

**Taiwan Steel Union Co., Ltd. and
Subsidiary**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2026 and 2025 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Steel Union Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Steel Union Co., Ltd. (the "Company") and its subsidiary (collectively referred to as the "Group") as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, of changes in equity, and of cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission 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 TWSRE 2410 "Review of Financial Statements". 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 Group as of June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 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 Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Jui-Lung Hsu and Shao-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 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.

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.

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2026 (Reviewed)		December 31, 2025 (Audited)		June 30, 2025 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 391,257	7	\$ 676,454	12	\$ 425,139	9
Financial assets at amortized cost - current (Notes 7 and 22)	8,000	-	1,500	-	-	-
Notes receivables, net (Notes 8 and 18)	2,721	-	1,689	-	2,600	-
Trade receivables from unrelated parties, net (Notes 8 and 18)	135,457	3	152,900	3	98,922	2
Trade receivables from related parties, net (Notes 8, 18 and 25)	22,975	-	11,358	-	23,167	-
Other receivables (Note 8)	2,301	-	2,746	-	2,629	-
Inventories (Note 9)	144,485	3	164,410	3	180,319	4
Other financial assets - current	-	-	-	-	18,856	-
Other current assets (Notes 13 and 18)	51,763	1	41,880	1	29,800	1
Total current assets	758,959	14	1,052,937	19	781,432	16
NON-CURRENT ASSETS						
Investment accounted for using the equity method (Notes 4, and 11)	7,205	-	7,849	-	7,973	-
Property, plant and equipment (Notes 12, 22, 26 and 27)	4,256,616	79	4,173,362	77	4,082,142	82
Other intangible assets	17,467	-	20,840	-	12,193	-
Deferred tax assets (Notes 4 and 20)	22,621	1	21,884	1	13,317	-
Prepayments for machinery and equipment (Note 22)	252,678	5	82,635	2	57,902	1
Refundable deposits	6,171	-	5,879	-	5,675	-
Net defined benefit assets – non-current (Note 16)	1,060	-	1,110	-	-	-
Other financial assets - non-current (Notes 22 and 26)	53,516	1	55,016	1	54,943	1
Other non-current assets (Note 13)	-	-	68	-	167	-
Total non-current assets	4,617,334	86	4,368,643	81	4,234,312	84
TOTAL	\$ 5,376,293	100	\$ 5,421,580	100	\$ 5,015,744	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 14)	\$ 150,000	3	\$ -	-	\$ -	-
Trade payables (Note 25)	33,540	1	57,815	1	43,295	1
Other payables (Notes 15 and 25)	106,630	2	187,815	3	122,200	2
Current tax liabilities (Note 4)	129,567	2	88,364	2	86,810	2
Current portion of long-term borrowings (Notes 14, 22 and 26)	38,267	1	38,267	1	38,267	1
Other current liabilities (Notes 15, 18 and 25)	66,812	1	73,050	1	66,093	1
Total current liabilities	524,816	10	445,311	8	356,665	7
NON-CURRENT LIABILITIES						
Long-term bank loans (Notes 14, 22 and 26)	462,389	8	481,522	9	500,656	10
Deferred tax liabilities (Notes 4 and 20)	382	-	347	-	83	-
Net defined benefit liabilities - non-current (Notes 4 and 16)	-	-	-	-	844	-
Other non-current liabilities	5,501	-	7,545	-	6,748	-
Total non-current liabilities	468,272	8	489,414	9	508,331	10
Total liabilities	993,088	18	934,725	17	864,996	17
EQUITY						
Ordinary shares	1,112,709	21	1,112,709	21	1,112,709	22
Capital surplus	999,216	19	999,216	18	999,216	20
Retained earnings						
Legal reserve	781,389	14	712,548	13	712,548	14
Unappropriated earnings	1,489,891	28	1,662,382	31	1,326,275	27
Total equity	4,383,205	82	4,486,855	83	4,150,748	83
TOTAL	\$ 5,376,293	100	\$ 5,421,580	100	\$ 5,015,744	100

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

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
SALES (Notes 18 and 25)	\$ 847,020	100	\$ 638,903	100	\$ 1,282,106	100	\$ 1,131,684	100
COST OF GOODS SOLD (Notes 9,16,19 and 25)	<u>330,361</u>	<u>39</u>	<u>301,705</u>	<u>47</u>	<u>534,615</u>	<u>42</u>	<u>533,192</u>	<u>47</u>
GROSS PROFIT	<u>516,659</u>	<u>61</u>	<u>337,198</u>	<u>53</u>	<u>747,491</u>	<u>58</u>	<u>598,492</u>	<u>53</u>
OPERATING EXPENSES(Notes 16,19 and 27)								
Selling and marketing expenses	31,152	4	20,702	3	54,072	4	51,805	5
General and administrative expenses	38,823	4	42,793	7	78,652	6	75,766	7
Research and development expenses	<u>-</u>	<u>-</u>	<u>7,305</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>15,235</u>	<u>1</u>
Total operating expenses	<u>69,975</u>	<u>8</u>	<u>70,800</u>	<u>11</u>	<u>132,724</u>	<u>10</u>	<u>142,806</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>446,684</u>	<u>53</u>	<u>266,398</u>	<u>42</u>	<u>614,767</u>	<u>48</u>	<u>455,686</u>	<u>40</u>
NON-OPERATING INCOME AND EXPENSES								
Share of the profit or loss of associates	(533)	-	(770)	-	(644)	-	(1,027)	-
Interest income	1,934	-	2,288	-	2,783	-	3,579	-
Other income (Note 19)	110	-	2,515	1	520	-	3,689	1
Net foreign exchange loss (Note 28)	(2,770)	-	(11,627)	(2)	(1,637)	-	(9,751)	(1)
Financial costs (Note 19)	(2,914)	(1)	460	-	(5,231)	-	-	-
Other expenses	(22)	-	(79)	-	(23)	-	(79)	-
Loss on disposal of property, plant and equipment	(<u>319</u>)	<u>-</u>	(<u>803</u>)	<u>-</u>	(<u>250</u>)	<u>-</u>	(<u>14,266</u>)	<u>(1)</u>
Total non-operating income and expenses	(<u>4,514</u>)	<u>(1)</u>	(<u>8,016</u>)	<u>(1)</u>	(<u>4,482</u>)	<u>-</u>	(<u>17,855</u>)	<u>(1)</u>
PROFIT BEFORE INCOME TAX	442,170	52	258,382	41	610,285	48	437,831	39
INCOME TAX EXPENSES (Notes 4 and 20)	<u>86,306</u>	<u>10</u>	<u>48,852</u>	<u>8</u>	<u>124,199</u>	<u>10</u>	<u>85,531</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 355,864</u>	<u>42</u>	<u>\$ 209,530</u>	<u>33</u>	<u>\$ 486,086</u>	<u>38</u>	<u>\$ 352,300</u>	<u>31</u>
EARNINGS PER SHARE (Note 21)								
Basic	<u>\$ 3.20</u>		<u>\$ 1.88</u>		<u>\$ 4.37</u>		<u>\$ 3.17</u>	
Diluted	<u>\$ 3.19</u>		<u>\$ 1.88</u>		<u>\$ 4.36</u>		<u>\$ 3.16</u>	

