Stock Code: 2007

YIEH HSING ENTERPRISE CO., LTD.
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
AND INDEPENDENT AUDITORS' REVIEW REPORT

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Independent Auditors' Review Report

To the Board of Directors and Shareholders of
Yieh Hsing Enterprise Co., Ltd.

Introduction

We have reviewed the accompanying balance sheets of Yieh Hsing Enterprise Co., Ltd. (the "Company") as of March 31, 2026 and 2025, the statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as "the financial statements"). Management is responsible for the preparation and fair presentation of the 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 financial statements based on our reviews.

Scope of Review

Except as disclosed in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Review Standards No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of 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.

Basis for Qualified Conclusion

As stated in Note 6.6, the financial statements of investee companies under the equity method of the Company were not reviewed by independent auditors. The balance of these equity method investments amounted to $4,029,542 thousand and $4,450,824 thousand, representing 33.01% and 34.68% of the total assets as of March 31, 2026 and 2025, respectively, shares of profit (loss) of these associates accounted for using equity method amounting to ($39,283) thousand and ($22,964) thousand, representing 17.41%, and 11.67% of total income (loss) before income tax for the three months ended March 31, 2026 and 2025, respectively, as well as shares of other comprehensive income of these associates accounted for using equity method amounting to $2,995 thousand and $2,145 thousand, representing 93.07% and 110.45% of total other comprehensive income for the three months ended March 31, 2026 and 2025, respectively. These amounts were recognized solely on these investees' unreviewed financial statements for the same periods. The information related to above investee companies under the equity method disclosed in Note 13 was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements and related information of the Company's investees accounted for using equity method described in Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025 its financial performance for the three months ended March 31, 2026 and 2025, as well as its 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 effective by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chih Fu Huang and Ling Wen Huang.

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China

May 4, 2026

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying 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 financial statements shall prevail.

YIEH HSING ENTERPRISE CO., LTD.
BALANCE SHEETS
(IN THOUSANDS OF NEW TAIWAN DOLLARS)

		March 31, 2026		December 31, 2025		March 31, 2025	
Assets	Note	Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6(1)	$77,375	1	$142,530	1	$149,922	1
Financial assets at fair value through profit or loss - current	6(2)	17,238	-	12,361	-	22,585	-
Notes receivable, net		-	-	62	-	196	-
Accounts receivable, net	6(3)	81,330	1	90,427	1	170,267	1
Accounts receivable - related parties, net	7	6,971	-	4,802	-	5,888	-
Other receivables		5,919	-	3,310	-	12,962	-
Other receivables - related parties, net	7	197	-	9,475	-	104	-
Current tax assets		359	-	359	-	632	-
Inventories	6(4)	976,334	8	1,022,190	8	1,356,857	11
Prepayments		192,944	2	213,519	2	75,874	1
Other financial assets - current	8	420,105	3	377,497	3	421,797	3
Total Current Assets		1,778,772	15	1,876,532	15	2,217,084	17
NONCURRENT ASSETS							
Financial assets at fair value through other comprehensive income or loss - noncurrent	6(5)	2,728	-	2,505	-	2,960	-
Investments accounted for using equity method	6(6)	4,029,542	33	4,065,839	33	4,450,824	35
Property, plant and equipment	6(7)	5,551,972	45	5,546,047	45	5,352,408	41
Investment properties	6(8)	609,565	5	609,565	5	608,833	5
Deferred tax assets	6(25)	136,638	1	152,623	1	132,291	1
Refundable deposits		143	-	143	-	143	-
Net defined benefit assets - noncurrent	6(15)	89,309	1	89,037	1	60,848	1
Other noncurrent assets - other	6(9)	5,809	-	6,371	-	8,058	-
Total Noncurrent Assets		10,425,706	85	10,472,130	85	10,616,365	83
TOTAL ASSETS		$12,204,478	100	$12,348,662	100	$12,833,449	100

Liabilities and Equity	Note	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
CURRENT LIABILITIES							
Short-term loans	6(10)	$2,926,545	24	$3,001,134	25	$2,778,128	21
Short-term notes and bills payable	6(11)	79,704	1	79,869	1	249,704	2
Contract liabilities - current	6(20)	22,094	-	28,713	-	76,398	1
Notes payable		61,482	1	71,296	1	80,969	1
Accounts payable		83,675	1	-	-	-	-
Accounts payable - related parties	7	25,834	-	18,505	-	29,027	-
Other payables	6(12)	134,883	1	161,638	1	140,764	1
Other payables - related parties	7	647,879	5	509,985	4	3,286	-
Current portion of long-term loans		1,225	-	1,225	-	-	-
Provisions - current	6(13)	58,953	-	33,601	-	23,837	-
Advance receipts		6	-	308	-	6	-
Current portion of long-term loans	6(14)	773,705	6	674,360	5	454,631	4
Total Current Liabilities		4,815,985	39	4,580,634	37	3,836,750	30
NONCURRENT LIABILITIES							
Long-term loans	6(14)	3,329,530	27	3,470,623	28	3,803,827	29
Deferred tax liabilities	6(25)	71,424	1	71,857	1	65,685	1
Total Noncurrent Liabilities		3,400,954	28	3,542,480	29	3,869,512	30
TOTAL LIABILITIES		8,216,939	67	8,123,114	66	7,706,262	60
EQUITY							
Share capital	6(16)						
Common stock		5,306,516	44	5,306,516	43	5,306,516	42
Capital surplus	6(17)	295,447	2	295,447	2	539,890	4
Retained earnings	6(18)						
Accumulated deficits		(1,622,611)	(13)	(1,381,384)	(11)	(735,905)	(6)
Other equity	6(19)	8,187	-	4,969	-	16,686	-
Total Equity		3,987,539	33	4,225,548	34	5,127,187	40
TOTAL LIABILITIES AND EQUITY		$12,204,478	100	$12,348,662	100	$12,833,449	100

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

YIEH HSING ENTERPRISE CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

		Three Months Ended March 31			
		2026		2025	
	Note	Amount	%	Amount	%
OPERATING REVENUE	6(20)	$1,050,591	100	$1,601,878	100
OPERATING COST	6(4)	(1,139,060)	(108)	(1,677,284)	(105)
GROSS PROFIT(LOSS)		(88,469)	(8)	(75,406)	(5)
OPERATING EXPENSES					
Selling and marketing expenses		(23,239)	(2)	(25,312)	(1)
General and administrative expenses		(29,102)	(3)	(26,012)	(2)
Total operating expenses		(52,341)	(5)	(51,324)	(3)
INCOME (LOSS) FROM OPERATIONS		(140,810)	(13)	(126,730)	(8)
NON-OPERATING INCOME AND EXPENSES					
Interest income		190	-	214	-
Other income	6(22)	6,247	1	3,730	-
Other gains and losses	6(23)	315	-	74	-
Finance costs	6(24)	(52,325)	(5)	(51,049)	(3)
Share of loss of associates and joint ventures		(39,283)	(4)	(22,964)	(1)
Total non-operating income and expenses		(84,856)	(8)	(69,995)	(4)
INCOME (LOSS) BEFORE INCOME TAX		(255,666)	(21)	(196,725)	(12)
INCOME TAX (EXPENSE) BENEFIT	6(25)	(15,552)	(1)	(2,731)	-
NET INCOME (LOSS)		(241,218)	(22)	(199,456)	(12)
OTHER COMPREHENSIVE INCOME (LOSS)	6(26)				
Items that will not be reclassified subsequently to profit or loss					
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		223	-	(203)	-
Share of other comprehensive income (loss) of associates and joint ventures		(100)	-	(101)	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures		3,095	-	2,246	-
Total other comprehensive income (loss), net of income tax		3,218	-	1,942	-
TOTAL COMPREHENSIVE INCOME (LOSS)		($238,000)	(22)	($197,514)	(12)
EARNINGS (LOSS) PER SHARE					
Basic earnings (loss) per share	6(27)	($0.45)		($0.38)	
Diluted earnings (loss) per share	6(27)	($0.45)		($0.38)	

