			<u>\$ (28,524)</u>	<u>\$ (25,765)</u> (Concluded)

Refer to Note 17 for the Corporation and its subsidiaries leasing their own investment properties in operating leases.

17. INVESTMENT PROPERTIES

For the six months ended June 30, 2024

	Land	Buildings	Total
Cost			
Balance at January 1 and June 30, 2025 and 2024	<u>\$ 533,013</u>	<u>\$ 29,199</u>	<u>\$ 562,212</u>
Accumulated depreciation and impairment			
Balance at January 1 and June 30, 2025 and 2024	<u>\$ -</u>	<u>\$ 29,199</u>	<u>\$ 29,199</u>
Carrying amount at December 31, 2024	<u>\$ 533,013</u>	<u>\$ -</u>	<u>\$ 533,013</u>
Carrying amount at June 30, 2025 and 2024	<u>\$ 533,013</u>	<u>\$ -</u>	<u>\$ 533,013</u>

The lease term of investment properties is 3 years. The rent was calculated according to 3% of the announced total present value. The leases do not have renewal or purchase option at the end of the lease period.

The total lease payment receivable in the future from leasing of investment properties in operating lease is as follow:

	June 30, 2025	December 31, 2024	June 30, 2024
Lease commitments of investment properties	<u>\$ 10,924</u>	<u>\$ 19,127</u>	<u>\$ 27,329</u>

The Corporation's investment properties of buildings are depreciated in 50 years by straight-line depreciation method.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the fair value of investment properties was NT\$995,769 thousand, NT\$995,769 thousand and NT\$940,078 thousand. The fair value was based on the Corporation's management have adopted the evaluation model used by market participants using Level 3 inputs and with reference to comparison of the similar transaction price in the market. The significant and unobservable inputs included the rate of capitalization of return and related fee rates.

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

Refer to Note 28 for the lease transactions conducted with related party.

18. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans (Note 27)	\$ 200,000	\$ 250,000	\$ -
Letters of credit borrowings	<u>21,593</u>	<u>51,009</u>	<u>40,716</u>
	<u>\$ 221,593</u>	<u>\$ 301,009</u>	<u>\$ 40,716</u>
Range of interest rate of secured bank loans (%)	1.93	1.78	-
Range of interest rate of letters of credit borrowings (%)	1.80-1.98	5.48	1.78-1.98

b. Short-term bills payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper	\$ -	\$ 100,000	\$ -
Less: Unamortized discounts on bills payable	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>
Rate of interest rate (%)	-	2.14	-

The above commercial papers were secured by China Bills Finance Corporation.

c. Long-term bank borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans			
Due on various dates through March, 2028	<u>\$ 900,000</u>	<u>\$ 1,300,000</u>	<u>\$ 600,000</u>
Range of interest rate (%)	1.79-1.80	1.78-2.10	1.65-1.77

The Corporation entered into a credit facility agreement with Tapiei Fubon Bank and KGI Bank for a NT\$500,000 thousand credit line used for long-term borrowings and the agreement are valid until October 2027 and December 2027, respectively. Under the agreement, the agreed financial ratio and amount of the Corporation's audited or reviewed consolidated financial statements should conform to a certain ratio and amount; The Corporation did not have violate the provision.

19. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Dividend payable	\$ 1,072,893	\$ 6,823	\$ 954,441
Salaries and incentive bonus	62,375	132,173	103,119
Purchase of equipment	60,583	35,859	47,552
Employees' compensation and remuneration of directors	20,076	64,654	45,395
Outsourced repair and construction	6,790	20,750	22,942
Soil remediation expense	3,595	20,253	44,072
Others (none of the balances exceed 5% of the total balance of other payables)	<u>56,103</u>	<u>61,405</u>	<u>58,601</u>
	<u>\$ 1,282,415</u>	<u>\$ 341,917</u>	<u>\$ 1,276,122</u>

20. RETIREMENT BENEFIT PLANS

For the three months and six months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were NT\$881 thousand, NT\$963 thousand, NT\$1,761 thousand and NT\$1,926 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

21. EQUITY

a. Ordinary share capital

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>236,904</u>	<u>236,904</u>	<u>236,904</u>
Shares issued	<u>\$ 2,369,044</u>	<u>\$ 2,369,044</u>	<u>\$ 2,369,044</u>

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

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset deficits, distribute cash or transfer to share capital (see note below)			
Additional paid-in capital	\$ 218	\$ 218	\$ 218
Treasury share transactions	943,230	943,230	924,216

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset deficits only			
Share of change in equity of associates	\$ 24,506	\$ 28,536	\$ 27,985
	<u>\$ 967,954</u>	<u>\$ 971,984</u>	<u>\$ 952,419</u>
			(Concluded)

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

c. Retained earnings and dividend policy

Under the dividend policy, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

The Corporation is currently in a growing industry environment and the Corporation intends to take advantage of the economic environment to seek for a sustainable operation. The Corporation's dividend policy is to focus on dividend stability and growth by referring to future operating conditions; Except where funding requirements necessitate otherwise, the Corporation should distribute not less than 50% of distributable earnings, and cash dividend may not be less than 50% of the amount distributed.

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

The appropriation of earnings and dividends per share for 2024 and 2023 had been approved in the shareholder's meeting in June 2025 and 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividend Per Share	
	For the Year Ended		(NT\$)	
	December 31		For the Year Ended	
	2024	2023	2024	2023
Legal reserve	\$ 120,650	\$ 142,213		
Special reserve	124,711	-		
Cash dividends	947,618	947,618	\$ 4	\$ 4

In addition, the Corporation's board of directors resolved to distribute cash from legal reserve of NT\$118,452 thousand, NT\$0.5 per share, total NT\$4.5 per share.

d. Other equity items

1) Exchange differences on translating foreign operations

	For the Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ (26,644)	\$ (26,929)
Recognized during the period		
Exchange differences arising on translating foreign operations	(16,550)	5,211
Share of exchange difference of associates accounted for using the equity method	<u>(12,561)</u>	<u>(8,270)</u>
Balance, end of period	<u>\$ (55,755)</u>	<u>\$ (29,988)</u>

2) Unrealized gains and losses on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ (290,338)	\$ 8,873
Recognized during the period		
Unrealized gains and losses		
Debt instruments	(9,700)	3,126
Equity instruments	(5,555)	(33,497)
Share from associates accounted for using the equity method	<u>(30,522)</u>	<u>(99,833)</u>
Other comprehensive income (loss) recognized in the period	<u>(45,777)</u>	<u>(130,204)</u>
Cumulative unrealized gains and losses equity instruments transferred to retained earnings due to disposal	<u>(5,341)</u>	<u>(9,585)</u>
Balance, end of period	<u>\$ (341,456)</u>	<u>\$ (130,916)</u>