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

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Ordinary Shares (Note 17)	Capital Surplus (Note 17)	Legal Reserve (Note 17)	Unappropriated Earnings (Note 17)	Total Equity
BALANCE AT JANUARY 1, 2025	\$ 1,112,709	\$ 999,216	\$ 629,311	\$ 1,724,837	\$ 4,466,073
Appropriation of 2024 earnings					
Legal reserve	-	-	83,237	(83,237)	-
Cash dividends distributed to shareholders –NT\$6 per share	-	-	-	(667,625)	(667,625)
Total comprehensive income for the six months ended June 30, 2025	-	-	-	352,300	352,300
BALANCE AT JUNE 30, 2025	\$ 1,112,709	\$ 999,216	\$ 712,548	\$ 1,326,275	\$ 4,150,748
BALANCE AT JANUARY 1, 2026	\$ 1,112,709	\$ 999,216	\$ 712,548	\$ 1,662,382	\$ 4,486,855
Appropriation of 2025 earnings					
Legal reserve	-	-	68,841	(68,841)	-
Cash dividends distributed to shareholders–NT\$5.3 per share	-	-	-	(589,736)	(589,736)
Total comprehensive income for the six months ended June 30, 2026	-	-	-	486,086	486,086
BALANCE AT JUNE 30, 2026	\$ 1,112,709	\$ 999,216	\$ 781,389	\$ 1,489,891	\$ 4,383,205

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

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 610,285	\$ 437,831
Adjustments for :		
Depreciation expense	137,730	122,327
Amortization expense	4,467	2,686
Finance costs	5,231	-
Interest income	(2,783)	(3,579)
Share of the profit or loss of associates	644	1,027
Loss on disposal of property, plant and equipment	250	14,266
Write-down of inventories	4,805	6,383
Unrealized foreign currency exchange gain, net	(341)	(638)
Changes in operating assets and liabilities		
Notes receivables	(1,032)	3
Trade receivables	6,143	82,642
Other receivables	445	3,351
Inventories	15,120	(44,599)
Other current assets	(9,883)	26,281
Notes payable	-	(3,150)
Trade payables	(24,275)	(2,859)
Other payables	(54,385)	(26,315)
Other current liabilities	(6,238)	681
Net defined benefit liabilities	50	31
Cash generated from operations	686,233	616,369
Interest received	2,783	3,691
Interest paid	(5,192)	(43)
Income taxes paid	(83,698)	(117,600)
Net cash generated from operating activities	600,126	502,417
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(233,061)	(101,621)
Proceeds from disposal of property, plant and equipment	459	479
Acquisition of investments accounted for using equity method	-	(9,000)
Increase in refundable deposits	(292)	-
Decrease in refundable deposits	-	30
Payments of intangible assets	(1,094)	(1,247)
Decrease(increase) in other financial assets	(5,000)	7,546
Decrease in other non-current assets	68	444
Increase in prepayments for machinery and equipment	(185,490)	(44,098)
Decrease in deferred revenue	(103)	(41)
Net cash used in investing activities	(424,513)	(147,508)

(Continued)

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments from long-term borrowings	\$ (19,133)	\$ (19,133)
Proceeds from short-term borrowings	200,000	-
Repayments from short-term borrowings	(50,000)	-
Decrease in guarantee deposits received	(1,941)	-
Cash dividend	<u>(589,736)</u>	<u>(667,625)</u>
Net cash used in financing activities	<u>(460,810)</u>	<u>(686,758)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(285,197)</u>	<u>(331,849)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>676,454</u>	<u>756,988</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 391,257</u>	<u>\$ 425,139</u>

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

(Concluded)

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Taiwan Steel Union Co., Ltd (the “Company”) was established in April 1995 and incorporated in August of the same year.

The Company’s main business is to dispose and reuse general industrial waste and hazardous industrial waste as well as manufacture and trade non-ferrous metal (zinc oxide) and non-metallic mineral products.

The Company obtained the permission document of treating electric arc furnace dust for general use since December 28, 2017. The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since January 30, 2018.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on July 28, 2026.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
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
Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)
Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.	
Note 2: An entity shall apply the amendments when it applies IFRS 18.	

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments and Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”

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

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

Upon the initial application of IFRS 18, an entity that is a venture capital organization or a mutual fund, unit trust or similar entity (or that invests indirectly through such entities) may change its election for measuring its investments in associates or joint ventures from using the equity method to measuring them at fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned 'similar entities' include entities that are assessed under IFRS 18 as having specified main business activities of investing in particular types of assets. If the Group meets the aforementioned conditions, it may elect to make this change at the date of initial application.

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

- The Group 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 Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group 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.