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

YIEH HSING ENTERPRISE CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
(IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings		Other Equity Item			
Item	Common Stock	Capital Surplus	Legal Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (loss) on Hedging instruments	Total Equity
BALANCE AT JANUARY 1, 2025	$5,306,516	$539,890	$-	($536,365)	$15,512	($772)	$4	$5,324,785
Changes in associates and joint ventures using the equity method	-	-	-	(84)	-	-	-	(84)
Net loss for the three months ended March 31, 2025	-	-	-	(199,456)	-	-	-	(199,456)
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	2,246	(304)	-	1,942
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	(199,456)	2,246	(304)	-	(197,514)
BALANCE AT MARCH 31, 2025	$5,306,516	$539,890	$-	($735,905)	$17,758	($1,076)	$4	$5,127,187
BALANCE AT JANUARY 1, 2026	$5,306,516	$295,447	$-	($1,381,384)	$9,310	($4,345)	$4	$4,225,548
Changes in associates and joint ventures using the equity method	-	-	-	(9)	-	-	-	(9)
Net loss for the three months ended March 31, 2026	-	-	-	(241,218)	-	-	-	(241,218)
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	3,095	123	-	3,218
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	(241,218)	3,095	123	-	(238,000)
BALANCE AT MARCH 31, 2026	$5,306,516	$295,447	$-	($1,622,611)	$12,405	($4,222)	$4	$3,987,539

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

YIEH HSING ENTERPRISE CO., LTD.
STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Three Months Ended March 31	
	2026	2025
1.CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	($225,666)	($196,725)
Adjustments to reconcile profit and loss		
Depreciation	76,748	75,522
Amortization	562	562
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	108	373
Interest expense	52,325	51,049
Interest income	(190)	(214)
Share of loss of associates and joint ventures	39,283	22,964
Loss (gain) on disposal and retirement of property, plant and equipment	-	19
Property, plant and equipment transferred to expenses	1,542	-
Loss (gain) on disposal of investments	(200)	110
Total adjustments to reconcile profit and loss	170,178	150,385
Changes in operating assets and liabilities		
Net changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss	(4,785)	(5,236)
Decrease (decrease) in notes receivables	62	(196)
Decrease (increase) in accounts receivables	6,928	98,239
Decrease (increase) in other receivables	6,699	(199)
Decrease (increase) in inventories	45,856	(270,017)
Decrease (increase) in prepayments	20,575	(20,385)
Decrease (increase) in other operating assets	(272)	(837)
Total net changes in operating assets	75,033	(198,631)
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	(6,619)	10,092
Increase (decrease) in notes payable	(9,814)	(13,206)
Increase (decrease) in accounts payable	91,004	4,385
Increase (decrease) in other payables	(322)	(22,818)
Increase (decrease) in provisions	25,352	(14,614)
Increase (decrease) in advance receipts	(302)	(302)
Total net changes in operating liabilities	99,299	(36,463)
Total net changes in operating assets and liabilities	174,332	(235,094)

Item	Three Months Ended March 31	
	2026	2025
Total adjustments	$344,510	($84,709)
Cash generated from (used in) operations	118,844	(281,434)
Interest received	191	236
Interest paid	(78,125)	(49,878)
Income tax paid	-	(5)
Net cash generated from (used in) operating activities	40,910	(331,081)
2.CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(75,868)	(128,695)
Increase in other financial assets	(42,608)	(1,005)
Net cash generated from (used in) investing activities	(118,476)	(129,700)
3.CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	461,610
Decrease in short-term loans	(74,589)	-
Proceeds from long-term loans	137,000	56,000
Repayment of long-term loans	(180,000)	(120,000)
Increase other payables - related parties	130,000	-
Net cash generated from (used in) financing activities	12,411	397,610
4.NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(65,155)	(63,171)
5.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	142,530	213,093
6.CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$77,375	$149,922

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

YIEH HSING ENTERPRISE CO., LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS SPECIFIED OTHERWISE)

1. GENERAL INFORMATION

Yieh Hsing Enterprise Co., Ltd. (“the Company”) was established in July 1978, and consolidated Yieh Yih Enterprise Co., Ltd. to form a single company. The company engages mainly in the manufacturing and trading of steel pipes, steel coil processed products, wire rods, the design, manufacture, and installation of the machinery, equipment, and environmental equipment systems, and the rental and sales business of the construction builder for residences and commercial. The company was listed in Taiwan Stock Exchange (hereafter referred to as TWSE) in October 1988.

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

2. THE AUTHORIZATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved and authorized for issue by the Board of Directors on May 4, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS

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

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

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except as noted below, based on the Group’s assessment, the above standards and interpretations do not have a significant impact on the Group’s financial position and financial performance.

1. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

(1) Clarifies and provides additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope includes contractual terms that may alter cash flows based on contingent events (e.g., interest rates linked to ESG targets), instruments with nonrecourse features, and contractually linked instruments.

(2) Introduce new disclosure requirements for certain instruments with contractual terms that may alter cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance (ESG) targets). These disclosures include a qualitative description of the nature of the contingent event, quantitative information on the potential changes in contractual cash flows resulting from these contractual terms, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to these contractual terms.

(3) Clarifies the recognition and derecognition dates of certain financial assets and liabilities and introduces a new exception for the derecognition of a financial liability (or part of a financial liability) settled through an electronic payment system. Under this exception, an entity is permitted to derecognize a financial liability before the settlement date if, and only if, the entity has initiated a payment instruction and the following conditions are met:

   A. The entity does not have the practical ability to revoke, stop, or cancel the payment instruction;

   B. The entity no longer has the practical ability to access the cash used for settlement as a result of the payment instruction; and

   C. The settlement risk associated with the electronic payment system is not significant.

(4) Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVTOCI). The entity shall disclose the fair value of each class of investment but is no longer required to disclose the fair value of each individual investment. Additionally, the amendments require the entity to disclose the fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains or losses related to investments derecognized during the reporting period; the fair value gains or losses related to investments held at the end of the reporting period; and any transfers of cumulative gains or losses within equity during the reporting period related to investments derecognized during that period.

3.2 Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted: None.

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

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Associate Contribution of Assets between an Investor and its or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and disclosure of financial statements”	January 1, 2027(Note)

New IFRSs	Effective Date Announced by IASB
IFRS 19 “Disclosure Initiative - Subsidiaries without	January 1, 2027

Note: 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.

Except as stated below, The Company has assessed that the above standards and interpretations have no significant impact on the Company’s financial position and financial performance

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

The amendments address an existing inconsistency between IFRS 10 and IAS 28. The recognition of a gain or loss arising from the sale or contribution of assets between an investor and its associate or joint venture depends on the nature of the assets transferred:

(a) If the assets sold or contributed constitute a business, the full gain or loss is recognized;

(b) If the assets sold or contributed do not constitute a business, the gain or loss is recognized only to the extent of the investor’s interest that is not attributable to related parties in the associate or joint venture.IFRS 18 Presentation and Disclosure of Financial Statements

2. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18, Presentation and Disclosure in Financial Statements, replaces IAS 1. The standard introduces a structured format for the statement of profit or loss, disclosure requirements for management-defined performance measures, and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

3. IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”

IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements instead of the disclosure requirements in other IFRS Accounting Standards.

4. IAS 21 "Translation to a Hyperinflationary Presentation Currency"

This amendment introduces a requirement that, when translating from a functional currency of a non-hyperinflationary economy into a presentation currency of a hyperinflationary economy, all amounts, including comparative amounts, shall be translated using the closing rate at the end of the most recent reporting period. The amendment also provides an exception whereby, if both the functional currency and the presentation currency are currencies of hyperinflationary economies, and the foreign operation is an entity with a functional currency of a non-hyperinflationary economy, comparative amounts are not required to be retranslated. In addition, the amendment requires disclosures that include the translation method applied and summarized financial information of the foreign operations to which the translation method is applied.

As of the date the accompany financial statements are authorized for issue, the Company is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2025. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Statement of Compliance

The accompanying financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC.

