

**China Steel Chemical Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025 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 March 31, 2026 and 2025, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and related notes, 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 March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 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 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

April 28, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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	March 31, 2026 (Reviewed)		December 31, 2025 (Audited)		March 31, 2025 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 782,501	7	\$ 1,113,759	10	\$ 808,391	7
Financial assets at fair value through profit or loss - current (Note 7)	445,806	4	444,490	4	394,677	4
Financial assets at fair value through other comprehensive income - current (Note 8)	255,597	3	257,234	2	271,384	2
Financial assets for hedging - current (Note 10)	-	-	-	-	5,311	-
Notes receivable (Note 11)	9,590	-	22,935	-	75,238	1
Accounts receivable, net (Note 11)	332,972	3	280,665	2	368,693	3
Accounts receivable - related parties (Notes 11 and 28)	123,879	1	80,676	1	102,907	1
Other receivables (Note 28)	6,910	-	47,660	-	26,193	-
Current tax assets	-	-	-	-	897	-
Inventories (Note 12)	1,404,445	12	1,321,222	12	1,349,575	12
Other current assets	<u>41,149</u>	<u>-</u>	<u>49,072</u>	<u>-</u>	<u>42,567</u>	<u>-</u>
Total current assets	<u>3,402,849</u>	<u>30</u>	<u>3,617,713</u>	<u>31</u>	<u>3,445,833</u>	<u>30</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	72,230	1	79,250	1	80,529	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	155,240	1	148,924	1	128,844	1
Financial assets at amortized cost - non-current (Note 9)	20,000	-	20,000	-	20,000	-
Investments accounted for using equity method (Note 14)	1,846,493	16	1,782,033	16	1,885,664	17
Property, plant and equipment (Notes 15 and 28)	4,627,519	40	4,545,290	40	4,460,147	40
Right-of-use assets (Notes 16 and 28)	721,184	7	573,696	5	607,416	5
Investment properties (Note 17)	533,013	5	533,013	5	533,013	5
Deferred tax assets	51,747	-	51,747	-	59,042	1
Prepaid equipment	56,558	-	59,151	1	30,326	-
Refundable deposits	4,770	-	4,570	-	4,810	-
Other non-current assets	<u>26,676</u>	<u>-</u>	<u>27,572</u>	<u>-</u>	<u>29,933</u>	<u>-</u>
Total non-current assets	<u>8,115,430</u>	<u>70</u>	<u>7,825,246</u>	<u>69</u>	<u>7,839,724</u>	<u>70</u>
TOTAL	<u>\$ 11,518,279</u>	<u>100</u>	<u>\$ 11,442,959</u>	<u>100</u>	<u>\$ 11,285,557</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 937,470	8	\$ 1,271,024	11	\$ 300,000	3
Financial liabilities at fair value through profit or loss - current (Note 7)	4,284	-	2,610	-	-	-
Contract liabilities - current (Note 22)	37,109	-	67,788	1	71,558	1
Accounts payable	38,322	-	31,650	-	24,687	-
Accounts payable - related parties (Note 28)	226,983	2	200,086	2	244,640	2
Other payables (Notes 19 and 28)	241,389	2	245,635	2	318,612	3
Current tax liabilities	157,667	1	119,502	1	154,940	1
Lease liabilities - current (Notes 16 and 28)	41,181	-	31,699	-	35,654	-
Other current liabilities	<u>12,057</u>	<u>-</u>	<u>9,842</u>	<u>-</u>	<u>9,718</u>	<u>-</u>
Total current liabilities	<u>1,696,462</u>	<u>13</u>	<u>1,979,836</u>	<u>17</u>	<u>1,159,809</u>	<u>10</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	1,000,000	9	1,000,000	9	900,000	8
Deferred tax liabilities	-	-	-	-	3,517	-
Lease liabilities - non-current (Notes 16 and 28)	685,724	6	557,199	5	577,189	5
Net defined benefit liabilities (Note 4)	82,231	1	83,675	1	97,374	1
Guarantee deposit received	<u>3,920</u>	<u>-</u>	<u>3,970</u>	<u>-</u>	<u>3,960</u>	<u>-</u>
Total non-current liabilities	<u>1,771,875</u>	<u>16</u>	<u>1,644,844</u>	<u>15</u>	<u>1,582,040</u>	<u>14</u>
Total liabilities	<u>3,468,337</u>	<u>29</u>	<u>3,624,680</u>	<u>32</u>	<u>2,741,849</u>	<u>24</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 21)						
Ordinary shares capital	<u>2,369,044</u>	<u>21</u>	<u>2,369,044</u>	<u>21</u>	<u>2,369,044</u>	<u>21</u>
Capital surplus	<u>988,571</u>	<u>9</u>	<u>989,006</u>	<u>9</u>	<u>972,040</u>	<u>9</u>
Retained earnings						
Legal reserve	3,092,576	27	3,092,576	27	3,090,378	27
Special reserve	317,861	3	317,861	2	193,150	2
Unappropriated earnings	<u>1,660,757</u>	<u>14</u>	<u>1,474,798</u>	<u>13</u>	<u>2,248,507</u>	<u>20</u>
Total retained earnings	<u>5,071,194</u>	<u>44</u>	<u>4,885,235</u>	<u>42</u>	<u>5,532,035</u>	<u>49</u>
Other equity	<u>(261,229)</u>	<u>(2)</u>	<u>(307,368)</u>	<u>(3)</u>	<u>(211,773)</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>8,049,942</u>	<u>71</u>	<u>7,818,279</u>	<u>68</u>	<u>8,543,708</u>	<u>76</u>
TOTAL	<u>\$ 11,518,279</u>	<u>100</u>	<u>\$ 11,442,959</u>	<u>100</u>	<u>\$ 11,285,557</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)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 22 and 28)	\$ 1,277,807	100	\$ 1,691,790	100
OPERATING COSTS (Notes 12, 23 and 28)	<u>958,057</u>	<u>75</u>	<u>1,316,837</u>	<u>78</u>
GROSS PROFIT	<u>319,750</u>	<u>25</u>	<u>374,953</u>	<u>22</u>
OPERATING EXPENSES (Notes 23 and 28)				
Selling and marketing expenses	31,545	2	44,835	3
General and administrative expenses	36,973	3	37,907	2
Research and development expenses	<u>70,009</u>	<u>6</u>	<u>67,508</u>	<u>4</u>
Total operating expenses	<u>138,527</u>	<u>11</u>	<u>150,250</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>181,223</u>	<u>14</u>	<u>224,703</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 28)				
Interest income	1,993	-	2,045	-
Other income	16,154	1	14,125	1
Other gains and losses	4,362	-	9,806	1
Share of the profit of associates	22,900	2	18,873	1
Interest expense	<u>(9,546)</u>	<u>-</u>	<u>(3,231)</u>	<u>-</u>
Total non-operating income and expenses	<u>35,863</u>	<u>3</u>	<u>41,618</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	217,086	17	266,321	16
INCOME TAX (Notes 4 and 24)	<u>38,207</u>	<u>3</u>	<u>48,074</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>178,879</u>	<u>14</u>	<u>218,247</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (Note 21)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain on financial assets in equity instruments at fair value through other comprehensive income	3,353	-	22,338	1
Gain on hedging instruments	-	-	1,243	-