3) Gains and losses on hedging instruments (cash flow hedges)

	For the Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ (879)	\$ 15
Recognized during the period		
Fair value changes of hedging instruments	783	
Tax effect	(156)	
Share of fair value changes of hedging instruments of associates accounted for using the equity method	<u>(4)</u>	<u>(1)</u>
Balance, end of period	<u>\$ (256)</u>	<u>\$ 14</u>

e. Treasury shares

The Corporation's shares acquired and held by subsidiary - EWI for the purpose of investment accounted for as treasury shares were as follows (in thousands of shares):

For the Six Months Ended June 30, 2025

<u>Beginning of period</u>		<u>Decrease during the period</u>			<u>End of period</u>		
<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Selling Price</u>	<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Market Price</u>
4,754	\$ <u>117,638</u>	-	\$ <u>-</u>	\$ <u>-</u>	4,754	\$ <u>117,638</u>	\$ <u>437,325</u>

For the Six Months Ended June 30, 2024

<u>Beginning of period</u>		<u>Decrease during the period</u>			<u>End of period</u>		
<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Selling Price</u>	<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Market Price</u>
4,754	\$ <u>117,638</u>	-	\$ <u>-</u>	\$ <u>-</u>	4,754	\$ <u>117,638</u>	\$ <u>515,759</u>

The Corporation's shares held by the subsidiaries are accounted for as treasury shares with all shareholders' rights, except the rights to participate in the Corporation's capital increase in cash and right to vote.

22. OPERATING REVENUE

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers				
Revenue from chemical product production and sale	\$ 1,384,025	\$ 1,963,812	\$ 3,034,489	\$ 3,630,878
Revenue from trading	20,391	57,150	40,597	98,607
Revenue from the rendering of services	<u>17,236</u>	<u>12,470</u>	<u>30,685</u>	<u>24,176</u>
	<u>1,421,652</u>	<u>2,033,432</u>	<u>3,105,771</u>	<u>3,753,661</u>
Revenue from investment				
Gain on disposal of investments accounted for using the equity method	16,194	-	25,586	-
Gain (loss) on fair value change of financial assets at FVTPL	(7,584)	7,944	(6,965)	17,109
Share of the profit of associates	(2,690)	(12,126)	(5,062)	(12,279)
Dividend income	<u>3,719</u>	<u>80</u>	<u>3,751</u>	<u>80</u>
	<u>9,639</u>	<u>(4,102)</u>	<u>17,310</u>	<u>4,910</u>
	<u>\$ 1,431,291</u>	<u>\$ 2,029,330</u>	<u>\$ 3,123,081</u>	<u>\$ 3,758,571</u>

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2025	January 1, 2024
Notes and accounts receivables (including related parties)	<u>\$ 394,916</u>	<u>\$ 568,628</u>	<u>\$ 645,474</u>	<u>\$ 854,511</u>
Contract liabilities				
Sale of goods	<u>\$ 71,387</u>	<u>\$ 98,399</u>	<u>\$ 40,451</u>	<u>\$ 44,966</u>

The changes in the contract liability balances primarily result from the timing difference between the Corporation and its subsidiaries' satisfaction performance of obligation and the respective customer's payment.

Revenue in the current year that was recognized from the balance at the beginning of the year contract liability was summarized as follows:

	For the Six Months Ended June 30	
	2025	2024
From contract liabilities as the beginning of the year		
Sale of goods	<u>\$ 96,015</u>	<u>\$ 44,742</u>

b. Disaggregation of revenue

For the six months ended June 30, 2025

	Chemicals Product - Production and Sales	Chemicals Product - Trading	Investment Product	Total
Type of goods or services				
Sale of goods	\$ 3,034,489	\$ 40,597	\$ -	\$ 3,075,086
Rendering of services	30,685	-	-	30,685
Others	<u>-</u>	<u>-</u>	<u>17,310</u>	<u>17,310</u>
	<u>\$ 3,065,174</u>	<u>\$ 40,597</u>	<u>\$ 17,310</u>	<u>\$ 3,123,081</u>

For the six months ended June 30, 2024

	Chemicals Product - Production and Sales	Chemicals Product - Trading	Investment Product	Total
Type of goods or services				
Sale of goods	\$ 3,630,878	\$ 98,607	\$ -	\$ 3,729,485
Rendering of services	24,176	-	-	24,176
Others	<u>-</u>	<u>-</u>	<u>4,910</u>	<u>4,910</u>
	<u>\$ 3,655,054</u>	<u>\$ 98,607</u>	<u>\$ 4,910</u>	<u>\$ 3,758,571</u>

23. PROFIT BEFORE INCOME TAX

Profit before income tax consisted of following items:

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	\$ 2,128	\$ 2,522	\$ 2,545	\$ 3,308
Investment in debt instruments at FVOCI	1,126	2,792	2,469	4,072
Others	<u>307</u>	<u>806</u>	<u>592</u>	<u>1,043</u>
	<u>\$ 3,561</u>	<u>\$ 6,120</u>	<u>\$ 5,606</u>	<u>\$ 8,423</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Subsidy income	\$ 16,388	\$ 7,128	\$ 18,742	\$ 7,128
Income from sale of prototype product trials	7,700	11,271	9,917	20,081
Rental income (Note 28)	4,175	4,151	8,325	8,301
Income from sale of scrap and wastes	1,791	1,188	5,040	1,598
Others	<u>1,597</u>	<u>1,580</u>	<u>3,752</u>	<u>2,428</u>
	<u>\$ 31,651</u>	<u>\$ 25,318</u>	<u>\$ 45,776</u>	<u>\$ 39,536</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net foreign exchange gain (loss)	\$ (26,694)	\$ 10,998	\$ (17,273)	\$ 27,075
Gain on fair value change of financial assets mandatorily at FVTPL	(1,803)	459	(979)	1,341
Loss on disposal of property, plant and equipment	(121)	(11)	(451)	(19)
Others	<u>(550)</u>	<u>(776)</u>	<u>(659)</u>	<u>(795)</u>
	<u>\$ (29,168)</u>	<u>\$ 10,670</u>	<u>\$ (19,362)</u>	<u>\$ 27,602</u>

The components of net foreign exchange gains (losses) were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gains	\$ (344)	\$ 13,921	\$ 10,351	\$ 30,165
Foreign exchange losses	<u>(26,350)</u>	<u>(2,923)</u>	<u>(27,624)</u>	<u>(3,090)</u>
Net foreign exchange gains (losses)	<u>\$ (26,694)</u>	<u>\$ 10,998</u>	<u>\$ (17,273)</u>	<u>\$ 27,075</u>

d. Interest expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 5,390	\$ 2,950	\$ 10,917	\$ 6,918
Interest on lease liabilities	<u>2,273</u>	<u>2,478</u>	<u>4,735</u>	<u>4,961</u>
	7,663	5,428	15,652	11,879
Less: Amounts included in the cost of qualifying assets	<u>3,755</u>	<u>3,794</u>	<u>8,513</u>	<u>5,597</u>
	<u>\$ 3,908</u>	<u>\$ 1,634</u>	<u>\$ 7,139</u>	<u>\$ 6,282</u>