4.2 Basis of Preparation

(1) Except for the following items, the financial statements have been prepared under the historical cost convention:

A. Financial assets and financial liabilities at fair value through profit or loss (including derivative instruments).

B. Financial assets at fair value through other comprehensive income.

C. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

D. Investment real estate measured on a fair value model.

(2) The preparation of the financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

4.3 Income taxes

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. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

4.4 Retirement benefits

The 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 curtailments, settlements, or other significant one-off events.

5. CRITICAL ACCOUNTING JUDGMENTS AND MAJOR SOURCES OF ESTIMATION ASSUMPTION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed Note 5 in these financial statements as were applied in the preparation of the Company's financial statements for the year ended December 31, 2025.

6. DESCRIPTION OF SIGNIFICANT ACCOUNTS

Except for the following disclosures, please refer to Note 6 of the financial statements for the year ended December 31, 2025.

6.1 Cash and cash equivalents

Item	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$280	$280	$280
Checking account	74,838	138,933	102,553
Demand deposits	2,257	3,317	47,089
Total	$77,375	$142,530	$149,922

1. The financial institutions dealing with the Company are credit worthy, and the Company's transactions with a number of financial institutions to diversify credit risk are unlikely to be expected to default.
2. The Company had no cash and cash equivalents pledged to others.

6.2 Financial assets at fair value through profit or loss - current

Item	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets - current			
Non-derivative financial assets mandatorily measured at FVTPL			
Mutual funds	$17,238	$12,361	$22,585

1. The Company has recognized the gain (loss) from financial assets at fair value of $92 thousand and ($483) thousand for the three months ended March 31, 2026 and 2025, respectively.
2. The Company had no financial assets at fair value through profit or loss pledged to others.
3. Please refer to Note 12(3) for credit risk management and evaluation method.

6.3 Accounts receivable, net

Item	March 31, 2026	December 31, 2025	March 31, 2025
At amortized cost			
Accounts receivable	$81,330	$90,427	$170,267
Less: Loss allowance	-	-	-
Net	$81,330	$90,427	$170,267

1. Account receivables were all from contracts with customers, and the average collection period is 7~26 days. The Company’s accounts receivables all meet the credit standards stipulated based on the counterparties' industrial characteristics, operation scale and profitability.
2. The Company provided accounts receivable as collateral for the borrowings. Please refer to Note 8 for the information.
3. The Company factored part of its accounts receivables to banks without recourse. The Company had already transferred substantially all risks and rewards upon factoring the accounts receivables, which were thereby derecognized from the balance sheet. Please refer to Note 12.5 for related information.
4. The Company applies the simplified approach to provisions for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit losses on trade receivables are estimated by reference to the provision matrix and past account aging records of the debtor, an analysis of the debtor’s current financial position, and industrial trend. which receivables are past due. As the Company’s historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status of receivables is not further distinguished between the Company’s different customer base.

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

   The Company measures the allowance for notes receivable, and accounts receivable to the provision matrix (including related parties)：

March 31, 2026	Expected credit loss rate	Gross carrying amount	Allowance for doubtful accounts (ECL)	Amortized cost
Not past due	0%	$88,301	$ -	$88,301

December 31, 2025	Expected credit loss rate	Gross carrying amount	Allowance for doubtful accounts (ECL)	Amortized cost
Not past due	0%	$95,291	$ -	$95,291

March 31, 2025	Expected credit loss rate	Gross carrying amount	Allowance for doubtful accounts (ECL)	Amortized cost
Not past due	0%	$176,351	$ -	$176,351

As of March 31, 2026, December 31, 2025, and March 31, 2025, the above provision has already taken into consideration of collateral or other credit enhancement. The other credit enhancement (e.g., L/C) possessed by above receivables were $88,289 thousand, $92,563 thousand, and $176,131 thousand, respectively.

6.4 Inventories and operating cost

Item	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$550,471	$621,535	$833,519
Supplies	171,965	167,865	174,080
Work in progress	13,231	4,942	68,117
Finished goods	238,291	222,625	280,023
By-products and scraps	2,376	5,223	1,118
Net	$976,334	$1,022,190	$1,356,857

1.The related inventory (gain) loss recognized as operating cost were as follows:

	Three Months Ended March 31	
Item	2026	2025
Cost of inventories sold	$1,159,280	$1,666,401
Processing cost	-	12,149
Unallocated manufacturing overhead	62,302	44,564
Loss on inventory valuation (recovery gain)	(107,890)	(31,067)
Loss on irrevocable contracts (recovery gain)	25,368	(14,763)
Total operating cost	$1,139,060	$1,677,284

2.The Company recognized the inventory valuation loss (recovery gain) of ($107,890) thousand and ($31,067) thousand for the three months ended March 31, 2026 and 2025, respectively, due to net realized value recovered as a result of price increase of product and destocking, and the write-down to the net realizable value.

3. Please refer to 6.13 for loss recognition on irrevocable purchase contracts.

4. The Company had no inventory pledged as collateral.

6.5 Financial assets at fair value through other comprehensive income or loss-noncurrent

Item	March 31, 2026	December 31, 2025	March 31, 2025
Equity instruments - noncurrent			
Domestic unlisted stocks	$1,650	$1,650	$1,650
Subtotal	$1,650	$1,650	$1,650
Valuation adjustment	1,078	855	1,310
Total	$2,728	$2,505	$2,960

1. The Company invests in domestic listed and unlisted stocks in accordance with its medium/long-term strategies and expects to make a profit through long-term investment. Management of the Company believes that it is not consistent with the afore-mentioned long-term investment planning if the short-term fair value changes of such investment are presented in profit or loss. Therefore, the Company elects to designate such investment as to be measured at FVTOCI.
2. For related credit risk management and means of assessing, please refer to Note 12(3).

6.6 Investments accounted for using equity method

Investee	March 31, 2026	December 31, 2025	March 31, 2025
Associates with significance			
Great Emperor Hotel Corp.	$1,506,289	$1,511,899	$1,680,170
Kings Garden International Corp.	1,445,648	1,473,880	1,666,836
Eliter International Corp.	759,515	760,867	770,234
E-Da Development Corp.	133,340	138,569	145,521
Associates without significance	184,750	180,624	188,063
Total	$4,029,542	$4,065,839	$4,450,824

1.The Company held directly or indirectly over 20% ownership of Eliter International Corp., E-Da Development Corp. and other Associates through the Company’s Parent. Therefore, the investees are accounted for under the equity method.

2. Significant associates of the Company are as follows:

	Shareholding Percentage		
Company Name	March 31, 2026	December 31, 2025	March 31, 2025
Great Emperor Hotel Corp.	37.26%	37.26%	39.84%
Kings Garden International Corp.	39.67%	39.67%	42.39%
Eliter International Corp.	7.42%	7.42%	7.42%
E-Da Development Corp.	5.94%	5.94%	5.94%

Please refer to Table 3 in Note 13 for the nature of business, main operation location and countries of registration of the associates listed above.

(1) The summarized financial information in respect of the Company’s significant associates is as follows:

A. Balance Sheets

	Great Emperor Hotel Corp.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$507,446	$513,730	$630,858
Noncurrent assets	12,546,328	12,226,007	12,218,651
Current liabilities	706,644	628,380	427,642
Noncurrent liabilities	8,304,275	8,053,447	8,204,435
Equity	$4,042,855	$4,057,910	$4,217,432
Share in associates' net assets	$1,506,289	$1,511,899	$1,680,170
Unrealized gain (loss) from transactions with associates	-	-	-
Carrying amount of associate	$1,506,289	$1,511,899	$1,680,170

	Kings Garden International Corp.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$584,654	$600,088	$823,396
Noncurrent assets	11,198,636	11,174,069	11,159,577
Current liabilities	844,305	686,143	543,029
Noncurrent liabilities	7,294,801	7,372,664	7,507,799
Equity	$3,644,184	$3,715,350	$3,932,145
Share in associates' net assets	$1,445,648	$1,473,880	$1,666,836
Unrealized gain (loss) from transactions with associates	-	-	-
Carrying amount of associate	$1,445,648	$1,473,880	$1,666,836

	Eliter International Corp.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$6,732,276	$6,699,035	$6,716,661
Noncurrent assets	6,396,248	6,562,303	6,585,302
Current liabilities	2,101,224	1,717,016	1,874,511
Noncurrent liabilities	307,552	680,854	436,689
Equity (Note)	$10,719,748	$10,863,468	$10,990,763
Share in associates' net assets	$770,030	$771,382	$780,749
Unrealized gain (loss) from transactions with associates	(10,515)	(10,515)	(10,515)
Carrying amount of associate	$759,515	$760,867	$770,234

(Note) Including the un-registered capital increased by cash as of March 31, 2026, December 31, 2025, and March 31, 2025 was $338,000 thousand, $463,500 thousand, and $464,500 thousand, respectively.