The Group except not to early apply IFRS 18 and consequential amendments.

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029
Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.	
As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.	

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

These interim 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. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for 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

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiary).

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with those used of the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 10 and Table 3 for detailed information on subsidiary (including the percentages of ownership and main businesses).

- d. Other significant accounting policies

Except for the following, refer to 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) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	\$ 185	\$ 217	\$ 191
Demand deposits	341,072	621,237	418,448
Cash equivalents			
Time deposits with original maturities of three months or less	<u>50,000</u>	<u>55,000</u>	<u>6,500</u>
	<u>\$ 391,257</u>	<u>\$ 676,454</u>	<u>\$ 425,139</u>

7. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Time deposits with original maturities of more than three months	<u>\$ 8,000</u>	<u>\$ 1,500</u>	<u>\$ -</u>

8. NOTES RECEIVABLES, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivables from unrelated parties	\$ 2,721	\$ 1,689	\$ 2,600
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 135,616	\$ 153,059	\$ 99,081
Less: Allowance for impairment loss	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>
	\$ 135,457	\$ 152,900	\$ 98,922
Trade receivables from related parties	\$ 22,975	\$ 11,358	\$ 23,167
<u>Other receivables</u>			
Tax refund receivable	\$ 1,141	\$ 1,574	\$ 1,367
Others	<u>1,160</u>	<u>1,172</u>	<u>1,262</u>
	\$ 2,301	\$ 2,746	\$ 2,629

The average credit period of sales of goods is 60 to 90 days. No interest is charged on trade receivables. The Group adopted a policy of only dealing with entities that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group obtains credit reports from independent rating agencies for those customers who have higher risk. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates. As the Group's 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 Group's different customer base.

The Group writes off trade receivables when there is evidence indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of Notes receivables and trade receivables.

	Not Past Due
<u>June 30, 2026</u>	
Expected credit loss rate	0%
Gross carrying amount	\$ 161,312
Loss allowance (Lifetime ECLs)	<u>(159)</u>
Amortized cost	\$ 161,153

Not Past DueDecember 31, 2025

Expected credit loss rate	0%
Gross carrying amount	\$ 166,106
Loss allowance (Lifetime ECLs)	<u>(159)</u>
Amortized cost	<u>\$ 165,947</u>

June 30, 2025

Expected credit loss rate	0%
Gross carrying amount	\$ 124,848
Loss allowance (Lifetime ECLs)	<u>(159)</u>
Amortized cost	<u>\$ 124,689</u>

The movements of the allowance for impairment loss recognized on Notes receivables and trade receivables were as follows:

	For the Six Months Ended June 30	
	2026	2025
Beginning and ending balance	\$ <u>159</u>	\$ <u>159</u>

9. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	\$ 82,896	\$ 85,551	\$ 103,636
Finished goods	<u>61,589</u>	<u>78,859</u>	<u>76,683</u>
	<u>\$ 144,485</u>	<u>\$ 164,410</u>	<u>\$ 180,319</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 were \$260,645 thousand, \$202,891 thousand, \$394,672 thousand and \$343,853 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 included inventory write-down of \$594 thousand, \$1,627 thousand, \$4,805 thousand and \$6,383 thousand, respectively.

10. SUBSIDIARY

Subsidiary included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership		
			June 30, 2026	December 31, 2025	June 30, 2025
The Company	Taiwan Steel Resources Co., Ltd. ("TSR")	Waste reuse services	100	100	100

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associate:

	June 30, 2026	December 31, 2025	June 30, 2025
Associates that are not individually material			
FENG LI INTERNET CO., LTD. ("Feng Li Co.")	\$ 7,205	\$ 7,849	\$ 7,973

In January 2025, with the approval of the Board of Directors, the Company jointly established Feng Li Co. with Feng Hsin Steel Co., Ltd. and Feng Yu Resources Co., Ltd., with an investment amount of \$9,000 thousand and holding 30% of the equity interests.

The investments accounted for by the equity method and the share of profit or loss of the investment were based on unreviewed financial statements. The Group's management believes the unreviewed financial statements of the investees above do not have material impact.

12. PROPERTY, PLANT AND EQUIPMENT

	For the Six Months Ended June 30, 2026				
	Beginning Balance	Additions	Disposals	Reclassified Amount	Ending Balance
<u>Cost</u>					
Land	\$ 2,054,322	\$ -	\$ -	\$ -	\$ 2,054,322
Land improvements	75,276	80	-	14	75,370
Buildings	1,761,392	16,769	(912)	-	1,777,249
Machinery equipment	3,168,558	24,041	(3,179)	15,447	3,204,867
Transportation equipment	261,116	5,044	(2,685)	-	263,475
Miscellaneous equipment	128,283	5,814	(6)	-	134,091
Construction in progress	63,073	154,498	-	(14)	217,557
	<u>7,512,020</u>	<u>\$ 206,246</u>	<u>\$ (6,782)</u>	<u>\$ 15,447</u>	<u>7,726,931</u>
<u>Accumulated depreciation</u>					
Land improvements	68,631	\$ 1,751	\$ -	\$ -	70,382
Buildings	604,243	45,798	(465)	-	649,576
Machinery equipment	2,372,368	74,976	(2,917)	-	2,444,427
Transportation equipment	206,185	7,655	(2,685)	-	211,155
Miscellaneous equipment	87,231	7,550	(6)	-	94,775
	<u>3,338,658</u>	<u>\$ 137,730</u>	<u>\$ (6,073)</u>	<u>\$ -</u>	<u>3,470,315</u>
	<u>\$ 4,173,362</u>				<u>\$ 4,256,616</u>