Information relating to the capitalized interest is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Capitalized interest amount	<u>\$ 3,755</u>	<u>\$ 3,794</u>	<u>\$ 8,513</u>	<u>\$ 5,597</u>
Capitalization rate (%)	1.79-1.80	1.63-1.69	1.79-1.91	1.59-1.69

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 94,005	\$ 101,709	\$ 191,572	\$ 204,166
Right-of-use assets	10,527	10,363	21,073	20,675
Other non-current assets	<u>1,055</u>	<u>1,387</u>	<u>2,088</u>	<u>2,795</u>
	<u>\$ 105,587</u>	<u>\$ 113,459</u>	<u>\$ 214,733</u>	<u>\$ 227,636</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating costs	\$ 83,622	\$ 91,625	\$ 171,065	\$ 184,166
Operating expenses	<u>20,910</u>	<u>20,447</u>	<u>41,580</u>	<u>40,675</u>
	<u>\$ 104,532</u>	<u>\$ 112,072</u>	<u>\$ 212,645</u>	<u>\$ 224,841</u>
An analysis of amortization by function				
Operating costs	<u>\$ 1,055</u>	<u>\$ 1,387</u>	<u>\$ 2,088</u>	<u>\$ 2,795</u>

(Concluded)

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits				
Salaries	\$ 102,762	\$ 137,134	\$ 236,351	\$ 271,873
Labor and health insurance	9,536	7,914	18,798	16,412
Others	<u>4,756</u>	<u>8,738</u>	<u>12,184</u>	<u>17,321</u>
	<u>117,054</u>	<u>153,786</u>	<u>267,333</u>	<u>305,606</u>
Post-employment benefits				
Defined contribution plans	4,235	3,033	7,509	5,751
Defined benefit plans (Note 20)	<u>881</u>	<u>963</u>	<u>1,761</u>	<u>1,926</u>
	<u>5,116</u>	<u>3,996</u>	<u>9,270</u>	<u>7,677</u>
	<u>\$ 122,170</u>	<u>\$ 157,782</u>	<u>\$ 276,603</u>	<u>\$ 313,283</u>
An analysis by function				
Operating costs	\$ 83,910	\$ 101,321	\$ 177,924	\$ 200,257
Operating expenses	<u>38,260</u>	<u>56,461</u>	<u>98,679</u>	<u>113,026</u>
	<u>\$ 122,170</u>	<u>\$ 157,782</u>	<u>\$ 276,603</u>	<u>\$ 313,283</u>

g. Employees' compensation and remuneration of directors

The Articles of the Corporation stipulated the Corporation to distribute employees' compensation and remuneration of directors at the rates no less than 0.1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at the shareholders' meeting in June 2025. The amendments explicitly stipulate that no less than 30% of the employee compensation shall be distributed to non-executive employees.

The employees' compensation and remuneration of directors for the three months and six months ended June 30, 2025 and 2024 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	\$ 6,920	\$ 9,712	\$ 16,730	\$ 27,049
Remuneration of directors	1,384	3,075	3,346	5,410

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate and recognized in the next year.

The appropriations of employees' compensation and remuneration of directors (all paid in cash) for 2024 and 2023 which have been approved by the Corporation's board of directors in February 2025 and 2024, respectively, were as follows:

	For the Year Ended December 31, 2024		For the Year Ended December 31, 2023	
	Compensation of Employees	Remuneration of Directors	Compensation of Employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	<u>\$ 53,965</u>	<u>\$ 10,793</u>	<u>\$ 64,680</u>	<u>\$ 12,936</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 53,878</u>	<u>\$ 10,776</u>	<u>\$ 65,304</u>	<u>\$ 13,061</u>

The difference amounts above were recognized in profit and loss for the six months ended June 30, 2025 and 2024.

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

24. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 28,075	\$ 72,460	\$ 75,885	\$ 131,498
Adjustments for prior year	(26,977)	(12,216)	(26,977)	(12,216)
Income basic tax	1,236	-	1,500	-
Tax refund adjustments for overseas funds repatriation	-	-	-	(8,427)

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Income tax on unappropriated earnings	\$ -	\$ 52	\$ -	\$ 52
	<u>\$ 2,334</u>	<u>\$ 60,296</u>	<u>\$ 50,408</u>	<u>\$ 110,907</u>
				(Concluded)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Cash flow hedges	\$ (92)	\$ -	\$ 123	\$ -

c. Income tax assessments

The Corporation income tax returns through 2023 and the subsidiary EWT's income tax returns through 2022 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

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

Net profit for the period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net profit attributable to owners of the Corporation	<u>\$ 156,191</u>	<u>\$ 345,302</u>	<u>\$ 374,438</u>	<u>\$ 622,899</u>

The weighted average number of ordinary shares outstanding (in thousand of shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares outstanding	236,904	236,904	236,904	236,904
Less: Number of treasury shares acquired by subsidiaries	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	232,150	232,150	232,150	232,150
				(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Plus: Effect of dilutive potential ordinary shares - employees' compensation	<u>182</u>	<u>249</u>	<u>350</u>	<u>423</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>232,332</u>	<u>232,399</u>	<u>232,500</u>	<u>232,573</u>
				(Concluded)

The Corporation may settle compensation paid to employees by cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the shares have a dilutive effect. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. CAPITAL MANAGEMENT

The capital management of the Corporation and its subsidiaries is aimed at ensuring effective use of capital and ensuring a smooth operation and ensuring optimized debt and equity balance. The overall strategies of the Corporation and its subsidiaries have not significantly changed for the six months ended June 30, 2025. The capital structure of the Corporation and its subsidiaries consist of net liabilities and equity. Except for the description of Note 18, without any need for complying with other external capital requirements. The Corporation and its subsidiaries review capital structure on a quarterly basis, including the consideration of capital costs and related risks. Currently, the equity in the capital structure is greater than liabilities and it will be used to pay for dividends or debts; also, the Corporation and its subsidiaries have invested in financial instruments as part of capital and fund management.

27. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>June 30, 2025</u>				
Financial assets at FVTPL				
Mutual funds	\$ 274,966	\$ -	\$ -	\$ 274,966
Domestic listed shares	32,219	-	-	32,219
Emerging market shares	-	-	24,428	24,428
Domestic unlisted shares	-	-	56,238	56,238
Financial bonds	<u>9,284</u>	<u>-</u>	<u>-</u>	<u>9,284</u>
	<u>\$ 316,469</u>	<u>\$ -</u>	<u>\$ 80,666</u>	<u>\$ 397,135</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	\$ 265,259	\$ -	\$ -	\$ 265,259
Unlisted shares	-	-	23,440	23,440
Financial bonds	<u>88,365</u>	<u>-</u>	<u>-</u>	<u>88,365</u>
	<u>\$ 353,624</u>	<u>\$ -</u>	<u>\$ 23,440</u>	<u>\$ 377,064</u>
<u>December 31, 2024</u>				
Financial assets at FVTPL				
Mutual funds	\$ 321,610	\$ -	\$ -	\$ 321,610
Domestic listed shares	40,114	-	-	40,114
Emerging market shares	-	-	24,001	24,001
Domestic unlisted shares	-	-	56,866	56,866
Financial bonds	<u>16,605</u>	<u>-</u>	<u>-</u>	<u>16,605</u>
	<u>\$ 378,329</u>	<u>\$ -</u>	<u>\$ 80,867</u>	<u>\$ 459,196</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 268,026	\$ -	\$ -	\$ 268,026
Unlisted shares	-	-	26,228	26,228
Financial bonds	<u>81,695</u>	<u>-</u>	<u>-</u>	<u>81,695</u>
	<u>\$ 349,721</u>	<u>\$ -</u>	<u>\$ 26,228</u>	<u>\$ 375,949</u>
<u>June 30, 2024</u>				
Financial assets at FVTPL				
Mutual funds	\$ 214,299	\$ -	\$ -	\$ 214,299
Domestic listed shares	49,657	-	-	49,657
Emerging market shares	-	-	24,070	24,070
Domestic unlisted shares	-	-	57,433	57,433
Financial bonds	<u>16,413</u>	<u>-</u>	<u>-</u>	<u>16,413</u>
	<u>\$ 280,369</u>	<u>\$ -</u>	<u>\$ 81,503</u>	<u>\$ 361,872</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 284,153	\$ -	\$ -	\$ 284,153
Emerging market shares	-	-	36,112	36,112
Domestic unlisted shares	-	-	24,512	24,512
Financial bonds	<u>86,232</u>	<u>-</u>	<u>-</u>	<u>86,232</u>
	<u>\$ 370,385</u>	<u>\$ -</u>	<u>\$ 60,624</u>	<u>\$ 431,009</u>
				(Concluded)

There were no transfers between Level 1 and Level 2 for the six months ended June 30, 2025 and 2024.

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

For the six months ended June 30, 2025

	Equity Instrument		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance, beginning of period	\$ 80,867	\$ 26,228	\$ 107,095
Recognized in profit or loss	(201)	-	(201)
Recognized in other comprehensive income	-	(2,788)	(2,788)
Balance, end of the period	<u>\$ 80,666</u>	<u>\$ 23,440</u>	<u>\$ 104,106</u>

For the six months ended June 30, 2024

	Equity Instrument		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance, beginning of period	\$ 81,543	\$ 41,680	\$ 123,223
Purchase	-	24,512	24,512
Recognized in profit or loss	(40)	-	(40)
Recognized in other comprehensive income	-	(5,568)	(5,568)
Balance, end of the period	<u>\$ 81,503</u>	<u>\$ 60,624</u>	<u>\$ 142,127</u>

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

- a) The fair value of emerging market shares was based on the closing price adjusted for liquidity risk premium.
- b) The fair value of unlisted shares was based on the current net value or trading price.

b. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL (including non-current)	\$ 397,135	\$ 459,196	\$ 361,872
Financial assets for hedging	4,851	33,374	-
Financial assets at FVTOCI (including non-current)			
Investments in equity instruments	288,699	294,254	344,777
Investments in debt instruments	88,365	81,695	86,232
Financial assets at amortized cost 1)	1,373,220	1,761,315	1,397,932
			(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities			
Financial liabilities at amortized cost 2)	\$ 1,548,328	\$ 2,310,767	\$ 1,329,492 (Concluded)

- 1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, financial assets at amortized cost - non-current and refundable deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term borrowings, accounts payable (including related parties), other payables (excluding dividends payable), long-term borrowings and guarantee deposit received.

c. Financial risk management objectives and policies

The Corporation and its subsidiaries' major financial instruments include equity and debt investments, accounts receivable, accounts payable, short-term and long-term borrowings. The Corporation and its subsidiaries' treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation and its subsidiaries through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation and its subsidiaries sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Corporation and its subsidiaries' policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Corporation and its subsidiaries did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Corporation and its subsidiaries' activities exposed them primarily to the financial risks of changes in foreign currency exchange rates and interest rates. There had been no change to the Corporation and its subsidiaries' exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation and its subsidiaries had sales in foreign currencies, which were exposed to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts or were mitigated by future receivables and payables denominated in the same foreign currency.

The carrying amounts of the Corporation and its subsidiaries foreign currency denominated monetary assets and monetary liabilities at the balance sheet date are set out in Note 30.

Sensitivity analysis

The Corporation and its subsidiaries were mainly exposed to the currencies USD and RMB. The following table details the Corporation and its subsidiaries' sensitivity to a 3% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 3% represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only the outstanding foreign monetary items at each balance sheet date. Scenario 1 in the following table indicates the profit and loss of the Corporation and its subsidiaries when the functional currency against the USD or RMB appreciated by 3%. Scenario 2 in the following table indicates the profit and loss of the Corporation and its subsidiaries when the functional currency against the USD or RMB depreciated by 3%.

	USD (Note)		RMB (Note)	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2025	2024	2025	2024
Profit or loss in Scenario 1	\$ (3,384)	\$ (7,103)	\$ (2,368)	\$ (6,151)
Profit or loss in Scenario 2	3,384	7,103	2,368	6,151

Note: It was mainly derived from the cash and cash equivalents, receivables, other receivables, accounts payables, and other payables denominated in foreign currency without cash flow hedging arranged at each balance sheet date by the Corporation and its subsidiaries.

Changes in the exchange rate sensitivity of the Corporation and its subsidiaries for the six months ended June 30, 2025 and 2024 were mainly due to the variation of USD and RMB assets. The management believes that the sensitivity analysis is not representative of the inherent risk of exchange rate since the foreign currency risk exposure at balance sheet date does not reflect the interim risk exposure; also, the sales denominated in USD and RMB will be affected by customer orders and shipping schedule.

Hedge accounting

The Corporation and its subsidiaries mitigate the exchange rate risk arising from capital expenditures on foreign procurement projects by purchasing foreign currency deposits. These deposits are designated as hedges for the foreign currency positions of the specified procurement projects and are designated as cash flow hedges.