	E-Da Development Corp.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$526,632	$615,274	$615,857
Noncurrent assets	6,938,856	7,034,056	7,080,600
Current liabilities	866,615	931,943	537,630
Noncurrent liabilities	4,354,798	4,385,298	4,709,748
Equity	$2,244,075	$2,332,089	$2,449,079
Share in associates' net assets	$133,340	$138,569	$145,521
Unrealized gain (loss) from transactions with associates	-	-	-
Carrying amount of associate	$133,340	$138,569	$145,521

B. Statements of Comprehensive Income

	Great Emperor Hotel Corp.	
	Three Months Ended March 31	
	2026	2025
Operating revenue	$605,501	$564,278
Net income (loss)	($15,043)	$13,911
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive income (loss)	($15,043)	$13,911
Dividends received from associate	$ -	$ -

	Kings Garden International Corp.	
	Three Months Ended March 31	
	2026	2025
Operating revenue	$162,716	$150,224
Net income (loss)	($71,154)	($51,071)
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive income (loss)	($71,154)	($51,071)
Dividends received from associate	$ -	$ -

	Eliter International Corp.	
	Three Months Ended March 31	
	2026	2025
Operating revenue	$34,819	$67,695
Net income (loss)	($18,222)	($18,946)
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive income (loss)	($18,222)	($18,946)
Dividends received from associate	$ -	$ -

	E-Da Development Corp.	
	Three Months Ended March 31	
	2026	2025
Operating revenue	$177,865	$158,864
Net income (loss)	($86,522)	($114,570)
Other comprehensive income (loss) (net after tax)	(1,493)	(1,368)
Total comprehensive income (loss)	($88,015)	($115,938)
Dividends received from associate	$ -	$ -

(2) Shares of individually insignificant associates of the Company are summarized as follows:

	Three Months Ended March 31	
	2026	2025
Share of:		
Net income	$1,040	$1,356
Other comprehensive income (loss) (net after tax)	3,095	2,227
Total comprehensive income (loss)	$4,135	$3,583

(3) Associates of the Company with quoted prices in emerging market are as follow:

	March 31, 2026	December 31, 2025	March 31, 2025
Yieh United Steel Corp.	$15,255	$15,865	$15,229

(4) The calculation of the amount of investment accounted for using equity method and share of income or loss and other comprehensive income (loss) were based on the financial statements not reviewed by auditors.

3. As of March 31, 2026, December 31, 2025, and March 31, 2025, no investments under equity method were pledged as collateral by the Company.

6.7 Property, Plant and Equipment

Item	March 31, 2026	December 31, 2025	March 31, 2025
Land	$1,089,364	$ 1,089,364	$1,089,364
Buildings	1,784,315	1,784,073	1,784,073
Machinery	8,369,591	8,338,654	8,754,354
Other equipment	500,645	498,297	500,843
Equipment to be inspected and construction in progress	1,829,963	1,782,233	1,418,160
Total cost	$13,573,878	$13,492,621	$13,546,794
Less: Accumulated depreciation	(7,914,384)	(7,839,052)	(8,048,019)
Accumulated impairment	(107,522)	(107,522)	(146,367)
Total	$5,551,972	$5,546,047	$5,352,408

Cost	Land	Buildings	Machinery	Other equipment (Note)	Equipment to be inspected and construction in progress	Total
Balance, January 1, 2026	$1,089,364	$1,784,073	$8,338,654	$498,297	$1,782,233	$13,492,621
Additions	-	-	930	781	82,504	84,215
Disposals	-	-	-	(1,416)	-	(1,416)
Transfer to expense	-	-	-	(1,542)	-	(1,542)
Reclassifications	-	242	30,007	4,525	(34,774)	-
Balance, March 31, 2026	$1,089,364	$1,784,315	$8,369,591	$500,645	$1,829,963	$13,573,878

Accumulated depreciation and impairment						
Balance, January 1, 2026	$ -	$1,059,715	$6,473,792	$305,545	$107,522	$7,946,574
Depreciation	-	9,358	63,568	3,822	-	76,748
Disposals	-	-	-	(1,416)	-	(1,416)
Balance, March 31, 2026	$ -	$1,069,073	$6,537,360	$307,951	$107,522	$8,021,906

Cost	Land	Buildings	Machinery	Other equipment (Note)	Equipment to be inspected and construction in progress	Total
Balance, January 1, 2025	$1,088,374	$1,782,983	$8,754,069	$501,494	$1,296,121	$13,423,041
Additions	990	1,090	285	2,331	122,039	126,735
Disposals	-	-	-	(2,982)	-	(2,982)
Balance, March 31, 2025	$1,089,364	$1,784,073	$8,754,354	$500,843	$1,418,160	$13,546,794

Accumulated depreciation and impairment						
Balance, January 1, 2026	$ -	$1,022,294	$6,690,050	$301,880	$107,522	$8,121,746
Depreciation	-	9,353	61,756	4,413	-	75,522
Disposals	-	-	-	(2,882)	-	(2,882)
Balance, March 31, 2026	$ -	$1,031,647	$6,751,806	$303,411	$107,522	$8,194,386

(Note): Including transportation equipment, office equipment and other equipment.

1. Reconciliations of current additions and the acquisition of property, plant and equipment in statement of cash flows were as follows:

Item	Three Months Ended March 31	
	2026	2025
Increase in property, plant and equipment	$84,215	$126,735
Increase/decrease in payables for purchase of equipment	(8,347)	1,960
Cash paid for acquisition of property, plants and equipment	$75,868	$128,695

2. Reconciliations of current sales of property, plant and equipment in statement of cash flows were as follows:

Item	Three Months Ended March 31	
	2026	2025
Price for sales of property, plant and equipment	$-	$81
Increase/decrease of receivables from the sales of property, plant and equipment	-	(81)
Cash receive for sales of property, plants and equipment	$-	$ -

3. Please refer to Note 6.24 for details of the amount of capitalized borrowing costs.
4. Impairment losses for property, plant and equipment recognized for the three months ended March 31, 2026 and 2025 were both $0 thousand.
5. For the information about property, plant and equipment pledged as collateral, please refer to Note 8 for details.
6. The company’s land amounting to $8,000 thousand as of March 31, 2026, December 31, 2025, and March 31, 2025 is unable to be registered under the name of the Company due to regulation restriction. Accordingly, the ownership was registered under the name of an individual with a mortgage registration as safeguard measures.

7. Property, plant and equipment are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The estimated useful lives are as follows:

Buildings	
Main plants	41 to 56 years
Other accessory equipment	5 to 10 years
Machinery and Transportation equipment	2 to 36 years
Other equipment	3 to 41 years
Equipment spare parts	depreciated by actual wear

6.8 Investment properties

Item	March 31, 2026	December 31, 2025	March 31, 2025
Measured at fair value	$609,565	$609,565	$608,833

1. Investment property at fair value

Item	Three Months Ended March 31 2026	2025
Balance at January 1	$609,565	$608,833
Additions	-	-
Balance at March 31	$609,565	$608,833

(1) The fair value of investment property as of December 31, 2025 and 2024 were appraised by Jian-Zhi Huang and Guo-Shi Wu, Jian-Zhi Huang, a certified real estate appraiser of Taiwan from Evermore Valuation, in December 7, 2025 and December 4, 2025. The appraisal was based on the income method, and those were Level 3 fair value inputs. Please See Note 12(4).