	For the Six Months Ended June 30, 2025				
	Beginning Balance	Additions	Disposals	Reclassified Amount	Ending Balance
<u>Cost</u>					
Land	\$ 2,048,582	\$ 4,908	\$ -	\$ -	\$ 2,053,490
Land improvements	73,858	-	-	-	73,858
Buildings	1,704,970	28,198	(10,809)	9,766	1,732,125
Machinery equipment	3,067,987	33,238	(45,744)	8,548	3,064,029
Transportation equipment	251,840	3,850	(48)	-	255,642
Miscellaneous equipment	120,735	4,793	(538)	-	124,990
Construction in progress	8,847	8,228	-	(10,060)	7,015
	<u>7,276,819</u>	<u>\$ 83,215</u>	<u>\$ (57,139)</u>	<u>\$ 8,254</u>	<u>7,311,149</u>
 <u>Accumulated depreciation</u>					
Land improvements	66,590	\$ 867	\$ -	\$ -	67,457
Buildings	524,415	40,553	(1,946)	-	563,022
Machinery equipment	2,296,508	63,889	(39,921)	-	2,320,476
Transportation equipment	188,805	9,111	(44)	-	197,872
Miscellaneous equipment	72,756	7,907	(483)	-	80,180
	<u>3,149,074</u>	<u>\$ 122,327</u>	<u>\$ (42,394)</u>	<u>\$ -</u>	<u>3,229,007</u>
	<u>\$ 4,127,745</u>				<u>\$ 4,082,142</u>

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets:

Land improvements	5-15 years
Buildings	
Main buildings	25-50 years
Others	2-48 years
Machinery equipment	2-20 years
Transportation equipment	2-15 years
Miscellaneous equipment	2-15 years

Owner-occupied property, plant and equipment pledged as collateral for bank borrowings were set out in Note 26.

13. OTHER ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Tax overpaid retained	\$ 23,711	\$ 9,291	\$ 3,452
Prepayments	19,074	22,269	17,981
Costs to fulfill a contract (Note 18)	6,676	7,234	5,724
Temporary payments (payments on behalf of others)	2,302	3,086	2,643
	<u>\$ 51,763</u>	<u>\$ 41,880</u>	<u>\$ 29,800</u>
 <u>Non-current</u>			
Long-term prepayments	\$ -	\$ 68	\$ 167

14. BORROWINGS

Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Unsecured loans</u>			
Bank loans	\$ 150,000	\$ -	\$ -
Rate of interest per annum (%)	1.75~1.80	-	-
<u>Long-term borrowings</u>			
	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings (Note 26)	\$ 500,656	\$ 519,789	\$ 538,923
Less: Current portion	(38,267)	(38,267)	(38,267)
Long-term bank loans	\$ 462,389	\$ 481,522	\$ 500,656
Rate of interest per annum (%)	1.8	1.8	1.8

The company obtained a long-term loan of \$574,000 thousand from the Bank of Taiwan in July 2024 to purchase land. The loan period is from July 2024 to July 2039, divided into 180 installments over a total of 15 years. The principal and interest are repaid evenly on a monthly basis. The borrowing interest rate is calculated based on the Bank of Taiwan's two-year fixed deposit flexible interest rate.

15. OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Other payables</u>			
Payables for salaries and bonuses	40,079	77,803	39,294
Payables for purchases of equipment	13,495	40,310	11,242
Payables for annual leave	4,971	5,375	4,301
Payables for remuneration of directors	3,150	6,300	3,150
Payables for donations	815	1,464	1,044
Payables for interest	475	436	425
Others	43,645	56,127	62,744
	\$ 106,630	\$ 187,815	\$ 122,200
<u>Other current liabilities</u>			
	June 30, 2026	December 31, 2025	June 30, 2025
Contract liabilities (Note 18)	\$ 64,282	\$ 69,015	\$ 62,910
Provisions	711	1,608	2,307
Temporary credits (receipts under custody)	1,819	2,427	876
	\$ 66,812	\$ 73,050	\$ 66,093

Note: Beginning in 2025, the Group recognized a provision for carbon fee liabilities in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The Group obtain approval from the competent authority for its self-determined reduction plan by March 30, 2026. It further expects to submit the 2026 progress report on the execution of the self-determined

reduction plan by April 30, 2027. Therefore, the provision for carbon fee liabilities is calculated based on the preferential rate.

16. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, the pension expenses of defined benefit plans were \$203 thousand, \$214 thousand, \$406 thousand and \$428 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2025 and 2024, respectively.

17. EQUITY

a. Share capital

	June 30, 2026	December 31, 2025	June 30, 2025
Shares authorized (in thousands of shares)	160,000	160,000	160,000
Shares authorized	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>
Shares issued and fully paid (in thousands of shares)	111,271	111,271	111,271
Shares issued	<u>\$ 1,112,709</u>	<u>\$ 1,112,709</u>	<u>\$ 1,112,709</u>

The authorized shares included 2,000 thousand shares allocated for the exercise of employee share options.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
Issuance of ordinary shares	\$ 997,847	\$ 997,847	\$ 997,847
Expired employee share options	1,138	1,138	1,138
Disgorgement	231	231	231
	<u>\$ 999,216</u>	<u>\$ 999,216</u>	<u>\$ 999,216</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year). Expired employee share options and disgorgement can only be used to offset a deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a 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 a 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 Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. According to the Article 240-5 of the Company's Articles, if two thirds of directors or more attended the meeting and over half of the directors who attended approve the resolution, the Company may authorize the board of directors to appropriate part or of all of the accrued dividends or bonuses, by cash, and a report shall be submitted to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 19-e.

In addition, under the dividends policy set forth in the Articles, the Company may distribute dividends in cash or shares. If the Company decides to distribute in cash, in principle, the cash dividends shall not be lower than 10% of share dividends.

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

The appropriations of earnings for 2025 and 2024 respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended	
	December 31	
	2025	2024
Legal reserve	\$ 68,841	\$ 83,237
Cash dividends	\$ 589,736	\$ 667,625
Dividends Per Share (NT\$)	\$ 5.3	\$ 6

The cash dividends were approved by the Board of Directors on February 25, 2026, and February 24, 2025, respectively. The appropriations of earnings for 2025 and 2024 which have been approved in the shareholders' meetings on May 29, 2026 and May 27, 2025, respectively.