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

June 30, 2025

Hedging Instrument /Hedged Item	Line Item in Balance Sheet	Carrying Amount Asset
Cash flow hedge		
Foreign currency time deposits/Forecast purchases	Financial assets for hedging - current	\$ <u>4,851</u>

Hedging Instrument / Hedged Item	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges
Cash flow hedge			
Foreign currency time deposits/Forecast purchases	<u>\$ 783</u>	<u>\$ (783)</u>	<u>\$ (321)</u>

December 31, 2024

Hedging Instrument /Hedged Item	Line Item in Balance Sheet	Carrying Amount Asset
Cash flow hedge		
Foreign currency time deposits/Forecast purchases	Financial assets for hedging - current	<u>\$ 33,374</u>

Hedging Instrument /Hedged Item	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges
Cash flow hedge			
Foreign currency time deposits/Forecast purchases	<u>\$ (1,104)</u>	<u>\$ 1,104</u>	<u>\$ (1,104)</u>

b) Interest rate risk

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial liabilities	\$ 602,712	\$ 613,736	\$ 621,778
Cash flow interest rate risk			
Financial assets	705,199	1,120,378	615,018
Financial liabilities	900,000	1,300,000	600,000

Because of held financial liabilities, if interest rates had been 1% higher/lower and all other variables were constant, the Corporation and its subsidiaries' per-tax profit for the six months ended June 30, 2025 and 2024 would have decreased/increased by NT\$4,500 thousand and NT\$3,000 thousand, respectively.

c) Other price risk

The Corporation and its subsidiaries are exposed to equity price risk through their investments in listed shares and mutual funds; the risk is managed by maintaining a portfolio of investments with different risks. The equity price risk of the Corporation and its subsidiaries was primarily concentrated on the share and fund market in Taiwan and it was evaluated by the closing price of the equity securities and net value of the mutual funds on a monthly basis.

Sensitivity analysis

The sensitivity analysis measures the exposure to equity price risk at the balance sheet date. Considering the market price fluctuation of the Corporation and its subsidiaries' main investment targets, the fluctuation of 6% was used for the sensitivity analysis of equity securities.

If equity prices had been 6% higher/lower for the six months ended June 30, 2025 and 2024, respectively, the pre-tax profit for the six months ended June 30, 2025 and 2024 would have been higher/lower by NT\$18,431 thousand and NT\$15,837 thousand, respectively, as a result of the fair value changes of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2025 and 2024 would have been higher/lower by NT\$15,916 thousand and NT\$17,049 thousand, respectively, as a result of the changes in fair value of FVTOCI, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default resulting in financial loss to the Corporation and its subsidiaries. The Corporation and its subsidiaries' maximum exposure to credit risk is the carrying amount of accounts receivables from customers could not be recovered. The main customers of the Corporation and its subsidiaries were creditworthy and continuously to evaluate the customers' financial condition. If necessary, the customers will be requested to provide collaterals or to pay cash for each transaction. The business department also understands the credit status of customers through industry reports. The credit risk was immaterial to the Corporation and its subsidiaries.

The Corporation and its subsidiaries' concentrations of credit risk in total of notes and accounts receivable were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Customer A	\$ 67,749	\$ 84,361	\$ 78,116
Customer B	43,566	51,009	-
Customer C	<u>31,010</u>	<u>23,742</u>	<u>108,750</u>
	<u>\$ 142,325</u>	<u>\$ 159,112</u>	<u>\$ 186,866</u>

3) Liquidity risk

The Corporation and its subsidiaries have supported business operation through management and by maintaining sufficient cash and cash equivalents or easily realizable financial instruments. In addition, the Corporation and its subsidiaries signed line of credit contracts with financial institutions for a ready source of funds to support the business operation of the Corporation and its subsidiaries.

The Corporation and its subsidiaries rely on bank borrowings as a significant source of liquidity. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Corporation and its subsidiaries had available unutilized short-term and long-term bank loan facilities in the amounts to NT\$6.2 billion, NT\$6.2 billion and NT\$7.3 billion, respectively.

Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Corporation and its subsidiaries remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation and its subsidiaries can be required to pay. The table included both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2025

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 1,494,111	\$ 3,965	\$ -	\$ 1,498,076
Lease liabilities	42,973	146,584	510,435	699,992
Variable interest rate liabilities	<u>239,551</u>	<u>927,372</u>	<u>-</u>	<u>1,166,923</u>
	<u>\$ 1,776,635</u>	<u>\$ 1,077,921</u>	<u>\$ 510,435</u>	<u>\$ 3,364,991</u>

December 31, 2024

	Less than 1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 611,481	\$ 3,960	\$ -	\$ 615,441
Lease liabilities	45,891	147,398	522,274	715,563
Variable interest rate liabilities	326,825	1,319,573	-	1,646,398
Fixed interest rate liabilities	<u>100,059</u>	<u>-</u>	<u>-</u>	<u>100,059</u>
	<u>\$ 1,084,256</u>	<u>\$ 1,470,931</u>	<u>\$ 522,274</u>	<u>\$ 3,077,461</u>

June 30, 2024

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 1,638,784	\$ 3,910	\$ -	\$ 1,642,694
Lease liabilities	43,760	146,089	540,422	730,271
Variable interest rate liabilities	<u>51,399</u>	<u>606,901</u>	<u>-</u>	<u>658,300</u>
	<u>\$ 1,733,943</u>	<u>\$ 756,900</u>	<u>\$ 540,422</u>	<u>\$ 3,031,265</u>

28. TRANSACTIONS WITH RELATED PARTIES

Related Party Name	Relationship with the Corporation
China Steel Corporation	The parent entity of the Corporation
International CSRC Investment Holding Co., Ltd.	The Corporation as key management personnel of other related parties
Linyuan Advanced Materials Technology Co., Ltd. (Linyuan Advanced)	The Corporation as key management personnel of other related parties
China Steel Structure Corporation (CSSC)	Fellow subsidiary
Dragon Steel Corporation (DSC)	Fellow subsidiary
Chung Hung Steel Corporation (CHS)	Fellow subsidiary
China Ecotek Corporation (CEC)	Fellow subsidiary
China Steel Machinery Corporation (CSMC)	Fellow subsidiary
China Steel Precision Materials Corporation (CSPM)	Fellow subsidiary
Infochamp systems Corporation (ICSC)	Fellow subsidiary
CHC Resources Corporation	Fellow subsidiary
Himag Magnetic Corporation	Fellow subsidiary
China Steel Global Trading Corporation	Fellow subsidiary
Steel Castle Technology Corporation	Fellow subsidiary
China Steel Security Corporation	Fellow subsidiary
Thintech Materials Technology Co., Ltd.	Fellow subsidiary
Betacera Inc.	Fellow subsidiary
CSC Solar Corporation	Fellow subsidiary
Pro-Ascentek Investment Corporation	Fellow subsidiary
Eminent Venture Capital Corporation	Fellow subsidiary
Eminent III Venture Capital Corporation	Associate