(2) The Company has cousulted with the appraiser to review the validity of the original appraisal report and believes that the fair value information of the aforementioned investment properties on December 31, 2025 and 2024 are still valid as of March 31, 2026 and 2025.

(3) The monthly market rent of the investment properties in its located area as of March 31, 2026 is about $38 to $200 per square meter, and the rent of similar comparison targets in the market is about $7 to $791 per square meter.

(4) The monthly market rent of the investment properties in its located area as of March 31, 2025 is about $38 to $200 per square meter, and the rent of similar comparison targets in the market is about $7 to $777 per square meter.

(5) The fair value of the other investment property is appraised based on the income approach. The fair value will increase when the increase of future net cash inflow or decrease of discount rate is estimated. The important assumptions are as follows:

Item	March 31, 2026	December 31, 2025	March 31, 2025
Estimated future cash inflow	$775,730	$775,730	$774,878
Estimated future cash outflow	8,394	8,394	7,829
Estimated future net cash inflow	$767,336	$767,336	$767,049
Discount rate	2.47%~2.50%	2.47%~2.50%	2.47%~2.50%

A. The future cash inflow estimated to be generated from investment property includes rent revenue, deposit interest revenue and disposition value at ending. The rent revenue is based on the Company’s current lease contracts and market rental conditions and is estimated in consideration of the annual growth rate of future rental. The revenue analysis period is estimated by 10 years; the deposit interest revenue is estimated based on the interest rate of a one-year timed deposit; the disposition value at ending is estimated based on the direct capitalization under the income approach. The future cash outflow estimated to be generated from investment property includes expenses of land tax, and management fee. The expenses are estimated based on current expense standard and takes the adjustment of land value announced in the future .

B. The discount rate is calculated based on the floating interest rate on a 2-year time deposit of a small amount, as posted by Chunghwa Post Co., Ltd., plus 0.75% as the minimum.

2. Rental revenue and direct operating expenses of investment properties:

Item	Three Months Ended March 31	
	2026	2025
Rental revenue from investment properties	$514	$514
Direct operating expenses incurred by the investment properties with rental revenue generating in current period	$101	$95
Direct operating expenses incurred by the investment properties with no rental revenue generating in current period	$54	$52

3. Please refer to Note 8 for investment properties pledged to others.

4. The company’s land amounting to $7,886 thousand as of March 31, 2026, $7,886 thousand as of December 31, 2025 and $7,636 thousand as of March 31, 2025 is unable to be registered under the name of the Company due to regulation restriction. Accordingly, the ownership was registered under the name of an individual with a mortgage registration as safeguard measures.

6.9 Other noncurrent assets - other

Item	March 31, 2026	December 31, 2025	March 31, 2025
Long-term prepayments	$5,809	$6,371	$8,058

6.10 Short-term Loans

	March 31, 2026	
Type of Loan	Amount	Interest Rate
Materials purchase loans	$1,896,545	2.825%-5.823%
Mortgage loans	380,300	2.75%-2.968%
Credit loans	649,700	2.865%-3.50%
Total	$2,926,545	

	December 31, 2025	
Type of Loan	Amount	Interest Rate
Materials purchase loans	$1,971,134	2.825%-3.50%
Mortgage loans	380,300	2.75%-2.968%
Credit loans	649,700	2.865%-3.50%
Total	$3,001,134	

	March 31, 2025	
Type of Loan	Amount	Interest Rate
Materials purchase loans	$2,023,128	2.75%-3.50%
Mortgage loans	230,000	2.75%
Credit loans	525,000	2.82%-2.97%
Total	$2,778,128	

Some property, plant, and equipment, investment properties, demand deposits, accounts receivable, and certificate deposit are pledged as collateral for short-term loans. Please refer to Note 8 for details.

6.11 Short-term notes and bills payable

Item	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper payable	$80,000	$80,000	$250,000
Less: Unamortized discount	(296)	(131)	(296)
Net	$79,704	$79,869	$249,704
Interest Rate Range	3.145%	3.15%	2.995%-3.12%

Some investment properties are pledged as collateral for short-term notes and bills payable. Please refer to Note 8 for information.

6.12 Other Payables

Item	March 31, 2026	December 31, 2025	March 31, 2025
Compensations payable	$29,839	$54,523	$25,068
Consumables payable	33,798	31,705	33,132
Utility expense payable	16,920	19,520	20,777
Fuel payable	13,041	15,038	16,132
Interest payable	13,588	13,299	13,536
Others	27,697	27,553	32,119
Total	$134,883	$161,638	$140,764

6.13 Provisions - current

Item	March 31, 2026	December 31, 2025	March 31, 2025
Employee benefits	$13,668	$13,578	$13,578
Onerous purchase contract	44,855	19,487	10,170
Carbon fee	430	356	89
Total	$58,953	$33,601	$23,837

Item	Employee benefits	Onerous contract	Carbon fee	Total
January 1, 2026	$13,758	$19,487	$356	$33,601
Recognized in current period	3,349	44,855	74	48,278
Write-off in current period	(3,349)	(19,487)	-	(22,926)
March 31, 2026	$13,668	$44,855	$430	$58,953

Item	Employee benefits	Onerous contract	Carbon fee	Total
January 1, 2025	$13,518	$24,933	$ -	$38,451
Recognized in current period	3,439	10,170	89	13,698
Write-off in current period	(3,379)	(24,933)	-	(28,312)
March 31, 2025	$13,578	$10,170	$89	$23,837

1. Provision for employee benefits is an estimate of the short-term service leave vested to employees.
2. Provision for onerous contract is the unavoidable costs of irrevocable purchase contract which exceeds the economic benefits expected to be received.

3. Carbon fee：

Based on the Company's assessment of greenhouse gas emissions for the years ended December 31, 2025 and 2024, provisions for carbon fee liabilities amounting to $74 thousand and $89 thousand were recognized for the three-month periods ended March 31, 2026 and 2025, respectively. As of March 31, 2026, the Company had not obtained approval from the competent authority for a voluntary emissions reduction plan. Accordingly, the carbon fee liability provision was measured using the general carbon fee rate. The related liabilities are expected to be settled through cash payments to the government in May 2027 and May 2026.

6.14 Long-term Loans and Current Portion of Long-term Loans

Item	March 31, 2026	December 31, 2025	March 31, 2025
Bank syndicated loans:			
Syndicated loans extended by 10 Banks, including Mega International Commercial Bank	$1,680,000	$1,860,000	$2,040,000
Syndicated loans extended by 8 Banks, including Hua Nan Commercial Bank	2,433,000	2,296,000	2,230,000
Total	$4,113,000	$4,156,000	$4,270,000
Less: Unamortized discount	(9,765)	(11,017)	(11,542)
Less: Current portion	(773,705)	(674,360)	(454,631)
Long-term loans	$3,329,530	$3,470,623	$3,803,827
Interest rate range	3.1184%-3.3932%	3.1184%-3.3932%	3.1184%-3.2241%

1. Please refer to Note 8 for the collateral of the above bank loans.
2. To improve the Company’s financial structure, in June 2022, the Company entered a joint credit agreement with 10 banks including Mega Bank, with a credit line of $2,890,000 thousand. In August 2022, the Company used it to repay the old syndicated-loan and bought machinery. The loan period is 5 years, from August 5, 2022, to August 5 2027. According to the syndicated loan agreements, the Company needs to maintain several financial ratios, including current ratio, liability ratio and interest coverage ratio calculated based on the audited annual financial statements and the reviewed semi-annual financial statements for the duration of the contracts. In 2025 second quarter and 2025, the Company complied with the provisions of the syndicated loan contract did all not meet the contract standard. The Company needed to pay compensation at 0.125%, which was not deemed as a breach of contract.
3. To improve the Company’s establish a financial structure and enhance the medium-term working capital, and to meet related needs including capacity expansion, improvement of production quality and efficiency and construction of solar power generation equipment, in May 2023, the Company entered a joint credit agreement with 8 banks including Hua Nan Bank, with a credit line of $2,500,000 thousand.