(Continued)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
Shares of the other comprehensive income of associates accounted for using the equity method	\$ 41,836	4	\$ 77,456	5
Income tax related to items that will not be reclassified subsequently	-	-	(248)	-
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translation of the financial statement of foreign operations	5,451	-	4,137	-
Unrealized gain (loss) on financial assets in debt instruments at fair value through other comprehensive income	(1,216)	-	1,941	-
Share of the other comprehensive income of associates accounted for using the equity method	<u>3,795</u>	<u>-</u>	<u>2,194</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>53,219</u>	<u>4</u>	<u>109,061</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 232,098</u>	<u>18</u>	<u>\$ 327,308</u>	<u>19</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	<u>\$ 178,879</u>	<u>14</u>	<u>\$ 218,247</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	<u>\$ 232,098</u>	<u>18</u>	<u>\$ 327,308</u>	<u>19</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 0.77</u>		<u>\$ 0.94</u>	
Diluted	<u>\$ 0.77</u>		<u>\$ 0.94</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)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation						Other Equity					
	Ordinary Shares Capital	Capital Surplus	Retained Earnings			Total Retained Earnings	Exchange Differences on Translation of the Financial Statement of 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							
BALANCE AT JANUARY 1, 2026	\$ 2,369,044	\$ 989,006	\$ 3,092,576	\$ 317,861	\$ 1,474,798	\$ 4,885,235	\$ (28,522)	\$ (278,846)	\$ -	\$ (307,368)	\$ (117,638)	\$ 7,818,279
Net profit for the three months ended March 31, 2026	-	-	-	-	178,879	178,879	-	-	-	-	-	178,879
Other comprehensive income for the three months ended March 31, 2026, net of income tax	-	-	-	-	2	2	9,246	43,971	-	53,217	-	53,219
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	178,881	178,881	9,246	43,971	-	53,217	-	232,098
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	7,078	7,078	-	(7,078)	-	(7,078)	-	-
Changes in capital surplus from investments in associates accounted for using equity method	-	(435)	-	-	-	-	-	-	-	-	-	(435)
BALANCE AT MARCH 31, 2026	\$ 2,369,044	\$ 988,571	\$ 3,092,576	\$ 317,861	\$ 1,660,757	\$ 5,071,194	\$ (19,276)	\$ (241,953)	\$ -	\$ (261,229)	\$ (117,638)	\$ 8,049,942
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
Net profit for the three months ended March 31, 2025	-	-	-	-	218,247	218,247	-	-	-	-	-	218,247
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	10	10	6,331	101,729	991	109,051	-	109,061
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	218,257	218,257	6,331	101,729	991	109,051	-	327,308
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,963	2,963	-	(2,963)	-	(2,963)	-	-
Changes in capital surplus from investments in associates accounted for using equity method	-	56	-	-	(252)	(252)	-	-	-	-	-	(196)
BALANCE AT MARCH 31, 2025	\$ 2,369,044	\$ 972,040	\$ 3,090,378	\$ 193,150	\$ 2,248,507	\$ 5,532,035	\$ (20,313)	\$ (191,572)	\$ 112	\$ (211,773)	\$ (117,638)	\$ 8,543,708

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)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 217,086	\$ 266,321
Adjustments for:		
Depreciation expense	116,980	108,113
Amortization expense	1,050	1,033
Net gain on financial assets at fair value through profit or loss	1,726	(1,443)
Interest expense	9,546	3,231
Net gain on financial assets at amortized cost	(2,166)	-
Interest income	(1,993)	(2,045)
Share of the profit of associates	(20,336)	(16,501)
Loss on disposal of property, plant and equipment	24	330
Gain on disposal of subsidiary	(3,683)	(9,392)
Impairment loss on non-financial assets	6,270	5,157
Gain on lease modification	(9)	-
Changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	5,255	(17,914)
Notes receivable	13,345	(30,335)
Accounts receivable	(52,307)	62,567
Accounts receivable - related parties	(43,203)	(10,442)
Other receivables	41,030	(8,969)
Inventories	(89,705)	(21,457)
Other current assets	7,923	(1,243)
Other financial assets	2,166	-
Contract liabilities	(30,679)	(26,841)
Accounts payable	6,672	(5,493)
Accounts payable - related parties	26,897	4,116
Other payables	(24,166)	(50,658)
Other current liabilities	2,215	(478)
Net defined benefit liabilities	(1,444)	(1,213)
Cash generated from operations	188,494	246,444
Income taxes paid	(42)	-
Net cash generated from operating activities	188,452	246,444
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(14,823)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,281	-
Acquisition of financial assets at fair value through profit or loss	(20,000)	(430,000)
Proceeds from sale of financial assets at fair value through profit or loss	20,397	433,347

(Continued)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2026	2025
Proceeds from disposal of investments accounted for using equity method	\$ 4,754	\$ 11,745
Acquisition of property, plant and equipment	(163,022)	(83,189)
Increase in refundable deposits	(200)	(359)
Increase in other non-current assets	(304)	(250)
Interest received	<u>1,712</u>	<u>1,750</u>
Net cash used in investing activities	<u>(159,205)</u>	<u>(66,956)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,848,827	1,189,722
Repayments of short-term borrowings	(2,182,381)	(1,190,731)
Decrease in short-term bills payable	-	(100,000)
Proceeds from long-term borrowings	-	400,000
Repayments of long-term borrowings	-	(800,000)
Proceeds from guarantee deposit received	(50)	-
Repayment of the principal portion of lease liabilities	(21,598)	(16,715)
Interest paid	<u>(10,311)</u>	<u>(8,369)</u>
Net cash used in financing activities	<u>(365,513)</u>	<u>(526,093)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>5,008</u>	<u>3,690</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(331,258)	(342,915)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,113,759</u>	<u>1,151,306</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 782,501</u>	<u>\$ 808,391</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 THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (Reviewed, Not Audited) (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 March 31, 2026 and 2025, 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 April 28, 2026.

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 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)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY

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 the 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 6 and Table 7 for the detail information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, refer to the summary of material accounting policy and basis of preparation in the consolidated financial statements for the year ended December 31, 2025.

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. MATERIAL 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, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 500	\$ 500	\$ 500
Checking accounts and demand deposits	761,633	1,095,275	787,312
Cash equivalents (investment with original maturities of 3 months or less)			
Time deposits	<u>20,368</u>	<u>17,984</u>	<u>20,579</u>
	<u>\$ 782,501</u>	<u>\$ 1,113,759</u>	<u>\$ 808,391</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL - current

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 401,650	\$ 398,809	\$ 333,274
Domestic listed shares	34,129	35,526	44,322
Financial bonds	<u>10,027</u>	<u>10,155</u>	<u>17,081</u>
	<u>\$ 445,806</u>	<u>\$ 444,490</u>	<u>\$ 394,677</u>

Financial assets at FVTPL - non-current

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Emerging market shares	\$ 17,049	\$ 24,291	\$ 23,647
Domestic unlisted shares	<u>55,181</u>	<u>54,959</u>	<u>56,882</u>
	<u>\$ 72,230</u>	<u>\$ 79,250</u>	<u>\$ 80,529</u>

Financial liabilities at FVTPL - current

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities mandatorily classified as at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange swap contract	\$ 4,284	\$ 2,610	\$ -

At the end of the reporting period, outstanding foreign exchange swap contract not under hedge accounting was as follow:

	Currency	Maturity	National Amount (In thousand)
March 31, 2026 and December 31, 2025			
Foreign exchange swap contract	RMB/NTD	September, 2026	RMB12,000/NTD51,245

The Corporation and its subsidiaries entered into foreign exchange swap contract to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Current

	March 31, 2026	December 31, 2025	March 31, 2025
Foreign investments in debt instruments			
Financial bonds			\$ 83,636
	\$ 96,007	\$ 96,824	
Domestic investments in equity instruments - listed shares			
Ordinary shares	150,693	151,490	178,599
Preference shares	8,897	8,920	9,149
	<u>\$ 255,597</u>	<u>\$ 257,234</u>	<u>\$ 271,384</u>

Non-Current

	March 31, 2026	December 31, 2025	March 31, 2025
Equity investment			
Domestic listed shares	\$ 129,644	\$ 123,780	\$ 102,280
Foreign unlisted shares	25,596	25,144	26,564
	<u>\$ 155,240</u>	<u>\$ 148,924</u>	<u>\$ 128,844</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST - NON-CURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic investments in financial bonds	\$ 20,000	\$ 20,000	\$ 20,000
Foreign investment in corporate bonds	-	4,046	4,116
Less: Allowance for impairment loss	<u>-</u>	<u>(4,046)</u>	<u>(4,116)</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 foreign investments in corporate bonds. The foreign investments in corporate bonds has been fully settled in the its quarter of 2026, with the proceeds of NT\$2,166 thousand recognized under operating revenue (refer to Note 22).

10. FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets for hedging - current</u>			
Cash flow hedges			
Foreign currency time deposits	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,311</u>

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)

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable (operating)			
At amortized cost			
Gross carrying amount	<u>\$ 9,590</u>	<u>\$ 22,935</u>	<u>\$ 75,238</u>
Accounts receivable (including related parties)			
At amortized cost			
Gross carrying amount	<u>\$ 456,851</u>	<u>\$ 361,341</u>	<u>\$ 471,600</u>

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, the 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 customer 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 March 31, 2026, December 31, 2025 and March 31, 2025, 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.

March 31, 2026

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 180 Days Past Due	181 to 365 Days Past Due	Over 365 Days Past Due	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 460,829	\$ 4,464	\$ 1,148	\$ -	\$ -	\$ -	\$ 466,441
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 460,829</u>	<u>\$ 4,464</u>	<u>\$ 1,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,441</u>

December 31, 2025

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 180 Days Past Due	181 to 365 Days Past Due	Over 365 Days Past Due	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 371,634	\$ 12,383	\$ -	\$ 259	\$ -	\$ -	\$ 384,276
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 371,634</u>	<u>\$ 12,383</u>	<u>\$ -</u>	<u>\$ 259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,276</u>

March 31, 2025

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 180 Days Past Due	181 to 365 Days Past Due	Over 365 Days Past Due	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 545,775	\$ 1,063	\$ -	\$ -	\$ -	\$ -	\$ 546,838
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 545,775</u>	<u>\$ 1,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,838</u>

There were no movements of the loss allowance of notes and accounts receivable for the three months ended March 31, 2026 and 2025.

12. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	\$ 820,306	\$ 746,809	\$ 735,067
Work in progress	325,689	308,582	321,387
Raw materials	77,952	76,181	120,964
Supplies	<u>180,498</u>	<u>189,650</u>	<u>172,157</u>
	<u>\$ 1,404,445</u>	<u>\$ 1,321,222</u>	<u>\$ 1,349,575</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 was NT\$945,452 thousand and NT\$1,229,926 thousand, respectively. The cost of goods sold included inventory write-downs of loss NT\$6,270 thousand and NT\$5,157 thousand, respectively.

13. SUBSIDIARIES

The consolidated entities were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)		
			March 31, 2026	December 31, 2025	March 31, 2025
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 by equity method were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Material associates			
CHC Resources Corporation (CHC)	\$ 417,170	\$ 398,290	\$ 410,008
Transglory Investment Corporation (TIC)	526,194	528,840	617,099
CSC Solar Corporation (CSCSC)	<u>314,848</u>	<u>310,201</u>	<u>308,729</u>
	1,258,212	1,237,331	1,335,836
Associates that are not individually material	<u>588,281</u>	<u>544,702</u>	<u>549,828</u>
	<u>\$ 1,846,493</u>	<u>\$ 1,782,033</u>	<u>\$ 1,885,664</u>

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	March 31, 2026	December 31, 2025	March 31, 2025
CHC	6	6	6
TIC	9	9	9
CSCSC	15	15	15

Refer to Table 6 “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:

	March 31, 2026	December 31, 2025	March 31, 2025
CHC	<u>\$ 1,051,354</u>	<u>\$ 1,055,860</u>	<u>\$ 1,051,354</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

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 3,025,955	\$ 2,942,569	\$ 2,846,250
Non-current assets	8,516,860	8,553,801	8,818,066
Current liabilities	(2,259,888)	(2,262,486)	(2,415,101)
Non-current liabilities	<u>(2,133,833)</u>	<u>(2,406,906)</u>	<u>(2,214,617)</u>
Equity	7,149,094	6,826,978	7,034,598
Non-controlling interests	<u>(242,310)</u>	<u>(232,771)</u>	<u>(246,378)</u>
	<u>\$ 6,906,784</u>	<u>\$ 6,594,207</u>	<u>\$ 6,788,220</u>
Proportion of the Corporation and its subsidiaries’ ownership (%)	6	6	6
Equity attributable to the Corporation and its subsidiaries	<u>\$ 417,170</u>	<u>\$ 398,290</u>	<u>\$ 410,008</u>
Carrying amount	<u>\$ 417,170</u>	<u>\$ 398,290</u>	<u>\$ 410,008</u>

	For the Three Months Ended March 31	
	2026	2025
Operating revenue	<u>\$ 3,286,610</u>	<u>\$ 3,461,651</u>
Net profit for the period	\$ 278,807	\$ 335,243
Other comprehensive income	<u>43,309</u>	<u>45,325</u>
Total comprehensive income	<u>\$ 322,116</u>	<u>\$ 380,568</u>

TIC

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 398,720	\$ 400,110	\$ 517,874
Non-current assets	5,513,576	5,541,964	6,415,821
Current liabilities	<u>(4)</u>	<u>(56)</u>	<u>-</u>
Equity	<u>\$ 5,912,292</u>	<u>\$ 5,942,018</u>	<u>\$ 6,933,695</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	9	9	9
Equity attributable to the Corporation and its subsidiaries	<u>\$ 526,194</u>	<u>\$ 528,840</u>	<u>\$ 617,099</u>
Carrying amount	<u>\$ 526,194</u>	<u>\$ 528,840</u>	<u>\$ 617,099</u>

**For the Three Months Ended
March 31**

	2026	2025
Operating Revenue	<u>\$ 2,436</u>	<u>\$ 3,222</u>
Net profit for the period	\$ 179	\$ 965
Other comprehensive income (loss)	<u>(29,905)</u>	<u>811,349</u>
Total comprehensive income (loss)	<u>\$ (29,726)</u>	<u>\$ 812,314</u>

CSCSC

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 188,821	\$ 171,352	\$ 147,424
Non-current assets	3,754,298	3,755,236	3,934,905
Current liabilities	(818,203)	(736,892)	(746,735)
Non-current liabilities	<u>(1,025,928)</u>	<u>(1,121,687)</u>	<u>(1,277,401)</u>
Equity	<u>\$ 2,098,988</u>	<u>\$ 2,068,009</u>	<u>\$ 2,058,193</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	15	15	15
Equity attributable to the Corporation and its subsidiaries	<u>\$ 314,848</u>	<u>\$ 310,201</u>	<u>\$ 308,729</u>
Carrying amount	<u>\$ 314,848</u>	<u>\$ 310,201</u>	<u>\$ 308,729</u>

	For the Three Months Ended March 31	
	2026	2025
Operating Revenue	\$ 142,008	\$ 124,245
Net profit for the period	\$ 27,411	\$ 14,075
Other comprehensive income (loss)	<u>3,568</u>	<u>(1,183)</u>
Total comprehensive income	<u>\$ 30,979</u>	<u>\$ 12,892</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2026	2025
The Corporation and its subsidiaries' share of		
Net loss for the period	\$ (269)	\$ (5,635)
Other comprehensive income	<u>45,354</u>	<u>4,949</u>
Total comprehensive income (loss)	<u>\$ 45,085</u>	<u>\$ (686)</u>

Except for the investments in some companies, investments accounted for using equity method as of March 31, 2026 and 2025 and the related share of the comprehensive income for the three months and nine months ended March 31, 2026 and 2025, were calculated based on the reviewed financial statements. The Corporation and its subsidiaries' management considered the use of unreviewed financial statements as acceptable and will not have material impact on the equity method investments and income.