Details of transactions between the Corporation and its subsidiaries and related parties were as follows:

a. Operating revenues

Account Items	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Revenue from sales of goods	The Corporation as key management personnel of subsidiaries				
	Linyuan Advanced	\$ 187,725	\$ 242,026	\$ 435,379	\$ 498,569
	Parent entity	4,211	5,284	10,388	8,100
	Fellow subsidiaries	<u>3,243</u>	<u>2,747</u>	<u>7,068</u>	<u>5,996</u>
		<u>\$ 195,179</u>	<u>\$ 250,057</u>	<u>\$ 452,835</u>	<u>\$ 512,665</u>
Revenue from the rendering of services	Parent entity	\$ 15,590	\$ 10,636	\$ 26,184	\$ 20,195
	Fellow subsidiaries	<u>1,555</u>	<u>1,835</u>	<u>4,355</u>	<u>3,909</u>
		<u>\$ 17,145</u>	<u>\$ 12,471</u>	<u>\$ 30,539</u>	<u>\$ 24,104</u>

Part of sales to the parent entity and fellow subsidiaries were charged at the cost plus additional percentage; sales to others were charged in accordance with the agreed pricing formula. Sales referred to above except for revenue from rendering of services from the parent entity and fellow subsidiaries, did not have similar transactions for comparison; but not significantly different from regular trading.

b. Purchase of goods

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Parent entity	\$ 496,587	\$ 689,730	\$ 1,084,281	\$ 1,261,766
Fellow subsidiaries				
DSC	214,573	281,105	459,184	576,417
Others	<u>256</u>	<u>384</u>	<u>512</u>	<u>768</u>
	<u>214,829</u>	<u>281,489</u>	<u>459,696</u>	<u>577,185</u>
	<u>\$ 711,416</u>	<u>\$ 971,219</u>	<u>\$ 1,543,977</u>	<u>\$ 1,838,951</u>

The Corporation entered into agreements for purchase of light oil products and coal tar with the parent entity in March 2013 and July 2010, respectively. Besides, the Corporation entered into agreements for purchase of light oil products and coal tar with DSC in May 2008. The terms of agreements were 5 years and the agreements would be extended automatically for 5 years each time upon maturity if there was no objection raised by either party. Prices were negotiated between both sides and paid with letters of credit at sight. If any price adjustments occurred due to market volatilities, it shall be settled separately.

In addition, the Corporation entered into agreement for fine coke processing with the parent company for 5 years in January 2008; the agreement would be extended automatically for 5 years each time upon maturity if there was no objection raised by either party.

c. Receivables from related parties

Account Items	Related Party category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable - related parties	Parent entity	\$ 5,796	\$ 7,337	\$ 9,385
	Fellow subsidiaries	589	767	769
	The Corporation as key management personnel of subsidiaries			
	Linyuan Advanced	<u>67,749</u>	<u>84,361</u>	<u>78,116</u>
		<u>\$ 74,134</u>	<u>\$ 92,465</u>	<u>\$ 88,270</u>
Other receivables	Parent entity	\$ 75,554	\$ 11,980	\$ 829
	Fellow subsidiaries	<u>1,548</u>	<u>1,437</u>	<u>1,298</u>
		<u>\$ 77,102</u>	<u>\$ 13,417</u>	<u>\$ 2,127</u>

No guarantee had been received for receivables from related parties. For the six months ended June 30, 2025 and 2024, no impairment loss was recognized on receivables from related parties.

d. Payables to related parties

Account Items	Related Party category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable - related parties	Parent entity	\$ 185,515	\$ 240,346	\$ 249,838
	Fellow subsidiaries	<u>-</u>	<u>178</u>	<u>475</u>
		<u>\$ 185,515</u>	<u>\$ 240,524</u>	<u>\$ 250,313</u>

(Continued)

Account Items	Related Party category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Other payables	Parent entity	\$ 2,548	\$ 12,605	\$ 12,230
	Fellow subsidiaries	2,242	2,937	645
	The Corporation as key management personnel of other related parties			6,115
		<u>1,115</u>	<u>3,592</u>	
		<u>\$ 5,905</u>	<u>\$ 19,134</u>	<u>\$ 18,990</u>
				(Concluded)

The outstanding accounts payable to related parties were unsecured.

e. Acquisitions of property, plant and equipment

Related Party Category/Name	Purchase Price For the Six Months Ended June 30	
	2025	2024
Fellow subsidiaries		
CSMC	\$ 24,480	\$ 18,360
ICSC	13,905	555
CSSC	-	83,721
CEC	<u>-</u>	<u>36,000</u>
	<u>\$ 38,385</u>	<u>\$ 138,636</u>

The price of property, plant and equipment acquired by the Corporation from related parties are determined and negotiated between two parties and paid in accordance with the terms of the contract.

f. Lease agreement

Account Items	Related Parties Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	Parent entity	\$ 549,901	\$ 551,827	\$ 565,780
	Fellow subsidiaries			
	CSPM	43,756	49,406	48,286
	CHS	<u>4,581</u>	<u>5,702</u>	<u>-</u>
		<u>48,337</u>	<u>55,108</u>	<u>48,286</u>
		<u>\$ 598,238</u>	<u>\$ 606,935</u>	<u>\$ 614,066</u>
Related Parties Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest expense				
Parent entity	<u>\$ 2,025</u>	<u>\$ 2,077</u>	<u>\$ 4,065</u>	<u>\$ 4,163</u>
Fellow subsidiaries				
CSPM	213	379	597	750
CHS	<u>22</u>	<u>1</u>	<u>46</u>	<u>3</u>
	<u>235</u>	<u>380</u>	<u>643</u>	<u>753</u>
	<u>\$ 2,260</u>	<u>\$ 2,457</u>	<u>\$ 4,708</u>	<u>\$ 4,916</u>

Leases of land and plants

The Corporation leased land and plants from its parent entity with total of 3 arrangements. The lease term of the contracts was all 5 years, which ended in December, 2025 and 2026, respectively. The rental was paid every half year.

The Corporation also leased the coke plant from its parent entity. The lease term of the contract was 5 years, which was ended December, 2026. The rental was paid every half year.

The Corporation and its subsidiaries leased land and plants from its fellow subsidiary. The lease term will end in December, 2058. The rental was paid annually or quarterly according to the contract.

Leases from related parties were without similar transactions with other non-related parties.