18. REVENUE

a. Revenue from contracts with customers

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from sale of zinc oxide	\$ 703,371	\$ 429,054	\$ 1,008,258	\$ 731,871
Revenue from waste disposal	133,031	192,509	247,801	372,691
Revenue from sale of concrete	10,545	9,172	25,112	18,826
Other operating revenue	<u>73</u>	<u>8,168</u>	<u>935</u>	<u>8,296</u>
	<u>\$ 847,020</u>	<u>\$ 638,903</u>	<u>\$ 1,282,106</u>	<u>\$ 1,131,684</u>

b. Contract balance

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes receivables and trade receivables (Note 8)	<u>\$ 161,153</u>	<u>\$ 165,947</u>	<u>\$ 124,689</u>	<u>\$ 210,186</u>
Contract liabilities (Note 15)	<u>\$ 64,282</u>	<u>\$ 69,015</u>	<u>\$ 62,910</u>	<u>\$ 64,607</u>

c. Assets related to contract costs

	June 30, 2026	December 31, 2025	June 30, 2025
Costs to fulfill a contract (Note 13)	<u>\$ 6,676</u>	<u>\$ 7,234</u>	<u>\$ 5,724</u>

Operating expenses mainly include depreciations of machinery and equipment, repair and maintenance

expenses, salaries and wages of on-site personnel, materials, and any expenses related to handling services and waste disposal.

At the end of each month, any costs which are related to unfulfilled contracts would be recognized in assets, "cost to fulfill a contract". After the performance obligations are fully satisfied, the assets would be transferred to operating costs.

19. NET PROFIT FROM CONTINUING OPERATIONS

a. Other revenue

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Government grants	\$ 110	\$ 2,030	\$ 162	\$ 3,202
Others	-	485	358	487
	<u>\$ 110</u>	<u>\$ 2,515</u>	<u>\$ 520</u>	<u>\$ 3,689</u>

b. Financial costs

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	\$ 2,914	\$ (460)	\$ 5,231	\$ -

Information about capitalized interest was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Capitalization amount	\$ -	\$ 2,879	\$ -	\$ 4,908
Capitalization rate	-	1.8%	-	1.8%

c. Depreciation and amortization

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Property, plant and equipment	\$ 68,603	\$ 61,715	\$ 137,730	\$ 122,327
Other intangible assets	2,168	1,336	4,467	2,683
Other non-current assets	-	-	-	3
	<u>\$ 70,771</u>	<u>\$ 63,051</u>	<u>\$ 142,197</u>	<u>\$ 125,013</u>

An analysis of

depreciation by function

Operating costs	\$ 65,320	\$ 58,539	\$ 131,155	\$ 116,091
Operating expenses	3,283	3,176	6,575	6,236
	<u>\$ 68,603</u>	<u>\$ 61,715</u>	<u>\$ 137,730</u>	<u>\$ 122,327</u>

An analysis of

amortization by function

Operating costs	\$ 786	\$ 157	\$ 1,574	\$ 324
Operating expenses	1,382	1,179	2,893	2,362
	<u>\$ 2,168</u>	<u>\$ 1,336</u>	<u>\$ 4,467</u>	<u>\$ 2,686</u>

d. Employee benefits expense

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 53,808	\$ 48,663	\$ 109,636	\$ 99,246
Post-employment benefits				
Defined contribution plans	1,908	10,654	3,741	12,580
Defined benefit plans (Note 16)	203	214	406	428
	2,111	10,868	4,147	13,008
Other employee benefits	7,224	6,436	13,860	13,988
	<u>\$ 63,143</u>	<u>\$ 65,967</u>	<u>\$ 127,643</u>	<u>\$ 126,242</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 38,114	\$ 37,148	\$ 77,429	\$ 75,972
Operating expenses	25,029	28,819	50,214	50,270
	<u>\$ 63,143</u>	<u>\$ 65,967</u>	<u>\$ 127,643</u>	<u>\$ 126,242</u>

e. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company expect to resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of 1% of net profit before income tax, compensation of employees, and remuneration of directors as compensation distributions for non-executive employees. The compensation of employees (including non-executive employees) and remuneration of directors for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025 are as follows:

	For the Six Months Ended June 30							
	2026		2025					
Accrual rate								
Compensation of employees		2.63%		3.66%				
Remuneration of directors		0.50%		0.69%				
	Three Months Ended June 30		Six Months Ended June 30					
	2026	2025	2026	2025				
Amount								
Compensation of employees	\$	7,291	\$	8,422	\$	16,560	\$	16,750
Remuneration of directors		1,575		1,575		3,150		3,150

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

The Board of Directors' meetings held on February 5, 2026 and January 20, 2025, respectively, resolved the appropriations of employees' compensation and directors' remuneration for 2025 and 2024, respectively, as follows:

<u>Amount</u>	For the Year Ended December 31	
	2025	2024
Compensation of employees	\$ 36,794	\$ 36,724
Remuneration of directors	\$ 6,300	\$ 6,300

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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

20. INCOME TAXES

a. Major components of income tax expense recognized in profit or loss

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current year	\$ 91,212	\$ 49,438	\$ 128,246	\$ 83,286
Income tax on unappropriated earnings	-	-	1,492	4,075
Adjustments for prior years	(4,837)	(336)	(4,837)	(336)
	86,375	49,102	124,901	87,025
Deferred tax				
In respect of the current year	(69)	(250)	(702)	(1,494)
Income tax expense recognized in profit or loss	\$ 86,306	\$ 48,852	\$ 124,199	\$ 85,531

b. Income tax assessments

The income tax returns of the Company and its subsidiary through 2024 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

	Net profit Attributable to Owners of the Company	Shares (In Thousands of Shares)	Earnings Per Share (NT\$)
<u>For the Three Months Ended June 30, 2026</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 355,864	111,271	\$ 3.20
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	155	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	\$ 355,864	111,426	\$ 3.19