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

15. PROPERTY, PLANT AND EQUIPMENT

For the Three Months Ended March 31, 2026

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2026	\$ 1,145,237	\$ 2,119,447	\$ 6,509,501	\$ 169,716	\$ 207,660	\$ 680,321	\$ 10,831,882
Additions	-	-	126,151	-	4,216	55,933	186,300
Disposals	-	-	(669)	-	(200)	-	(869)
Effect of foreign currency exchange differences	-	-	1,147	127	710	-	1,984
Balance at March 31, 2026	<u>\$ 1,145,237</u>	<u>\$ 2,119,447</u>	<u>\$ 6,636,130</u>	<u>\$ 169,843</u>	<u>\$ 212,386</u>	<u>\$ 736,254</u>	<u>\$ 11,019,297</u>
Accumulated depreciation							
Balance at January 1, 2026	\$ -	\$ 830,146	\$ 5,121,042	\$ 158,598	\$ 176,806	\$ -	\$ 6,286,592
Depreciation expense	-	22,033	79,462	636	2,452	-	104,583
Disposals	-	-	(646)	-	(199)	-	(845)
Effect of foreign currency exchange differences	-	-	681	112	655	-	1,448
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 852,179</u>	<u>\$ 5,200,539</u>	<u>\$ 159,346</u>	<u>\$ 179,714</u>	<u>\$ -</u>	<u>\$ 6,391,778</u>
Carrying amount at December 31, 2025	<u>\$ 1,145,237</u>	<u>\$ 1,289,301</u>	<u>\$ 1,388,459</u>	<u>\$ 11,118</u>	<u>\$ 30,854</u>	<u>\$ 680,321</u>	<u>\$ 4,545,290</u>
Carrying amount at March 31, 2026	<u>\$ 1,145,237</u>	<u>\$ 1,267,268</u>	<u>\$ 1,435,591</u>	<u>\$ 10,497</u>	<u>\$ 32,672</u>	<u>\$ 736,254</u>	<u>\$ 4,627,519</u>

For the Three Months Ended March 31, 2025

	Land	Buildings	Machinery and Equipment	Transportation 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	-	-	7,036	817	554	107,603	116,010
Disposals	-	-	(6,116)	(1,475)	-	-	(7,591)
Effect of foreign currency exchange differences	-	-	795	91	504	-	1,390
Balance at March 31, 2025	<u>\$ 1,145,237</u>	<u>\$ 1,612,156</u>	<u>\$ 6,096,218</u>	<u>\$ 167,908</u>	<u>\$ 204,220</u>	<u>\$ 1,282,159</u>	<u>\$ 10,507,898</u>
Accumulated depreciation							
Balance at January 1, 2025	\$ -	\$ 747,918	\$ 4,881,725	\$ 156,539	\$ 170,288	\$ -	\$ 5,956,470
Depreciation expense	-	21,387	73,300	862	2,018	-	97,567
Disposals	-	-	(5,916)	(1,345)	-	-	(7,261)
Effect of foreign currency exchange differences	-	-	439	76	460	-	975
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 769,305</u>	<u>\$ 4,949,548</u>	<u>\$ 156,132</u>	<u>\$ 172,766</u>	<u>\$ -</u>	<u>\$ 6,047,751</u>
Carrying amount at March 31, 2025	<u>\$ 1,145,237</u>	<u>\$ 842,851</u>	<u>\$ 1,146,670</u>	<u>\$ 11,776</u>	<u>\$ 31,454</u>	<u>\$ 1,282,159</u>	<u>\$ 4,460,147</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	\$ 427,309	\$ 298,441	\$ 310,876
Machinery	214,810	211,865	220,731
Buildings	<u>79,065</u>	<u>63,390</u>	<u>75,809</u>
	<u>\$ 721,184</u>	<u>\$ 573,696</u>	<u>\$ 607,416</u>

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	\$ <u>18,139</u>	\$ <u>-</u>
Depreciation charge for right-of-use assets		
Land	\$ 6,019	\$ 4,145
Machinery	3,038	2,932
Buildings	<u>3,340</u>	<u>3,469</u>
	\$ <u>12,397</u>	\$ <u>10,546</u>

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amounts</u>			
Current	\$ <u>41,181</u>	\$ <u>31,699</u>	\$ <u>35,654</u>
Non-current	\$ <u>685,724</u>	\$ <u>557,199</u>	\$ <u>577,189</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
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' leases 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 payments will be adjusted every year on the basis of changes in the Consumer Price Index.

The Corporation and its subsidiaries' also leases land and buildings use of factories with lease terms of 3 to 40 years. The rents were calculated according to 3-4.5% 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 leased premises without lessors' approval.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	\$ <u>2,125</u>	\$ <u>1,148</u>
Total cash outflow for all lease agreements (including short-term lease agreements)	\$ <u>(26,419)</u>	\$ <u>(20,325)</u>

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

17. INVESTMENT PROPERTIES

For the three months ended March 31, 2026 and 2025

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and March 31, 2026 and 2025	<u>\$ 533,013</u>	<u>\$ 29,199</u>	<u>\$ 562,212</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1 and March 31, 2026 and 2025	<u>\$ -</u>	<u>\$ 29,199</u>	<u>\$ 29,199</u>
Carrying amount at December 31, 2025	<u>\$ 533,013</u>	<u>\$ -</u>	<u>\$ 533,013</u>
Carrying amount at March 31, 2026 and 2025	<u>\$ 533,013</u>	<u>\$ -</u>	<u>\$ 533,013</u>

The lease term of investment properties is 3 to 5 years. The rent was calculated according to 3-4.5% 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Lease commitments of investment properties	<u>\$ 96,513</u>	<u>\$ 99,397</u>	<u>\$ 15,025</u>

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

As of March 31, 2026, December 31, 2025 and March 31, 2025, the fair value of investment properties was NT\$1,004,783 thousands NT\$1,004,783 thousand and NT\$995,769 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

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	\$ 900,000	\$ 1,000,000	\$ 300,000
Letters of credit borrowings	<u>37,470</u>	<u>271,024</u>	<u>-</u>
	<u>\$ 937,470</u>	<u>\$ 1,271,024</u>	<u>\$ 300,000</u>
Range of interest rate of unsecured bank loans (%)	1.80-1.81	1.78-2.10	1.99
Range of interest rate of letters of credit borrowings (%)	1.80-1.98	1.80-4.97	-

b. Long-term bank borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans			
Due on various dates through March, 2028	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 900,000</u>
Range of interest rate (%)	1.77-1.80	1.77-1.80	1.78-1.85

The Corporation entered into credit facility agreements with Taipei Fubon Bank and KGI Bank for a NT\$500,000 thousand credit line used for long-term borrowings and the agreements are valid until October 2027 and December 2027, respectively. Under the agreements, 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 violate the provision.

19. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and incentive bonus	\$ 76,619	\$ 100,292	\$ 79,419
Employees' compensation and remuneration of directors	43,234	33,646	76,530
Purchase of equipment	30,605	9,920	63,592
Outsourced repair and construction	23,068	24,451	20,004
Soil remediation expense	3,178	-	16,748
Others (none of the balances exceed 5% of the total balance of other payables)	<u>64,685</u>	<u>77,326</u>	<u>62,319</u>
	<u>\$ 241,389</u>	<u>\$ 245,635</u>	<u>\$ 318,612</u>

20. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2026 and 2025, the pension expenses of defined benefit plans were NT\$747 thousand and NT\$880 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2025 and 2024, respectively.

21. EQUITY

a. Ordinary share capital

	March 31, 2026	December 31, 2025	March 31, 2025
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

	March 31, 2026	December 31, 2025	March 31, 2025
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	964,620	964,620	943,230
May be used to offset deficits only			
Share of change in equity of associates	<u>23,733</u>	<u>24,168</u>	<u>28,592</u>
	<u>\$ 988,571</u>	<u>\$ 989,006</u>	<u>\$ 972,040</u>

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 (limited to a certain percentage of the Corporation's capital surplus and once a year).

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; also, 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 2025 and 2024 had been proposed by the board of directors in February 2026 and approved in the shareholder's meeting in June 2025 were as follows:

	Appropriation of Earnings		Dividend Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2025	2024	2025	2024
Legal reserve	\$ 64,024	\$ 120,651		
Special reserve	10,493	124,711		
Cash dividends	438,273	947,618	\$1.85	\$ 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 for 2024.