Leased of office buildings

The Corporation leased office buildings from its parent entity. The lease term of the contract will end in December, 2025. The rental was paid quarterly. Prices were negotiated between both sides and rental was paid according to the contract. Prices were same as local rental and there was no material difference in the term of contract between related parties and non-related parties.

g. Lease agreements

As described in Note 17, the Corporation leased out land, which was located in the Xiaogang District, Kaohsiung City to its parent entity. The rental was calculated by an annual rate of 3% based on the current land value. The rental was paid every half year. The lease term of the contract will end in December, 2025. As of June 30, 2025, December 31, 2024 and June 30, 2024, the gross lease payments to be received were NT\$6,456 thousand, NT\$12,913 thousand and NT\$19,370 thousand, respectively. The amounts of lease income recognized for the three months and six months ended June 30, 2025 and 2024 were both NT\$3,228 thousand and NT\$6,456 thousand, respectively.

h. Other related party transactions

1) Public fluid

The Corporation's factory was located inside the parent entity's plant; the primary energy needed for production was supplied by the parent entity. The Corporation paid on a monthly basis for expense on public fluid, including electricity, wastewater treatment, waste gas treatment, consumption of steam, and coke ovens, based on market price or cost plus percentage. The expenses mentioned above amounted to NT\$87,562 thousand, NT\$102,320 thousand, NT\$181,562 thousand and NT\$201,635 thousand for the three months and six months ended June 30, 2025 and 2024, respectively. The Corporation and other non-related parties had no similar transactions available for comparison.

2) Technical service fees

The Corporation commissioned the parent entity to provide technical services, including activated carbon like Isotropic graphite block material analysis and the applied technological development in graphitizing mass production. The fees for technical services amounted to NT\$5,130 thousand, NT\$5,110 thousand for the six months ended June 30, 2025 and 2024, respectively.

3) Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 6,528	\$ 8,392	\$ 14,334	\$ 16,733
Post-employment benefits	<u>219</u>	<u>160</u>	<u>438</u>	<u>369</u>
	<u>\$ 6,747</u>	<u>\$ 8,552</u>	<u>\$ 14,772</u>	<u>\$ 17,102</u>

The compensation of the directors and the other management was determined by the Remuneration Committee in accordance with the personal performance evaluation and market trends.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Significant commitments and contingencies of the Corporation and its subsidiaries' as of June 30, 2025 were as follow:

- Guarantee notes provided to sellers for purchase of goods and agreements amounted to NT\$123,026 thousand.
- Unused letter of credit issued by the Corporation for the purchase of raw materials and goods in the amount of NT\$1,033,722 thousand.
- Property, plant and equipment construction contract signed for total amount of NT\$405,594 thousand, in which about NT\$230,117 thousand has not yet completed.

30. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
<hr/> June 30, 2025				
Financial assets				
Monetary items				
USD	\$ 4,303	29.3	(USD:NTD)	\$ 126,074
RMB	23,221	4.091	(RMB:NTD)	94,996
JPY	108,870	0.2034	(JPY:NTD)	22,144

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	\$ 317	29.3	(USD:NTD)	\$ 9,284
Financial assets mandatorily designated as FVTOCI				
USD	3,816	29.3	(USD:NTD)	111,805
Financial liabilities				
Monetary items				
USD	454	29.3	(USD:NTD)	13,290
RMB	3,926	4.091	(RMB:NTD)	16,061
JPY	180,600	0.2034	(JPY:NTD)	36,734
<hr/> December 31, 2024 <hr/>				
Financial assets				
Monetary items				
USD	8,471	32.785	(USD:NTD)	277,734
USD	136	7.321	(USD:RMB)	4,459
RMB	23,590	4.478	(RMB:NTD)	105,634
JPY	308,073	0.2099	(JPY:NTD)	64,665
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	1,097	32.785	(USD:NTD)	35,967
Financial assets mandatorily designated as FVTOCI				
USD	3,292	32.785	(USD:NTD)	107,923
Financial liabilities				
Monetary items				
USD	1,805	32.785	(USD:NTD)	59,175
RMB	4,248	4.478	(RMB:NTD)	19,020
<hr/> June 30, 2024 <hr/>				
Financial assets				
Monetary items				
USD	9,447	32.45	(USD:NTD)	306,566
RMB	46,128	4.445	(RMB:NTD)	205,039
JPY	90,387	0.2017	(JPY:NTD)	18,231
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	1,074	32.45	(USD:NTD)	34,849
Financial assets mandatorily designated as FVTOCI				
USD	2,657	32.45	(USD:NTD)	86,232

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Financial liabilities				
Monetary items				
USD	\$ 2,151	32.45	(USD:NTD)	\$ 69,804
JPY	76,880	0.2017	(JPY:NTD)	15,507
				(Concluded)

For the three months and six months ended June 30, 2025 and 2024, realized and unrealized net foreign exchange gains and losses were losses of NT\$26,694 thousand, gains of NT\$10,998 thousand, losses of NT\$17,273 thousand and gains of NT\$27,075 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transaction and functional currencies of the Corporation and its subsidiaries.

31. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and b. investees:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (None)
 - 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 2)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - 6) Trading in derivative instruments (None)
 - 7) Intercompany relationships and significant intercompany transactions (Table 4)
 - 8) Information on investees (Table 5)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income (loss) of investees, investment gain (loss), carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices and payment terms:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (None)

- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (None)
- c) The amount of property transactions and the amount of the resultant gains or losses (None)
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes (None)
- e) The highest balance, the end of period balance and the interest rate range with respect to financing of funds (Table 1)
- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

32. SEGMENT INFORMATION

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

- a. CSCC/CCSNM - Production and marketing of chemical products.
- b. EWI - Investments.
- c. The Corporation and its subsidiaries have the reporting segments analyzed as follows:

	CSCC/ CCSNM	EWI	Adjustment and write-off	Consolidated
For the six months ended June 30, 2025				
Revenue from external customers	\$ 3,105,771	\$ 17,310	\$ -	\$ 3,123,081
Inter segment revenue	<u>16,967</u>	<u>(7,767)</u>	<u>(9,200)</u>	<u>-</u>
Segment revenue	<u>\$ 3,122,738</u>	<u>\$ 9,543</u>	<u>\$ (9,200)</u>	<u>\$ 3,123,081</u>
Segment income	\$ 326,743	\$ 9,015	\$ 18,113	\$ 353,871
Interest income	4,958	1,579	(931)	5,606
Share of profits of subsidiaries and associates	45,565	-	529	46,094
Other income	55,998	124	(10,346)	45,776
Interest expense	(8,070)	-	931	(7,139)
Other gains and losses	<u>(10,905)</u>	<u>(8,457)</u>	<u>-</u>	<u>(19,362)</u>
Profit before income tax	414,289	2,261	8,296	424,846
Income tax expense	<u>47,618</u>	<u>2,790</u>	<u>-</u>	<u>50,408</u>
Net profit (loss) for the period	<u>\$ 366,671</u>	<u>\$ (529)</u>	<u>\$ 8,296</u>	<u>\$ 374,438</u>