	Net profit Attributable to Owners of the Company	Shares (In Thousands of Shares)	Earnings Per Share (NT\$)
<u>For the Three Months Ended June 30, 2025</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 209,530	111,271	<u>\$ 1.88</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>79</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 209,530</u>	<u>111,350</u>	<u>\$ 1.88</u>
<u>For the Six Months Ended June 30, 2026</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 486,086	111,271	<u>\$ 4.37</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>219</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 486,086</u>	<u>111,490</u>	<u>\$ 4.36</u>
<u>For the Six Months Ended June 30, 2025</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 352,300	111,271	<u>\$ 3.17</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>192</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 352,300</u>	<u>111,463</u>	<u>\$ 3.16</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. NON-CASH TRANSACTIONS

The Group entered into the following non-cash investing and financing activities for the six months ended June 30, 2026 and 2025:

	For the Six Months Ended June 30	
	2026	2025
<u>Non-cash transactions for investing and financing activities</u>		
Transfers from other financial assets to financial assets at amortized cost - current	\$ 6,500	\$ -
Transfers from prepayments for equipment to property, plant and equipment	\$ 15,447	\$ 8,254
Transfers from long-term bank loans to current portion	\$ 38,267	\$ 38,267

23. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising share capital, capital surplus, and retained earnings).

Key management personnel of the Group review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

The Group is not subject to any externally imposed capital requirements.

24. FINANCIAL INSTRUMENTS

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

The management personnel of the Group determined that the carrying amount of financial assets and financial liabilities not measured at fair value approximates to their fair value or their fair value is unable to be measured reliably.

b. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 622,398	\$ 907,542	\$ 631,931
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	746,756	682,012	664,120

Note 1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivables, trade receivables, other

receivables, refundable deposits, and other financial assets.

Note 2) The balances included financial liabilities measured at amortized cost, which comprise short-term bank loans, trade payables, other payables, long-term bank loans (including the current portion) and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, trade receivables, trade payables, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The corporate treasury and sales function report regularly to the management personnel of the Group. The management personnel oversee the impact of the financial risks.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below) and interest rates (refer to (b) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group have foreign currency denominated sales, which exposes the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 28.

Sensitivity analysis

The Group is mainly exposed to the USD. The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (i.e., the functional currency) against USD. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit with the New Taiwan dollars strengthening 1% against USD. For a 1% weakening of the New Taiwan dollars against USD, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	For the Six Months Ended	
	June 30	
	2026	2025
Profit before income tax	\$ 898	\$ 106

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an

appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	\$ 68,516	\$ 56,500	\$ 6,500
Financial liabilities	150,000	-	-
Cash flow interest rate risk			
Financial assets	384,072	676,253	492,247
Financial liabilities	500,656	519,789	538,923

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's per-tax profit for the six months ended June 30, 2026 and 2025 would have decreased by \$583 and \$233 thousand, respectively, which was mainly a result of variable-rate bank deposits and borrowings of the Group.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge its obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties. In order to minimize credit risk, based on the Credit Management Guidelines, the management of the Group 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 receivables.

The Group assesses the financial positions of the customers with trade receivables continuously.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

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

The following table details the Group's remaining contractual maturities 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 Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the

probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

	Less Than 1 Year	Over 1 Year
<u>June 30, 2026</u>		
Non-interest bearing	\$ 91,970	\$ -
Variable interest rate liabilities	38,267	462,389
Fixed interest rate liabilities	150,000	-
<u>December 31, 2025</u>		
Non-interest bearing	156,152	-
Variable interest rate liabilities	38,267	481,522
<u>June 30, 2025</u>		
Non-interest bearing	118,750	-
Fixed interest rate liabilities	38,267	500,656
Additional information about the maturity analysis for financial liabilities:		

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
<u>June 30, 2026</u>				
Non-interest bearing	\$ 91,970	\$ -	\$ -	\$ -
Variable interest rate liabilities	38,267	191,333	191,333	79,723
Fixed interest rate liabilities	150,000	-	-	-
	<u>\$ 280,237</u>	<u>\$ 191,333</u>	<u>\$ 191,333</u>	<u>\$ 79,723</u>
<u>December 31, 2025</u>				
Non-interest bearing	\$ 156,152	\$ -	\$ -	\$ -
Variable interest rate liabilities	38,267	191,333	191,333	98,856
	<u>\$ 194,419</u>	<u>\$ 191,333</u>	<u>\$ 191,333</u>	<u>\$ 98,856</u>
<u>June 30, 2025</u>				
Non-interest bearing	\$ 118,750	\$ -	\$ -	\$ -
Variable interest rate liabilities	38,267	191,333	191,333	117,990
	<u>\$ 157,017</u>	<u>\$ 191,333</u>	<u>\$ 191,333</u>	<u>\$ 117,990</u>

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
FENG LI INTERNET CO., LTD. ("Feng Li Co.")	The Company's associate
FENG HSIN STEEL CO., LTD. ("Feng Hsin Co.")	The Company's key management personnel
TUNG HO STEEL ENTERPRISE CORP. ("Tung Ho Co.")	The Company's key management personnel
HAI KWANG ENTERPRISE CORPORATION ("Hai Kwang Co.")	The Company's key management personnel
SHYEH SHENG FUAT STEEL & IRON WORKS CO., LTD. ("Shyeh Sheng Fuat Co.")	The Company's key management personnel
CHIEN SHUN STEEL CO., LTD. ("Chien Shun Co.")	The Company's key management personnel
UNITED STEEL CORPORATION ("United Co.")	Related party in substance (Before May, 2025 it was the Company's key management personnel)
KATEC CREATIVE RESOURCES CORP. ("Katec Co.")	Related party in substance
FENG YU RESOURCES CO., LTD. ("Feng Yu Co.")	Related party in substance
ZHENG TUNG ENVIRONMENTAL PROTECTION TECH CO., LTD. ("Zheng Tung Co.")	Related party in substance

b. Sales

Line Item	Related Party Category /Name	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Service revenue	The Company's key management personnel	\$ 26,994	\$ 60,072	\$ 50,370	\$ 115,266
	Related party in substance	<u>10,202</u>	<u>6,038</u>	<u>17,215</u>	<u>9,362</u>
		<u>\$ 37,196</u>	<u>\$ 66,110</u>	<u>\$ 67,585</u>	<u>\$ 124,628</u>
Other income	The Company's key management personnel	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 34</u>
Sales	Related party in substance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>