In June 2023, the Company used it to repay the old Short-term Loans and bought machinery. The loan period is 5 years, from June 5 2023, to June 5 2028. According to the syndicated loan agreements, the Company needs to maintain several financial ratios, including current ratio, liability ratio and interest coverage ratio calculated based on the audited annual financial statements and the reviewed semi-annual financial statements for the duration of the contracts. In 2025 second quarter and 2025, the Company complied with the provisions of the syndicated loan contract did all not meet the contract standard. The Company needed to pay compensation at 0.125%, which was not deemed as a breach of contract.

6.15 Benefit Plan After Retirement

1. Defined contribution plan

   (1) The pension system based on the Labor Pension Act which is applicable to the Company's domestic entities is a defined contribution plan managed by government. Companies would make monthly contribution equal to 6% of each employee's monthly salary to the employees' individual pension accounts at the Bureau of Labor Insurance.

   (2)For the three months ended March 31, 2026 and 2025, the Company recognized pension expense of $3,894 thousand and $3,741 thousand, respectively.

2. Defined benefit plan

   (1) Employee benefit expenses in respect of the Company's defined benefit plan were ($272) thousand and ($837) thousand for the three months ended March 31, 2026 and 2025, and were calculated using the actuarially determined pension cost rates as of December 31, 2025 and 2024.

   (2) Before the end of year, if the balance at the retirement fund is not sufficient to cover all employees retiring next year, a lump-sum deposit should be made before March-end of the following year to cover the difference.

   (3) From February 2025 to January 2026 the Company is authorized by Labor Affairs Bureau of Kaohsiung City Government to suspend contribution to the retirement fund deposited in Bank of Taiwan, under the name of the independent retirement fund committee. The Company expects to make contributions of $0 thousand to the pension plans for the year ended December 31, 2025.

6.16 Common Stock

1. Quantities and values of the Company's outstanding common shares at the ending of periods were as follows:

March 31, 2026		December 31, 2025		March 31, 2025	
Shares (Thousand shares)	Amount	Shares (Thousand shares)	Amount	Shares (Thousand shares)	Amount
530,652	$5,306,516	530,652	$5,306,516	530,652	$5,306,516

2. As of March 31, 2026, the Company had an authorized capital of $12,000,000 thousand with 1,200,000 thousand shares.

3. The Company's board of directors resolved common shares issued through private placement by $2,000,000 thousand, consisting of 350,877 thousand new

shares (common shares) with par value of $10. The issue price was $5.70 per share resolved by the board of directors on December 8, 2006. The capital increase record date was set on February 8, 2007. Right and obligations of holders of the common shares issued through private placement were the same as those of the Company's original common shareholders. However, the listing and resale of those common shares issued through private placement shall be in accordance with Securities and Exchange Act and related regulations. Due to offsetting deficits, the capital reduction ratio is about 48.20%, and the number of shares after the capital reduction is 181,755 thousand shares in May 2009. The Company had resolved to capitalize earnings, and there were 3,635 thousand shares issued through private placement in October 2011.

4. The Company's board of directors resolved common shares issued through private placement by $1,200,000 thousand, consisting of 461,538 thousand new shares (common shares) with par value of $10. The issue price was $2.60 per share resolved by the board of directors on June 25, 2008. The capital increase record date was set on November 12, 2008. Right and obligations of holders of the common shares issued through private placement were the same as those of the Company's original common shareholders. However, the listing and resale of those common shares issued through private placement shall be in accordance with Securities and Exchange Act and related regulations. Due to offsetting deficits, the capital reduction ratio is about 48.20%, and the number of shares after the capital reduction is 239,078 thousand shares in May 2009. The Company had resolved to capitalize earnings, and there were 4,782 thousand shares issued through private placement in October 2011.
5. In order to improve the financial structure and future operation and development, the Company passed a resolution of shareholders' meeting to reduce the amount of capital to eliminate the accumulated loss of $1,000,000 thousand (included private placement by $680,646 thousand and non-private placement by $319,354 thousand) and eliminate common stock 100,000 thousand shares (included private placement by 68,065 thousand shares and non-private placement by 31,935 thousand shares). The capital reduction rate was 15.8566% and be approved by the Financial Supervision Commission on August 30, 2017, and the change registration was completed on September 15, 2017.
6. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Company's issued capital all amounts to $5,306,516 thousand, representing approximately 530,652 thousand ordinary shares. The capital information was as follows:

Item	Amount
Common shares - private placement	$3,611,857
Common shares - non-private placement	1,694,659
Total	$5,306,516

6.17 Capital Surplus

Item	March 31, 2026	December 31, 2025	March 31, 2025
Share premium	$5	$5	$5
Difference between the price received from acquisition or disposal of a subsidiary and its book value	1,252	1,252	1,252
Change in ownership interests in subsidiaries accounted for using equity method	134,588	134,588	134,588
Changes in associates and joint ventures recognized under equity method	159,602	159,602	84,641
Unrealized gains and losses of intra-group transactions	-	-	319,404
Total	$295,447	$295,447	$539,890

1. Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original holdings. In accordance with regulations in the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of earnings and reserves are insufficient to offset the loss. The capital surplus generated from investment under equity method shall not be used for any purposes.
2. Unrealized gains and losses of intra-group transactions was generated when the Company lost of control for Great Emperor Hotel Corp. and Kings Garden International Corp. in 2020. According to the Q&A released by Accounting Research and Development Foundation on October 30, 2018, the amount of unrealized benefits from sales of real estate to Great Emperor Hotel Corp. and Kings garden International Corp. and the amount of unrealized internal gains with Great Emperor Hotel Corp. and Kings garden International Corp. were recognized as "Capital Surplus -Unrealized Gains and Losses of Group Transactions".

6.18 Retained Earnings and the Dividend Policy

1. A residual dividend distribution policy is adopted in accordance with the Company’s development plan, investment environment, capital needs and domestic and foreign competition in present and future, and shareholder benefit after considering the fact that the Company is currently in Maturity phase. If accumulated distributable surplus is lower than capital 20%, the Company can’t

get distributed, otherwise distribute dividends to shareholders do not less than 20% in annual year.

2.The annual net income, if any, should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation:

(1) 10% as legal reserve;

(2) set aside an amount as special reserve according to operating needs;

(3) if there is a surplus for the year, it should be used as dividends to special shares priority;

(4) the remaining net income plus unappropriated earnings from prior years may be used as dividends or bonus (stock dividends are distributed at between 0% to 80% of the total dividends distributed and cash dividends are distributed at between 20% to 100% of total dividends distribute).

3. When the company sets aside special surplus reserves in accordance with the law, the amount of insufficient provision of "the net increase in the fair value of investment real estate accumulated in the previous period" and "the net decrease in other equity accumulated in the previous period" should be made before the surplus is distributed. The same amount of special surplus reserve shall be set aside from the undistributed earnings of the previous period. If there is still an insufficient amount, the amount of items other than the net profit after tax for the current period plus the net profit for the current period shall be included in the undistributed surplus for the current period.

4.The surplus distribution ratio and cash dividend ratio may be adjusted by the Board of Directors and depend on actual profit, cash position, and operating needs.

5.Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in capital.

6.The Company's loss make up proposals for 2024 had been approved in the shareholders' meeting on June, 2025. Due to operating deficit, no dividends will be distributed to the shareholders and it was resolved to cover the loss with a capital reserve of $319,404 thousand.

7.The Company's loss make up proposals for 2025 had been approved in the meeting of the board of directors on March 6, 2026. Due to operating deficit, no dividends will be distributed to the shareholders. The loss make up proposal for 2025 is yet to be resolved in the annual shareholders' meeting held in June 2026.