(Continued)

	CSCC/ CCSNM	EWI	Adjustment and write-off	Consolidated
For the six months ended June 30, 2024				
Revenue from external customers	\$ 3,753,661	\$ 4,910	\$ -	\$ 3,758,571
Inter segment revenue	<u>116,869</u>	<u>2,556</u>	<u>(119,425)</u>	<u>-</u>
Segment revenue	<u>\$ 3,870,530</u>	<u>\$ 7,466</u>	<u>\$ (119,425)</u>	<u>\$ 3,758,571</u>
Segment income	\$ 626,304	\$ 7,008	\$ 562	\$ 633,874
Interest income	7,385	1,964	(926)	8,423
Share of profits of subsidiaries and associates	41,511	-	(10,858)	30,653
Other income	42,381	273	(3,118)	39,536
Interest expense	(7,208)	-	926	(6,282)
Other gains and losses	<u>25,095</u>	<u>2,507</u>	<u>-</u>	<u>27,602</u>
Profit before income tax	735,468	11,752	(13,414)	733,806
Income tax expense	<u>110,013</u>	<u>894</u>	<u>-</u>	<u>110,907</u>
Net profit for the period	<u>\$ 625,455</u>	<u>\$ 10,858</u>	<u>\$ (13,414)</u>	<u>\$ 622,899</u> (Concluded)

Department interests refers to the profits earned by each department, excluding the administrative cost of the headquarters to be amortized and remuneration of directors, rent income, interest income, gain (loss) from disposal of property, plant, and equipment, net foreign currency exchange gains and losses, financial instruments valuation gains and losses, interest expense, income tax expense, etc. These measurements and amount are provided to the chief operating decision-maker for allocating resources to each segment and for assessing their performance.

e. Segment total assets and liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Segment assets			
Chemicals segment			
Production and sales	\$ 11,199,207	\$ 11,766,317	\$ 11,360,934
Investment segment	1,600,124	1,681,919	1,742,169
Adjustment and write-off	<u>(1,866,078)</u>	<u>(1,982,776)</u>	<u>(2,135,872)</u>
	<u>\$ 10,933,253</u>	<u>\$ 11,465,460</u>	<u>\$ 10,967,231</u>
Segment liabilities			
Chemicals segment			
Production and sales	\$ 3,580,170	\$ 3,352,133	\$ 3,397,744
Investment segment	2,799	804	835
Adjustment and write-off	<u>(95,482)</u>	<u>(104,073)</u>	<u>(196,412)</u>
	<u>\$ 3,487,487</u>	<u>\$ 3,248,864</u>	<u>\$ 3,202,167</u>

TABLE 1

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE PERIOD ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 3)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	\$ 96,033	\$ 85,911	\$ 85,911	2%	Note 1	\$ -	Operating capital	\$ -	-	\$ -	\$ 319,465	\$ 479,197	Note 2

Note 1: The need for short-term financing.

Note 2: According to “The Process of Financing Others” established by Ever Wealthy International Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 30% and 20% of the net worth of Ever Wealthy International Corporation, respectively; the financing limit amount for parent company shall not exceed 30% of the net worth of the company.

Note 3: The transaction had been eliminated when preparing consolidated financial statements.

TABLE 2

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2025				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	3,746,915	<u>\$ 70,442</u>		<u>\$ 70,442</u>	Note
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	229,000	<u>\$ 9,263</u>		<u>\$ 9,263</u>	
Ever Wealthy International Corporation	Common stock	China Steel Chemical Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	4,753,537	\$ 437,325		\$ 437,325	
Ever Wealthy International Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-current	4,226,265	79,454		79,454	
						<u>\$ 516,779</u>		<u>\$ 516,779</u>	

Note: Listed as treasury shares when preparing consolidated financial statement.

TABLE 3

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE PERIOD ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

[illegible]

Note : Refer to Note 28.

TABLE 4

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE PERIOD ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			% of Total Operating Revenues or Assets
				Financial Statement Accounts	Amount	Payment Terms	
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiaries to subsidiaries	Other receivables	\$ 87,267	According to the contract and the resolution approved in the board of director.	1

TABLE 5

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE PERIOD ENDED JUNE 30, 2025

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of JUNE 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				JUNE 30, 2025	DECEMBER 31, 2024	Number of Shares	%	Carrying Amount			
China Steel Chemical Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	\$ 91,338	\$ 91,338	15,019,341	6	\$ 361,278	\$ 671,000	\$ 40,528	Subsidiary (Note)
China Steel Chemical Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	13,675	13,675	600,069	-	15,792	273,302	820	
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	107,712,232	100	1,277,638	(529)	(529)	
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	75,911,726	9	514,457	1,214	111	
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	261,600	261,600	26,160,000	15	302,454	65,155	9,773	
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	160,000	16,000,000	9	98,323	(65,032)	(5,744)	
China Steel Chemical Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	63,872	11,177	559	
China Steel Chemical Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	47,950	47,950	3,133,744	8	40,669	7,052	552	
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40	24,156	(121)	(48)	
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35	10,706	(3)	(1)	
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5	6,400	2,364	118	
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	3,375	3,375	337,500	5	3,483	(11,483)	(574)	
Ever Wealthy International Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	29,281	29,281	532,000	-	14,213	273,302	737	
Ever Wealthy International Corporation	ThinTech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	38,203	42,396	5,083,748	5	79,581	(2,372)	73	
Ever Wealthy International Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	100,985	100,985	8,034,528	7	79,404	(92,142)	(6,988)	
Ever Wealthy International Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	33,015	33,015	2,297,860	6	29,813	7,052	405	
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45	13,765	(3)	(2)	
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35	14,566	1,402	491	
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30	13,708	740	222	

Note: The transaction had been eliminated when preparing consolidated financial statement.

TABLE 6

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE PERIOD ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of JUNE 30, 2025 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of JUNE 30, 2025	Accumulated Repatriation of Investment Income as of JUNE 30, 2025	Note
					Outward	Inward							
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	\$ 163,435	Direct investment	\$ 190,626	\$ -	\$ -	\$ 190,626	\$ (7,767)	100	\$ (7,767)	\$ 173,270	\$ -	Note 4

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of JUNE 30, 2025 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
China Steel Chemical Corporation	\$ 190,626	\$ 190,626	\$ 4,467,459

Note 1: The amounts were calculated based on the foreign exchange rate as of June 30, 2025.

Note 2: The basis for recognition of investment income is bases on the financial statements reviewed and attested by R.O.C. parent company's CPA.

Note 3: The limit on investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is applicable; investments shall not exceed 60% of their net worth.

Note 4: The transaction had been eliminated when preparing consolidated financial statement.