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

d. Other equity items

1) Exchange differences on the translation of the financial statement of foreign operations

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of period	\$ (28,522)	\$ (26,644)
Recognized during the period		
Exchange differences arising on translating foreign operations	5,451	4,137
Share of exchange difference of associates accounted for using the equity method	<u>3,795</u>	<u>2,194</u>
Balance, end of period	<u>\$ (19,276)</u>	<u>\$ (20,313)</u>

2) Unrealized gains and losses on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of period	<u>\$ (278,846)</u>	<u>\$ (290,338)</u>
Recognized during the period		
Unrealized gains and losses		
Debt instruments	(1,216)	1,941
Equity instruments	3,353	22,338

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Share from associates accounted for using the equity method	\$ 41,834	\$ 77,450
Other comprehensive income recognized in the period	<u>43,971</u>	<u>101,729</u>
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(7,078)</u>	<u>(2,963)</u>
Balance, end of period	<u>\$ (241,953)</u>	<u>\$ (191,572)</u> (Concluded)

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

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of period	\$ -	\$ (879)
Recognized during the period		
Fair value changes of hedging instruments	-	1,243
Tax effect	-	(248)
Share from associates accounted for using the equity method	<u>-</u>	<u>(4)</u>
Balance, end of period	<u>\$ -</u>	<u>\$ 112</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 Three Months Ended March 31, 2026

Beginning of period		Decrease during the period			End of period		
Number of Shares Held	Carrying Amount	Number of Shares Held	Carrying Amount	Selling Price	Number of Shares Held	Carrying Amount	Market Price
4,754	\$ 117,638	-	\$ -	\$ -	4,754	\$ 117,638	\$ 418,311

For the Three Months Ended March 31, 2025

Beginning of period		Decrease during the period			End of period		
Number of Shares Held	Carrying Amount	Number of Shares Held	Carrying Amount	Selling Price	Number of Shares Held	Carrying Amount	Market Price
4,754	\$ 117,638	-	\$ -	\$ -	4,754	\$ 117,638	\$ 449,685

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 REVENUES

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from chemical product production and sale	\$ 1,233,874	\$ 1,650,464
Revenue from trading	27,729	20,206
Revenue from the rendering of services	<u>14,915</u>	<u>13,449</u>
	<u>1,276,518</u>	<u>1,684,119</u>
Revenue from investment		
Gain of disposal of investments accounted for using the equity method	3,683	9,392
Gain (loss) of fair value change of financial assets at FVTPL	(1,996)	619
Gain of disposal of financial assets at amortized cost	2,166	-
Share of loss of associates	(2,564)	(2,372)
Dividend income	<u>-</u>	<u>32</u>
	<u>1,289</u>	<u>7,671</u>
	<u>\$ 1,277,807</u>	<u>\$ 1,691,790</u>

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes and accounts receivables (including related parties)	<u>\$ 466,441</u>	<u>\$ 384,276</u>	<u>\$ 546,838</u>	<u>\$ 568,628</u>
Contract liabilities				
Sale of goods	<u>\$ 37,109</u>	<u>\$ 67,788</u>	<u>\$ 71,558</u>	<u>\$ 98,399</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 Three Months Ended March 31	
	2026	2025
From contract liabilities as the beginning of the year		
Sale of goods	<u>\$ 67,566</u>	<u>\$ 95,974</u>

b. Disaggregation of revenue

For the three months ended March 31, 2026

	Chemicals Product - Production and Sales	Chemicals Product - Trading	Investment Product	Total
Type of goods or services				
Sale of goods	\$ 1,233,874	\$ 27,729	\$ -	\$ 1,261,603
Rendering of services	14,915	-	-	14,915
Others	<u>-</u>	<u>-</u>	<u>1,289</u>	<u>1,289</u>
	<u>\$ 1,248,789</u>	<u>\$ 27,729</u>	<u>\$ 1,289</u>	<u>\$ 1,277,807</u>

For the three months ended March 31, 2025

	Chemicals Product - Production and Sales	Chemicals Product - Trading	Investment Product	Total
Type of goods or services				
Sale of goods	\$ 1,650,464	\$ 20,206	\$ -	\$ 1,670,670
Rendering of services	13,449	-	-	13,449
Others	<u>-</u>	<u>-</u>	<u>7,671</u>	<u>7,671</u>
	<u>\$ 1,663,913</u>	<u>\$ 20,206</u>	<u>\$ 7,671</u>	<u>\$ 1,691,790</u>

23. PROFIT BEFORE INCOME TAX

Profit before income tax consisted of following items:

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	\$ 196	\$ 417
Investment in debt instruments at FVOCI	1,420	1,343
Others	<u>377</u>	<u>285</u>
	<u>\$ 1,993</u>	<u>\$ 2,045</u>

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income (Note 28)	\$ 5,912	\$ 4,150
Income from sale of prototype product trials	4,906	2,217
Subsidy income	1,802	2,354
Income from sale of scrap and wastes	292	3,249
Others	<u>3,242</u>	<u>2,155</u>
	<u>\$ 16,154</u>	<u>\$ 14,125</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Net foreign exchange gain	\$ 4,460	\$ 9,421
Gain on fair value change of financial assets mandatorily at FVTPL	270	824
Loss on disposal of property, plant and equipment	(24)	(330)
Others	<u>(344)</u>	<u>(109)</u>
	<u>\$ 4,362</u>	<u>\$ 9,806</u>

The components of net foreign exchange gains were as follows:

	For the Three Months Ended March 31	
	2026	2025
Foreign exchange gains	\$ 5,320	\$ 10,695
Foreign exchange losses	<u>(860)</u>	<u>(1,274)</u>
Net foreign exchange gains	<u>\$ 4,460</u>	<u>\$ 9,421</u>

d. Interest expenses

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	\$ 6,850	\$ 5,527
Interest on lease liabilities	<u>2,696</u>	<u>2,462</u>
	9,546	7,989
Less: Amounts included in the cost of qualifying assets	<u>-</u>	<u>4,758</u>
	<u>\$ 9,546</u>	<u>\$ 3,231</u>

Information relating to the capitalized interest is as follows:

		For the Three Months Ended March 31	
		2026	2025
Capitalized interest amount		\$ <u>-</u>	\$ <u>4,758</u>
Capitalization rate (%)		-	1.79-1.91
e. Depreciation and amortization			
		For the Three Months Ended March 31	
		2026	2025
Property, plant and equipment		\$ 104,583	\$ 97,567
Right-of-use assets		12,397	10,546
Other non-current assets		<u>1,050</u>	<u>1,033</u>
		<u>\$ 118,030</u>	<u>\$ 109,146</u>
An analysis of depreciation by function			
Operating costs		\$ 92,275	\$ 87,443
Operating expenses		<u>24,705</u>	<u>20,670</u>
		<u>\$ 116,980</u>	<u>\$ 108,113</u>
An analysis of amortization by function			
Operating costs		<u>\$ 1,050</u>	<u>\$ 1,033</u>
f. Employee benefits expense			
		For the Three Months Ended March 31	
		2026	2025
Short-term employee benefits			
Salaries		\$ 121,494	\$ 133,589
Labor and health insurance		9,668	9,262
Others		<u>4,078</u>	<u>7,428</u>
		<u>135,240</u>	<u>150,279</u>
Post-employment benefits			
Defined contribution plans		3,896	3,274
Defined benefit plans (Note 20)		<u>747</u>	<u>880</u>
		<u>4,643</u>	<u>4,154</u>
		<u>\$ 139,883</u>	<u>\$ 154,433</u>
An analysis by function			
Operating costs		\$ 88,240	\$ 94,014
Operating expenses		<u>51,643</u>	<u>60,419</u>
		<u>\$ 139,883</u>	<u>\$ 154,433</u>

g. Compensation of employees 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 ended March 31, 2026 and 2025, were as follows:

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	\$ 7,913	\$ 9,810
Remuneration of directors	1,583	1,962

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 2025 and 2024 which have been approved by the Corporation's board of directors in February 2026 and 2025, respectively, were as follows:

	For the Year Ended December 31, 2025		For the Year Ended December 31, 2024	
	Compensation of Employees	Remuneration of Directors	Compensation of Employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	<u>\$ 28,115</u>	<u>\$ 5,623</u>	<u>\$ 53,965</u>	<u>\$ 10,793</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 28,038</u>	<u>\$ 5,608</u>	<u>\$ 53,878</u>	<u>\$ 10,776</u>

The difference amounts above were recognized in profit and loss for the three months ended March 31, 2026 and 2025.