There is no major difference for sales and payments terms between related parties and normal customers.

c. Purchase of goods

Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Related party in substance	\$ 184	\$ 231	\$ 256	\$ 374
The Company's key management personnel	<u>-</u>	<u>3</u>	<u>(1)</u>	<u>1</u>
	<u>\$ 184</u>	<u>\$ 234</u>	<u>\$ 255</u>	<u>\$ 375</u>

There are no significant differences for purchases of goods (classified as purchase discounts and allowances) and payments terms between related parties and normal suppliers.

d. Receivables from related parties

Line Item	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables	The Company's key management personnel	\$ 18,655	\$ 7,728	\$ 22,649
	Related party in substance	<u>4,320</u>	<u>3,630</u>	<u>518</u>
		<u>\$ 22,975</u>	<u>\$ 11,358</u>	<u>\$ 23,167</u>

The outstanding trade receivables from related parties are unsecured. For the six months ended June 30, 2026 and 2025, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Trade payables	Related party in substance	\$ 21	\$ 70	\$ 28
	The Company's key management personnel	<u>1</u>	<u>3</u>	<u>4</u>
		<u>\$ 22</u>	<u>\$ 73</u>	<u>\$ 32</u>
Other payables	Related party in substance	<u>\$ -</u>	<u>\$ 851</u>	<u>\$ -</u>

f. Contract liabilities

Line Item	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Other current liabilities	The Company's key management personnel	\$ 10,422	\$ 5,945	\$ 13,536
	Related party in substance	<u>1,464</u>	<u>3,042</u>	<u>1,651</u>
		<u>\$ 11,886</u>	<u>\$ 8,987</u>	<u>\$ 15,187</u>

g. Remuneration of key management personnel

Remuneration of directors and key management personnel was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 6,317	\$ 7,043	\$ 12,641	\$ 12,532
Post-employment benefits	<u>27</u>	<u>8,808</u>	<u>54</u>	<u>8,835</u>
	<u>\$ 6,344</u>	<u>\$ 15,851</u>	<u>\$ 12,695</u>	<u>\$ 21,367</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for guarantees and bank borrowings:

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	\$ 1,752,444	\$ 1,752,444	\$ 1,751,611
Other financial assets - non-current	<u>53,516</u>	<u>55,016</u>	<u>54,943</u>
	<u>\$ 1,805,960</u>	<u>\$ 1,807,460</u>	<u>\$ 1,806,554</u>

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at June 30, 2026, December 31, 2025 and June 30, 2025 were as follows:

- a. The Group's unrecognized commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	<u>\$ 326,477</u>	<u>\$ 537,582</u>	<u>\$ 329,699</u>

- b. Under the environmental protection agreement of clearance and recycling EAF dust, the Group has to make profit-sharing payments to Shengang Township and Xianxi Township, Changhua County. The payments would depend on the amount of clearance and recycling EAF dust each month. The profit-sharing payments are recognized as operating expenses, which amounted to \$3,237 thousand, and \$3,956 thousand for the three months ended June 30, 2026 and 2025, and amounted to \$6,986 thousand and \$8,236 thousand for the six months ended June 30, 2026 and 2025.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	June 30, 2026		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary item			
USD	\$ 2,914	31.85 (USD:NTD)	<u>\$ 92,825</u>
<u>Financial liabilities</u>			
Monetary item			
USD	95	31.85 (USD:NTD)	<u>\$ 3,019</u>

	December 31, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary item USD	\$ 3,480	31.43 (USD:NTD)	\$ <u>109,387</u>

Financial liabilities

Monetary item USD	94	31.43 (USD:NTD)	\$ <u>2,966</u>
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	June 30, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary item USD	\$ 948	29.30 (USD:NTD)	\$ <u>27,766</u>

Financial liabilities

Monetary item USD	584	29.30 (USD:NTD)	\$ <u>17,125</u>
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The significant (realized and unrealized) foreign exchange gains(losses) were as follows:

Foreign Currencies	For the Three Months Ended June 30			
	2026		2025	
	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Loss
USD	31.60 (USD:NTD)	\$ <u>2,775</u>	30.82 (USD:NTD)	\$ <u>11,616</u>
Foreign Currencies	For the Six Months Ended June 30			
	2026		2025	
	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Loss
USD	31.61 (USD:NTD)	\$ <u>1,517</u>	31.86 (USD:NTD)	\$ <u>9,751</u>

29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (Table 1)
- 3) Marketable securities held (excluding investments in subsidiary, associates and joint ventures). (None)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 6) Other: intercompany relationships and significant intercompany transactions. (Table 2)

b. Information on investees (Table 3)

c. Information on investments in mainland China (None)

30. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company's main business is to dispose and reuse EAF dust and other waste, and recycle zinc oxide which has economic value when sold. Taiwan Steel Resources Co.'s main business is to dispose reducing slags and other slags. The processed products can be used in civil engineering and ready-mixed concrete industries that comply with laws and regulations. The chief operating decision maker considers the Company and Taiwan Steel Resources Co. as separate operating segments for the purposes of financial statements presentation.