8. Information about earnings distribution approved by the Board of Directors and resolved by the shareholders meeting is available at the Taiwan Stock Exchange Market Observation Post System website.

6.19 Other Equity Item

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total
Balance, January 1, 2026	$9,310	($4,345)	$4	$4,969
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	223	-	223
Share of associates and joint ventures accounted for using equity method	3,095	(100)	-	2,995
Balance, March 31, 2026	$12,405	($4,222)	$4	$8,187

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total
Balance, January 1, 2025	$15,512	($772)	$4	$14,744
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(203)	-	(203)
Share of associates and joint ventures accounted for using equity method	2,246	(101)	-	2,145
Balance, March 31, 2025	$17,758	($1,076)	$4	$16,686

6.20 Operating Revenue

Item	Three Months Ended March 31 2026	2025
Revenue from contracts with customers		
Sales revenue	$1,037,494	$1,581,745
Processing revenue	-	8,645
Scraps revenue	14,378	18,731
Total sales revenue from contracts with customers	$1,051,872	$1,609,121
Less: Sales return	(1,112)	(7,044)
Sales discount	(169)	(199)
Net operating revenue	$1,050,591	$1,601,878

1. Explain of contract revenue

   The sales and processing revenue of wire rods and steel coil processed, etc. are mainly targeted at downstream manufacturers, and those are sold at a fixed price as agreed in the contract.

2. Segments of revenue from contracts with customers

   The Company's revenue segmented by revenue from different service lines and areas:

   Three Months Ended March 31, 2026:

	Steel	Processing	Total
Main area of market			
Taiwan	$875,961	$-	$875,961
Japan	10,289	-	10,289
South Korea	12,712	-	12,712
Vietnam	49,485	-	49,485
America	41,636	-	41,636
Italy	52,950	-	52,950
Others	7,558	-	7,558
Total	$1,050,591	$-	$1,050,591
Major service line			
Gangshan Factory	$713,222	$-	$713,222
Pingnan Factory	337,369	-	337,369
Total	$1,050,591	$-	$1,050,591
Timing of revenue recognition			
Revenue recognized at a specific timing	$1,050,591	$-	$1,050,591
Revenue recognized over time	-	-	-
Total	$1,050,591	$-	$1,050,591

Three Months Ended March 31, 2025:

	Steel	Processing	Total
Main area of market			
Taiwan	$1,239,414	$8,645	$1,248,059
America	298,954	-	298,954
Thailand	6,233	-	6,233
Italy	10,802	-	10,802
China	1,500	-	1,500
Vietnam	21,149	-	21,149
Others	15,181	-	15,181
Total	$1,593,233	$8,645	$1,601878
Major service line			
Gangshan Factory	$993,969	$-	$993,969
Pingnan Factory	599,264	8,645	607,909
Total	$1,593,233	$8,645	$1,601,878
Timing of revenue recognition			
Revenue recognized at a specific timing	$1,593,233	$8,645	$1,601,878
Revenue recognized over time	-	-	-
Total	$1,593,233	$8,645	$1,601,878

3. Contract Balance

The Company recognized contract assets and contract liabilities related to contract revenue as follows:

Item	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2024
Receivables	$88,301	$95,291	$176,351	$274,394
Contract liabilities - current	$22,094	$28,713	$76,398	$66,306

(1) Significant changes in contract assets and contract liabilities

The changes in the contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment, and there are no other significant changes.

(2) Amount of satisfied performance obligation from previous period and beginning contract liabilities recognized in the current period as income were as follows:

Item	Three Months Ended March 31	
	2026	2025
Goods sale	$28,713	$66,306
From previous period's satisfied performance	$ -	$ -

6.21 Employee benefits, depreciation and amortization expense

Nature	Three Months Ended March 31, 2026		
	Operating Costs	Operating Expenses	Total
Employee benefits			
Salaries	$55,932	$18,388	$74,320
Labor and health Insurance	7,118	1,799	8,917
Pension	2,838	784	3,622
Other employee benefits	16,218	1,941	18,159
Depreciation	74,838	1,910	76,748
Amortization	562	-	562
Total	$157,506	$24,822	$182,328

Nature	Three Months Ended March 31, 2025		
	Operating Costs	Operating Expenses	Total
Employee benefits			
Salaries	$57,680	$17,759	$75,439
Labor and health Insurance	7,189	1,628	8,817
Pension	2,359	545	2,904
Other employee benefits	17,298	1,702	19,000
Depreciation	73,725	1,797	75,522
Amortization	562	-	562
Total	$158,813	$23,431	$182,244

1. The Company shall appropriate not less than 0.2% of the net income before tax for the current year, prior to the deduction of employee compensation and director remuneration, as compensation to employees. Of the amount so appropriated, not less than 60% shall be allocated to compensation for non-managerial employees, and no more than 0.1% of such net income before tax shall be appropriated as remuneration to directors. Due to the accumulated deficits of the Company for the three months ended March 31, 2026 and 2025, the estimated amount of the above compensation and remuneration was both $0 thousand. Any changes in the amounts, if any, after the annual financial statements were authorized for issue, shall be recorded as a change in accounting estimate, and should be adjusted the next year.

2. The company's board of directors decided not to distribute employee's compensation and remuneration in March, 2026 and 2025, there is no difference from the amount of employee's compensation and remuneration recognized in the 2025 and 2024 annual financial reports was $0 thousand.
3. Information about employee compensation and remuneration to directors and supervisors approved by the board of directors is available at the Taiwan Stock Exchange Market Observation Post System website.

6.22 Other Income

Item	Three Months Ended March 31	
	2026	2025
Rent revenue	$563	$566
Waste income	5,445	-
Others	239	3,164
Total	$6,247	$3,730

6.23 Other gains and losses

Item	Three Months Ended March 31	
	2026	2025
Gain (loss) of financial assets measured at FVTPL	($108)	($373)
Gain (loss) on disposal of financial assets at FVTPL	200	(110)
Gain (loss) from disposal of property, plant, and equipment	-	(19)
Net foreign exchange gain (loss)	240	1,338
Others	(17)	(762)
Total	$315	$74

6.24 Finance Costs

Item	Three Months Ended March 31	
	2026	2025
Interest on loans	$59,564	$57,964
Financial Intermediation Interest	4,050	-
Others	730	1,867
Subtotal	$64,344	$59,831
Less: Amount qualified for capitalization	(12,019)	(8,782)
Finance costs	$52,325	$51,049

6.25 Income Tax

1. Income tax expense

(1) Components of income tax expense (benefit)

Item	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Current income tax expense	$ -	$ -
Deferred income tax		
Deferred income tax originating and reversed temporary differences	$15,552	$2,731
Deferred income tax expense	$15,552	$2,731
Income tax expense (benefit)	$15,552	$2,731

The business income tax rate was 20%, and the tax rate applicable to unappropriated earnings was 5%.

2. Income tax expense (benefit) associates with other comprehensive income: None.

3. The Company's income tax returns through 2023 were ratified by the tax authorities.

6.26 Other Comprehensive Income (Loss)

Item	Three Months Ended March 31, 2026 Before tax	Income tax (expense) benefit	After tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	$223	$ -	$223
Share of associates and joint ventures accounted for using equity method:			
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(100)	-	(100)
Subtotal	$123	$ -	$123
Items that may be reclassified subsequently to profit or loss:			
Share of associates and joint ventures accounted for using equity method:			
Exchange differences on translation of foreign financial statements	$3,095	$ -	$3,095
Subtotal	$3,095	$ -	$3,095
Recognized in other comprehensive income (loss)	$3,218	$ -	$3,218

Item	Three Months Ended March 31, 2025 Before tax	 Income tax (expense) benefit	 After tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	($203)	$ -	($203)
Share of associates and joint ventures accounted for using equity method:			
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(101)	-	(101)
Subtotal	($304)	$ -	($304)
Items that may be reclassified subsequently to profit or loss:			
Share of associates and joint ventures accounted for using equity method:			
Exchange differences on translation of foreign financial statements	$2,246	$ -	$2,246
Subtotal	$2,246	$ -	$2,246
Recognized in other comprehensive income (loss)	$1,942	$ -	$1,942