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 March 31	
	2026	2025
Current tax		
In respect of the current period	\$ 38,207	\$ 47,810
Income basic tax	<u>-</u>	<u>264</u>
	<u>\$ 38,207</u>	<u>\$ 48,074</u>

b. Income tax assessments

The Corporation and EWI's income tax returns through 2024 have been assessed by the tax authorities. The subsidiary EWI's income tax returns through 2023 have not been assessed yet.

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 March 31	
	2026	2025
Net profit attributable to owners of the Corporation	<u>\$ 178,879</u>	<u>\$ 218,247</u>

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

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares outstanding	236,904	236,904
Less: Number of treasury shares acquired by subsidiaries	<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
Plus: Effect of dilutive potential ordinary shares - employees' compensation	<u>326</u>	<u>442</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>232,476</u>	<u>232,592</u>

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 strategy of the Corporation and its subsidiaries has not significantly changed for the three months ended March 31, 2026. 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>March 31, 2026</u>				
Financial assets at FVTPL				
Mutual funds	\$ 401,650	\$ -	\$ -	\$ 401,650
Domestic listed shares	34,129	-	-	34,129
Emerging market shares	-	-	17,049	17,049
Domestic unlisted shares	-	-	55,181	55,181
Financial bonds	<u>10,027</u>	<u>-</u>	<u>-</u>	<u>10,027</u>
	<u>\$ 445,806</u>	<u>\$ -</u>	<u>\$ 72,230</u>	<u>\$ 518,036</u>
Financial liability at FVTPL				
Foreign exchange swap contract	<u>\$ -</u>	<u>\$ 4,284</u>	<u>\$ -</u>	<u>\$ 4,284</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 289,234	\$ -	\$ -	\$ 289,234
Unlisted shares	-	-	25,596	25,596
Financial bonds	<u>96,007</u>	<u>-</u>	<u>-</u>	<u>96,007</u>
	<u>\$ 385,241</u>	<u>\$ -</u>	<u>\$ 25,596</u>	<u>\$ 410,837</u>
<u>December 31, 2025</u>				
Financial assets at FVTPL				
Mutual funds	\$ 398,809	\$ -	\$ -	\$ 398,809
Domestic listed shares	35,526	-	-	35,526
Emerging market shares	-	-	24,291	24,291
Domestic unlisted shares	-	-	54,959	54,959
Financial bonds	<u>10,155</u>	<u>-</u>	<u>-</u>	<u>10,155</u>
	<u>\$ 444,490</u>	<u>\$ -</u>	<u>\$ 79,250</u>	<u>\$ 523,740</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liability at FVTPL				
Foreign exchange swap contract	\$ <u>-</u>	\$ <u>2,610</u>	\$ <u>-</u>	\$ <u>2,610</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 284,190	\$ -	\$ -	\$ 284,190
Unlisted shares	-	-	25,144	25,144
Financial bonds	<u>96,824</u>	<u>-</u>	<u>-</u>	<u>96,824</u>
	<u>\$ 381,014</u>	<u>\$ -</u>	<u>\$ 25,144</u>	<u>\$ 406,158</u>
March 31, 2025				
Financial assets at FVTPL				
Mutual funds	\$ 333,274	\$ -	\$ -	\$ 333,274
Domestic listed shares	44,322	-	-	44,322
Emerging market shares	-	-	23,647	23,647
Domestic unlisted shares	-	-	56,882	56,882
Financial bonds	<u>17,081</u>	<u>-</u>	<u>-</u>	<u>17,081</u>
	<u>\$ 394,677</u>	<u>\$ -</u>	<u>\$ 80,529</u>	<u>\$ 475,206</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 290,028	\$ -	\$ -	\$ 290,028
Unlisted shares	-	-	26,564	26,564
Financial bonds	<u>83,636</u>	<u>-</u>	<u>-</u>	<u>83,636</u>
	<u>\$ 373,664</u>	<u>\$ -</u>	<u>\$ 26,564</u>	<u>\$ 400,228</u>
				(Concluded)

There were no transfers between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives-Foreign exchange swap contract	The Corporation and its subsidiaries apply valuation methodologies that incorporate estimates and assumptions consistent with those that market participants would use in pricing financial instruments, based on information available to the Corporation and its subsidiaries. The fair value of the foreign exchange swap contract is determined individually using the spot and forward exchange rates quoted by the interbank quotation system as of the respective contract maturity dates.

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

For the three months ended March 31, 2026

	Equity Instrument		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance, beginning of period	\$ 79,250	\$ 25,144	\$ 104,394
Recognized in profit or loss	(7,020)	-	(7,020)
Recognized in other comprehensive income	<u>-</u>	<u>452</u>	<u>452</u>
Balance, end of the period	<u>\$ 72,230</u>	<u>\$ 25,596</u>	<u>\$ 97,826</u>

For the three months ended March 31, 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	(338)	-	(338)
Recognized in other comprehensive income	<u>-</u>	<u>336</u>	<u>336</u>
Balance, end of the period	<u>\$ 80,529</u>	<u>\$ 26,564</u>	<u>\$ 107,093</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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL (including non-current)	\$ 518,036	\$ 523,740	\$ 475,206
Financial assets for hedging	-	-	5,311
Financial assets at FVTOCI (including non-current)			
Investments in equity instruments	314,830	309,334	316,592
Investments in debt instruments	96,007	96,824	83,636
Financial assets at amortized cost 1)	1,280,622	1,570,265	1,406,232

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities			
Financial liability at FVTPL			
Derivates	\$ 4,284	\$ 2,610	\$ -
Measured at amortized cost 2)	2,441,261	2,745,542	1,785,076
			(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 short-term bills payment included financial liabilities measured at amortized cost, which comprise 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.

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 Effect (Note)		RMB Effect (Note)	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2026	2025	2026	2025
Profit or loss in Scenario 1	\$ (3,619)	\$ (6,477)	\$ (2,336)	\$ (2,775)
Profit or loss in Scenario 2	3,619	6,477	2,336	2,775

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

Changes in the exchange rate sensitivity of the Corporation and its subsidiaries for the three months ended March 31, 2026 and 2025 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:

March 31, 2026

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

March 31, 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>\$ 5,311</u>
	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness
Hedging Instrument / Hedged Item		Balance in Other Equity Continuing Hedges
Cash flow hedge Foreign currency time deposits/Forecast purchases	<u>\$ 1,243</u>	<u>\$ (1,243)</u>
		<u>\$ 139</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:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial liabilities	\$ 726,905	\$ 588,898	\$ 612,843
Cash flow interest rate risk			
Financial assets	758,919	1,087,957	775,921
Financial liabilities	1,000,000	1,000,000	900,000

Because of held financial liabilities, if interest rates had been 1% higher/lower and all other variables were held constant, the Corporation and its subsidiaries' pre-tax profit for the three months ended March 31, 2026 and 2025 would have decreased/increased by NT\$2,500 thousand and NT\$2,250 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 three months ended March 31, 2026 and 2025, respectively, the pre-tax profit for the three months ended March 31, 2026 and 2025 would have been higher/lower by NT\$26,147 thousand and NT\$22,656 thousand, respectively, as a result of the fair value changes of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2026 and 2025 would have been higher/lower by NT\$17,354 thousand and NT\$17,402 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 Corporation and its subsidiaries.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Customer A	\$ 117,507	\$ 73,617	\$ 85,608
Customer B	92,074	-	-
Customer C	63,549	37,323	47,564
Customer D	49,187	28,877	31,675
Customer E	<u>-</u>	<u>2,730</u>	<u>56,762</u>
	<u>\$ 322,317</u>	<u>\$ 142,547</u>	<u>\$ 221,609</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 March 31, 2026, December 31, 2025 and March 31, 2025, the Corporation and its subsidiaries had available unutilized short-term and long-term bank loan facilities in the amounts to NT\$5.9 billion, NT\$5.5 billion and NT\$6.9 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 maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2026