The Company and its subsidiary's revenue, operating results, and assets and liabilities for the six months ended June 30, 2026 and 2025, were as follows:

	The Company	Taiwan Steel Resources Co.	Reconciliation and Elimination	Total
<u>For the Six Months Ended June 30, 2026</u>				
Revenue from external customers	\$ 1,165,600	\$ 116,506	\$ -	\$ 1,282,106
Inter-segment revenue	-	44,457	(44,457)	-
Total revenue	<u>\$ 1,165,600</u>	<u>\$ 160,963</u>	<u>\$ (44,457)</u>	<u>\$ 1,282,106</u>
Segment's profit(loss)	\$ 642,299	\$ (27,108)	\$ (424)	\$ 614,767
Interest revenue	1,867	916	-	2,783
Finance costs	(5,231)	-	-	(5,231)
Other non-operation income and expenses	(28,650)	(142)	26,758	(2,034)
Profit(loss) before income tax	610,285	(26,334)	26,334	610,285
Income tax expense	(124,199)	-	-	(124,199)
Net profit	<u>\$ 486,086</u>	<u>\$ (26,334)</u>	<u>\$ 26,334</u>	<u>\$ 486,086</u>

	The Company	Taiwan Steel Resources Co.	Unallocated Assets/Liabilities	Reconciliation and Elimination	Total
<u>June 30, 2026</u>					
Identifiable segment's assets	\$ 5,256,104	\$ 2,239,360	\$ 83,342	\$ (2,202,513)	\$ 5,376,293
Identifiable segment's liabilities	\$ 165,119	\$ 54,412	\$ 780,605	\$ (7,048)	\$ 993,088

	The Company	Taiwan Steel Resources Co.	Reconciliation and Elimination	Total
<u>For the Six Months Ended June 30, 2025</u>				
Revenue from external customers	\$ 951,301	\$ 180,383	\$ -	\$ 1,131,684
Inter-segment revenue	-	54,031	(54,031)	-
Total revenue	\$ 951,301	\$ 234,414	\$ (54,031)	\$ 1,131,684
Segment's profit	\$ 429,101	\$ 26,787	\$ (202)	\$ 455,686
Interest revenue	3,120	459	-	3,579
Other non-operation income and expenses	5,610	(248)	(26,796)	(21,434)
Profit before income tax	437,831	26,998	(26,998)	437,831
Income tax expense	(85,531)	-	-	(85,531)
Net profit	\$ 352,300	\$ 26,998	\$ (26,998)	\$ 352,300

	The Company	Taiwan Steel Resources Co.	Unallocated Assets/Liabilities	Reconciliation and Elimination	Total
<u>June 30, 2025</u>					
Identifiable segment's assets	\$ 4,887,248	\$ 2,291,659	\$ 87,116	\$ (2,250,279)	\$ 5,015,744
Identifiable segment's liabilities	\$ 185,857	\$ 64,153	\$ 625,816	\$ (10,830)	\$ 864,996

Segment profit represented the profit before tax earned by each segment without share of the profit or loss of associates, interest income, other income, net foreign exchange gain(loss), finance costs, other expenses, gain(loss) on disposals of property, plant and equipment and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets were allocated to reportable segments other than investments in associates, other financial assets and deferred tax assets; and
- All liabilities were allocated to reportable segments other than borrowings and current and deferred tax liabilities.

TABLE 1

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsements/ Guarantees Given on Behalf of Each Party (Notes 3 and 5)	Maximum Amount Endorsed/ Guaranteed During the Three Months (Note 4)	Outstanding Endorsements/ Guarantees at the End of the Three Months (Note 4)	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsements/ Guarantees Limit (Notes 3 and 5)	Endorsements/ Guarantees Given by Parent on Behalf of Subsidiaries	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	The Company	Taiwan Steel Resources Co., Ltd.	(2)	\$ 2,147,770	\$ 400,000	\$ 300,000	\$ -	\$ -	6.84	\$ 2,191,602	Y	N	N

Note 1: 1) Taiwan Steel Union Co., Ltd. is numbered 0.

2) Subsidiaries are numbered starting from 1.

Note 2: The relationship between endorser/guarantor and the endorsee/guarantee can be classified into the following four categories:

1) The companies with which it has business relations.

2) Subsidiaries in which the company held more than 50% of its total outstanding ordinary shares.

3) The companies in which the parent company and the subsidiary together held more than 50% of its outstanding ordinary shares.

4) The parent company which held, directly or indirectly through a subsidiary, more than 50% of its outstanding ordinary shares.

Note 3: The maximum amount of the endorsements/guarantees provided by the Company and its subsidiary shall not exceed 50% of the Company’s net assets as stated in its latest financial statement. Endorsements/guarantees provided by the Company to a single enterprise shall not exceed 49% of the Company’s net assets as stated in its latest financial statement.

Note 4: The ending balance and actual amount used are recorded using the prevailing exchange rate at balance sheet date.

Note 5: According to the Company’s Guideline for Endorsements and Guarantees, the maximum amount of the endorsements/guarantees is based on the Company’s net assets as stated in its latest audited (reviewed) financial statements. In June 2026, the Company announced that the Company’s maximum amount of the endorsements/guarantees to a single enterprise is \$1,973,397 thousand and the maximum amount of the endorsements/guarantees is \$2,013,670 thousand. Because the consolidated financial statements for the six months ended June 30, 2026 have not been reviewed, these amounts were based on the financial statements for the three months ended March 31, 2026. Thus, there is a difference in between.

TABLE 2

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
0	The Company	Taiwan Steel Resources Co., Ltd.	1	Cost of goods sold	\$ 44,033	-	3.43

Note 1: Relationship of investee company to counterparty: (1) parent company to subsidiary

Note 2: Significant intercompany accounts and transactions have been eliminated.

TABLE 3

TAIWAN STEEL UNION CO., LTD. AND SUBSIDIARY

**INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Number of Shares (thousands)	%	Carrying Amount			
The Company	Taiwan Steel Resources Co., Ltd. Feng Li Internet Co., Ltd.	Changhua Taichung	Waste reuse services Software development	\$ 2,300,000 9,000	\$ 2,300,000 9,000	149,000 900	100 30	\$ 2,195,465 7,205	\$ (26,334) (2,248)	\$ (26,758) (644)	Subsidiary Associate

Note: Significant intercompany accounts and transactions have been eliminated.