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 505,270	\$ 3,920	\$ -	\$ 509,190
Lease liabilities	54,556	189,531	595,109	839,196
Variable interest rate liabilities	56,744	1,016,849	-	1,073,593
Fixed interest rate liabilities	<u>901,015</u>	<u>-</u>	<u>-</u>	<u>901,015</u>
	<u>\$ 1,517,585</u>	<u>\$ 1,210,300</u>	<u>\$ 595,109</u>	<u>\$ 3,322,994</u>

December 31, 2025

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 475,182	\$ 3,970	\$ -	\$ 479,152
Lease liabilities	40,709	145,388	498,864	684,961
Variable interest rate liabilities	288,844	1,021,214	-	1,310,058
Fixed interest rate liabilities	<u>1,000,549</u>	<u>-</u>	<u>-</u>	<u>1,000,549</u>
	<u>\$ 1,805,284</u>	<u>\$ 1,170,572</u>	<u>\$ 498,864</u>	<u>\$ 3,474,720</u>

March 31, 2025

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 587,179	\$ 3,960	\$ -	\$ 591,139
Lease liabilities	44,508	148,575	520,168	713,251
Variable interest rate liabilities	<u>317,314</u>	<u>931,398</u>	<u>-</u>	<u>1,248,712</u>
	<u>\$ 949,001</u>	<u>\$ 1,083,933</u>	<u>\$ 520,168</u>	<u>\$ 2,553,102</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 subsidiaries
China Steel Structure Corporation (CSSC)	Fellow subsidiary
Dragon Steel Corporation (DSC)	Fellow subsidiary
Chung Hung Steel Corporation (CHS)	Fellow subsidiary
China Ecotek Corporation	Fellow subsidiary
China Steel Machinery Corporation (CSMC)	Fellow subsidiary
China Steel Precision Materials Corporation (CSPM)	Fellow subsidiary
InfoChamp Systems Corporation (ICSC)	Fellow subsidiary
United Steel Engineering & Construction Corporation (USEC)	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 Corporaiton	Associate

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

a. Operating revenue

Account Items	Related Party Category/Name	For the Three Months Ended March 31	
		2026	2025
Revenue from sales of goods	The Corporation as key management personnel of subsidiaries		
	Linyuan Advanced	\$ 224,296	\$ 247,654
	Parent entity	6,871	6,177
	Fellow subsidiaries	<u>2,696</u>	<u>3,825</u>
		<u>\$ 233,863</u>	<u>\$ 257,656</u>
Revenue from the rendering of services	Parent entity	\$ 12,698	\$ 10,594
	Fellow subsidiaries	<u>2,120</u>	<u>2,800</u>
		<u>\$ 14,818</u>	<u>\$ 13,394</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 March 31	
	2026	2025
Parent entity	\$ 441,801	\$ 587,694
Fellow subsidiaries		
DSC	188,279	244,611
Others	<u>128</u>	<u>256</u>
	<u>188,407</u>	<u>244,867</u>
	<u>\$ 630,208</u>	<u>\$ 832,561</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	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable - related parties	Parent entity	\$ 5,425	\$ 6,443	\$ 15,632
	Fellow subsidiaries	947	616	1,667
	The Corporation as key management personnel of subsidiaries			
	Linyuan Advanced	<u>117,507</u>	<u>73,617</u>	<u>85,608</u>
		<u>\$ 123,879</u>	<u>\$ 80,676</u>	<u>\$ 102,907</u>
Other receivables	Parent entity	\$ 234	\$ 43,358	\$ 17,270
	Fellow subsidiaries	<u>2,037</u>	<u>1,562</u>	<u>1,893</u>
		<u>\$ 2,271</u>	<u>\$ 44,920</u>	<u>\$ 19,163</u>

No guarantee had been received for receivables from related parties. For the three months ended March 31, 2026 and 2025, no impairment loss was recognized on receivables from related parties.

d. Payables to related parties

Account Items	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable - related parties	Parent entity	\$ 225,490	\$ 199,967	\$ 244,617
	Fellow subsidiaries	<u>1,493</u>	<u>119</u>	<u>23</u>
		<u>\$ 226,983</u>	<u>\$ 200,086</u>	<u>\$ 244,640</u>

(Continued)

Account Items	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Other payables	Parent entity	\$ 5,237	\$ 9,937	\$ 8,925
	Fellow subsidiaries	21,600	466	662
	The Corporation as key management personnel of other related parties	2,402	1,869	4,252
		<u> </u>	<u> </u>	<u> </u>
		<u>\$ 29,239</u>	<u>\$ 12,272</u>	<u>\$ 13,839</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 Three Months Ended March 31	
	2026	2025
Fellow subsidiaries		
USEC	\$ 60,923	\$ -
CSSC	1,635	-
CSMC	-	24,480
ICSC	<u>-</u>	<u>2,571</u>
	<u>\$ 62,558</u>	<u>\$ 27,051</u>

The Corporation acquired of property, plant and equipment from related parties were negotiated between both sides and paid according to the contract.

f. Lease agreement

Related Party Category/Name		2026	2025	
Acquisition of right-of-use assets				
Parent entity		<u>\$ 18,139</u>	<u>\$ -</u>	
Account Items	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	Parent entity	<u>\$ 675,014</u>	<u>\$ 534,505</u>	<u>\$ 552,527</u>
	Fellow subsidiaries			
	CSPM	47,790	48,401	48,679
	CHS	<u>3,361</u>	<u>4,025</u>	<u>5,143</u>
		<u>51,151</u>	<u>52,426</u>	<u>53,822</u>
		<u>\$ 726,165</u>	<u>\$ 586,931</u>	<u>\$ 606,349</u>

Account Items	Related Party Category/Name	For the Three Months Ended March 31	
		2026	2025
Interest expense	Parent entity	\$ 2,529	\$ 2,040
	Fellow subsidiaries		
	CSPM	146	384
	CHS	17	24
		<u>163</u>	<u>408</u>
		<u>\$ 2,692</u>	<u>\$ 2,448</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 2030 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 year, which ended in 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 ended 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.

Leases of office buildings

The Corporation leased office buildings from its parent entity. The lease term of the contract will ended in December 2028. 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 arrangements

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 3-4.5% based on the current land value. The rental is collected in advance every half year. The lease term of the contract will ended in December 2030. As of March 31, 2026, December 31, 2025 and March 31, 2025, the gross lease payments received were NT\$94,835 thousand, NT\$96,847 thousand and NT\$9,685 thousand, respectively. The amounts of lease income recognized for the three months ended March 31, 2026 and 2025 were NT\$4,991 thousand and NT\$3,228 thousand, respectively.

h. Other related party transactions

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 expenses on public fluid, including electricity, wastewater treatment, waste gas treatment, consumption of steam, and coke ovens, based on market prices or cost plus percentage. The expenses mentioned above amounted to NT\$72,007 thousand and NT\$94,000 thousand for the three months ended March 31, 2026 and 2025, respectively. The Corporation and other non-related parties had no similar transactions available for comparison.

i. Compensation of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 7,015	\$ 7,806
Post-employment benefits	<u>198</u>	<u>219</u>
	<u>\$ 7,213</u>	<u>\$ 8,025</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 March 31, 2026 were as follow:

- In order to obtain subsidy from the Government, the financial institution provided a guarantee amounted to NT\$33,336 thousand. Guarantee notes provided to sellers for purchase of goods and agreements amounted to NT\$126,052 thousand.
- Unused letter of credit issued by the Corporation for the purchase of raw materials and goods in the amount of NT\$1,073,254 thousand.
- Property, plant and equipment construction contract signed for total amount of NT\$674,496 thousand, in which about NT\$287,192 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 financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
March 31, 2026				
Financial assets				
Monetary items				
USD	\$ 4,067	31.995	(USD:NTD)	\$ 130,124
RMB	16,820	4.629	(RMB:NTD)	77,861
JPY	123,475	0.2005	(JPY:NTD)	24,757
(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	\$ 313	31.995	(USD:NTD)	\$ 10,027
JPY	19,421	0.2005	(JPY:NTD)	3,894
Financial assets mandatorily designated as FVOCI				
USD	3,801	31.995	(USD:NTD)	121,603
Financial liabilities				
Monetary items				
USD	297	31.995	(USD:NTD)	9,506
December 31, 2025				
Financial assets				
Monetary items				
USD	3,798	31.430	(USD:NTD)	119,361
RMB	16,990	4.496	(RMB:NTD)	76,386
JPY	36,078	0.2008	(JPY:NTD)	7,244
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	323	31.430	(USD:NTD)	10,155
Financial assets mandatorily designated as FVOCI				
USD	3,881	31.430	(USD:NTD)	121,968
Financial liabilities				
Monetary items				
USD	3,211	31.430	(USD:NTD)	100,918
March 31, 2025				
Financial assets				
Monetary items				
USD	6,805	33.205	(USD:NTD)	225,944
RMB	23,990	4.573	(RMB:NTD)	109,707
JPY	84,502	0.2227	(JPY:NTD)	18,819
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	954	33.205	(USD:NTD)	31,682
Financial assets mandatorily designated as FVOCI				
USD	3,319	33.205	(USD:NTD)	110,201
Financial liabilities				
Monetary items				
USD	302	33.205	(USD:NTD)	10,028
RMB	3,765	4.573	(RMB:NTD)	17,215
				(Concluded)

For the three months ended March 31, 2026 and 2025, realized and unrealized net foreign exchange gains and losses were gain of NT\$4,460 thousand and NT\$9,421 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 (Table 4)
- 6) Intercompany relationships and significant intercompany transactions (Table 5)
- 7) Information on investees (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income (loss) of 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 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices and payment terms:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (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 three months ended March 31, 2026				
Revenue from external customers	\$ 1,276,518	\$ 1,289	\$ -	\$ 1,277,807
Inter segment revenue	<u>7,558</u>	<u>(2,459)</u>	<u>(5,099)</u>	<u>-</u>
Segment revenue	<u>\$ 1,284,076</u>	<u>\$ (1,170)</u>	<u>\$ (5,099)</u>	<u>\$ 1,277,807</u>
Segment income	\$ 179,650	\$ (1,430)	\$ 3,003	\$ 181,223
Interest income	1,626	638	(271)	1,993
Share of profits of subsidiaries and associates	23,794	-	(894)	22,900
Other income	16,630	68	(544)	16,154
Interest expense	(9,817)	-	271	(9,546)
Other gains and losses	<u>2,744</u>	<u>1,618</u>	<u>-</u>	<u>4,362</u>
Profit before income tax	214,627	894	1,565	217,086
Income tax expense	<u>38,207</u>	<u>-</u>	<u>-</u>	<u>38,207</u>
Net profit for the period	<u>\$ 176,420</u>	<u>\$ 894</u>	<u>\$ 1,565</u>	<u>\$ 178,879</u>
For the three months ended March 31, 2025				
Revenue from external customers	\$ 1,684,119	\$ 7,671	\$ -	\$ 1,691,790
Inter segment revenue	<u>15,305</u>	<u>(4,054)</u>	<u>(11,251)</u>	<u>-</u>
Segment revenue	<u>\$ 1,699,424</u>	<u>\$ 3,617</u>	<u>\$ (11,251)</u>	<u>\$ 1,691,790</u>
Segment income	\$ 212,042	\$ 3,307	\$ 9,354	\$ 224,703
Interest income	1,765	749	(469)	2,045
Share of profits of subsidiaries and associates	24,056	-	(5,183)	18,873
Other income	19,217	208	(5,300)	14,125
Interest expense	(3,700)	-	469	(3,231)
Other gains and losses	<u>7,751</u>	<u>2,055</u>	<u>-</u>	<u>9,806</u>
Profit before income tax	261,131	6,319	(1,129)	266,321
Income tax expense	<u>46,938</u>	<u>1,136</u>	<u>-</u>	<u>48,074</u>
Net profit for the period	<u>\$ 214,193</u>	<u>\$ 5,183</u>	<u>\$ (1,129)</u>	<u>\$ 218,247</u>

Department interests refers to the profits earned by each department, excluding the administrative cost of the headquarters to be amortized and remuneration of directors and supervisors, rent revenue, interest income, 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

	March 31, 2026	December 31, 2025	March 31, 2025
Segment assets			
Chemicals segment			
Production and sales	\$ 11,767,278	\$ 11,703,208	\$ 11,595,744
Investment segment	1,696,570	1,581,025	1,723,151
Adjustments and write-off	<u>(1,945,569)</u>	<u>(1,841,274)</u>	<u>(2,033,338)</u>
	<u>\$ 11,518,279</u>	<u>\$ 11,442,959</u>	<u>\$ 11,285,557</u>
Segment liabilities			
Chemicals segment			
Production and sales	\$ 3,528,936	\$ 3,699,520	\$ 2,854,365
Investment segment	42,784	4,979	54,794
Adjustments and write-off	<u>(103,383)</u>	<u>(79,819)</u>	<u>(167,310)</u>
	<u>\$ 3,468,337</u>	<u>\$ 3,624,680</u>	<u>\$ 2,741,849</u>

TABLE 1

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE PERIOD ENDED MARCH 31, 2026
(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	\$ 97,209	\$ 97,209	\$ 55,548	2	Note 1	\$ -	Operating capital	\$ -	-	\$ -	\$ 330,757	\$ 496,135	Note 2

Note1 : The need for short-term financing.

Note2 : 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.

Note3 : The transaction had been eliminated when preparing consolidated financial statements.

TABLE 2

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2026
(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	March 31, 2026				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	229,000	<u>\$ 8,897</u>	-	<u>\$ 8,897</u>	Note
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>\$ 70,817</u>	-	<u>\$ 70,817</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	\$ 418,311	-	\$ 418,311	
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	79,876	-	79,876	
						<u>\$ 498,187</u>		<u>\$ 498,187</u>	
Ever Wealthy International Corporation	Common stock	EVERGREEN AVIATION TECHNOLOGIES CORPORATION		Financial assets at fair value through other comprehensive income-non-current	750,000	<u>\$ 109,500</u>	-	<u>\$ 109,500</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 MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

[illegible]

Note: Refer to Note 28.

TABLE 4

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	\$ 117,507	9.4	\$ -		\$ -	\$ -

TABLE 5

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE PERIOD ENDED MARCH 31, 2026
(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	\$ 56,184	According to the contract and the resolution approved in the board of director.	1

TABLE 6

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE PERIOD ENDED MARCH 31, 2026
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				MARCH 31, 2026	DECEMBER 31, 2025	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	\$ 417,170	\$ 272,804	\$ 16,477	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	-	17,453	132,703	398	
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	107,712,232	100	1,353,113	894	894	
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	75,911,726	9	526,194	179	16	
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	261,600	261,600	26,160,000	15	314,848	27,411	4,112	
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	160,000	16,000,000	9	147,700	(18,513)	(1,635)	
China Steel Chemical Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	73,155	(3,066)	(153)	
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	45,215	47,999	3,758	
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40	24,270	(99)	(40)	
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35	10,945	(3)	(1)	
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5	6,818	1,192	60	
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	3,375	3,375	337,500	5	3,555	(1,837)	(92)	
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	-	15,708	132,703	358	
Ever Wealthy International Corporation	ThinTech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	33,608	34,176	4,735,748	4	92,453	28,120	1,109	
Ever Wealthy International Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	104,549	104,549	8,183,029	7	74,144	(42,946)	(7,102)	
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	33,146	47,999	2,755	
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35	15,446	600	210	
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45	14,074	(3)	(1)	
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30	14,199	356	107	

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

TABLE 7

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE PERIOD ENDED MARCH 31, 2026
(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, 2025 (Note1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026 (Note1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026	Note
					Outward	Inward							
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	\$ 184,929	Direct investment	\$ 208,159	\$ -	\$ -	\$ 208,159	\$ (2,459)	100	\$ (2,459)	\$ 188,401	\$ -	Note 4

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026 (Note1)	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	\$ 208,159	\$ 208,159	\$ 4,829,965

- Note 1: The amounts were calculated based on the foreign exchange rate as of March 31, 2026.
- 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.