6.27 Earnings (loss) Per Share

Item	Three Months Ended March 31 2026	 2025
(1) Basic earnings per share		
Net income (loss) (A)	($241,218)	($199,456)
Weighted average number of outstanding shares (thousand shares) (B)	530,652	530,652
Basic earnings (loss) per share (after tax) (NT$) (A)/(B)	($0.45)	($0.38)

Item	Three Months Ended March 31	
	2026	2025
(2) Diluted earnings per share		
Net income (loss) (C)	($241,218)	($199,456)
Weighted average number of outstanding shares (thousand shares) (B)	530,652	530,652
Impact on employee’s compensation	-	-
Weighted average number of ordinary shares outstanding after dilution (in thousands) (D)	530,652	530,652
Diluted loss per share (after tax) (C)/(D)	($0.45)	($0.38)

7. RELATED PARTY TRANSACTIONS

7.1 Parent and ultimate controlling party

The Company was controlled by Yieh Phui Enterprise Co., Ltd., which held 57.41 % of the company's shares as of March 31, 2026, December 31, 2025, and March 31, 2025, and other shares were held by public. Yieh Phui Enterprise Co., Ltd. is the ultimate controlling party of the Group.

7.2 Names of related parties and relationship categories

Names of related parties	Related party category
Yieh Phui Enterprise Co., Ltd.	Parent
Shin Yang Steel Co., Ltd.	Fellow Subsidiary
EMMT Systems Corporation	Fellow Subsidiary
Hong Yu Asset Management Corp.	Fellow Subsidiary
Great Emperor Hotel Co., Ltd.	Associate
Kingsgarden International Co., Ltd.	Associate
Yieh United Steel Corp.	Associate
Cheng Shin Security Co., Ltd.	Associate
E-Da Development Co., Ltd.	Associate
Eliter International Corp.	Associate
Shin Jan Engineering and Management Consulting Co., Ltd.	Associate
Yieh Mau Corp.	Other related party
Skylark International Hotel Co., Ltd.	Other related party
Pacific Harbor Stevedoring Corporation	Other related party
New Spring Construction Corp.	Other related party

Names of related parties	Related party category
E-Da Royal Hotel Company Ltd.	Other related party
E-Da Hospital	Other related party
I-Shou University	Other related party
I-Shou University Internship Center	Other related party
Unipattern Co.	Other related party
Yieh Corp.	Other related party
I-Hsiang-Le International Co., Ltd.	Other related party
Long Hua Travel Services Co., Ltd.	Other related party
E-Da Visual Effects Company Limited.	Other related party
Yu Ching-Sheng	Other related party

7.3 Significant transactions with related parties

1. Operating revenue

Related party category/Name	Three Months Ended March 31 2026	2025
Associates	$13,841	$18,187
Other related party	-	908
Total	$13,841	$19,095

(a) Selling price of stainless steel wire to related parties and trading terms were the same with those to other customers. Payment term was L/C at sight or T/T before shipment.

(b) Selling price of stainless steel scraps to related parties were set with reference to the purchase price of a non-related party as a trading counterparty. Payment term was monthly and closes in 15 days.

2. Purchases

Related party category/Name	Three Months Ended March 31 2026	2025
Associates		
Yieh United Steel Corp.	$446,986	$846,362

Items purchased by the company from above related parties were mainly stainless-steel billets and carbon steel billets. The purchase prices were similar to that offered to other suppliers. Payment term was L/C at sight, T/T before shipment (not significantly different than terms to other suppliers), and 120 days after B/L date.

3. Receivables from related parties (excluding loans to related parties and Contract assets)

Item	Related party category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Notes Receivable	Other related parties	$-	$-	$196

Item	Related party category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts Receivable	Fellow Subsidiary	$-	$61	$-
	Associates	6,959	3,438	5,876
	Other related parties	12	1,303	12
	Total	$6,971	$4,802	$5,888
Other receivables		$-	$-	$ 104
	Associates			
	Yieh United Steel Corp.	-	9,475	-
	Other related parties	197	-	-
	Total	$197	$9,475	$ 104

4. Payables to related parties (excluding loans from related parties)

Item	Related party category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Notes payable	Parent	$-	$1	$-
	Associates	-	-	425
	Other related parties	-	1,125	1,013
	Total	$-	$1,126	$1,438
Accounts Payable	Associate			
	Yieh United Steel Corp.	$25,834	$18,505	$29,027
Other Payables	Parent	$12,710	$4,183	$436
	Fellow Subsidiary	1,973	1,697	61
	Associates	1,155	940	1,166
	Other related parties	2,041	3,165	1,623
	Total	$17,879	$9,985	$3,286

5. Prepayments: None.

6. Advance receipts

Item Related party category	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties			
New Spring Construction Corp.	$ -	$ 302	$ -

7. Asset transaction

(1) Acquisition of property, plant and equipment:

Three months ended March 31, 2026:

Type of related party	Transaction target	Transaction amount
Parent	Construction in progress	$12,832
Associates	Construction in progress	1,811
Total		$14,643

The above-mentioned transaction price was negotiated by both parties. As of March 31, 2026, the unpaid portion was 13,592 thousand.

Three months ended March 31, 2025:

Type of related party	Transaction target	Transaction amount
Parent	Construction in progress	$147
Associates	Construction in progress	250
Total		$397

The above-mentioned transaction price was negotiated by both parties. As of March 31, 2025, the price was fully paid.

(2) Disposal of other assets:

Three months ended March 31, 2026: None.

Three months ended March 31, 2025:

Related party category / Name	Transaction target	Transaction amount	Gain or loss on disposal
Parent	transportation equipment	$81	$81

The above-mentioned transaction price was negotiated by both parties. As of March 31, 2025, the unreceived portion was $85 thousand.

8. Loans to related parties: None.

9. Loans from related parties:

A. Ending balance

Item Related party category	March 31, 2026	December 31, 2025	March 31, 2025
Fellow Subsidiary			
Shin Yang Steel Co., Ltd.	$630,000	$500,000	$-

B. Interest expense

Related party category/Name	Three Months Ended March 31 2026	2025
Fellow Subsidiary		
Total	$4,050	$-

10. Endorsements and guarantees: None.

11. Others

(1) Miscellaneous income

Related party category/Name	Three Months Ended March 31 2026	2025
Fellow Subsidiary		
Shin Yang Steel Co., Ltd.	$61	$61
Hong Yu Asset Management Corp.	171	-
Associates		
Yieh United Steel Corp.	3,751	-
Great Emperor Hotel Co., Ltd.	35	35
Kingsgarden International Co., Ltd.	35	35
Other related parties		
New Spring Construction Corp.	453	453
Others	71	69
Total	$4,577	$653

These were mainly rent income and utility income. The rent price was determined by contract and received monthly or quarterly.

(2) Miscellaneous expenses

Related party category	Three Months Ended March 31 2026	2025
Parent	$1,107	$560
Associates	4,268	3,990
Fellow Subsidiary	61	61
Other related parties	2,303	4,537
Total	$7,739	$9,148

These were mainly loading and unloading service, health management service, technical service, and computer use service.

(3) Participating in related parties' capital increase in cash: None.

(4) Other

Related party category	Significant transactions
Other related parties	Some of the Company's lands recognized in property, plant and equipment and investment properties were unable to be registered under the name of the Company due to regulation restriction. Accordingly, the ownership was registered under the name of an individual with a mortgage registration as safeguard measures.

7.4 Key management compensation

Item	Three Months Ended March 31	
	2026	2025
Salary and other short-term employee benefits	$3,661	$3,784
Benefits after retirement	142	124
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	$3,803	$3,908

8. PLEDGED ASSETS

The following assets have been pledged as collateral for loans and contracts performance:

Item	March 31, 2026	December 31, 2025	March 31, 2025
Pledged demand deposits	$307,985	$265,383	$309,665
Pledged time deposits	112,120	112,114	112,132
Subtotal of other financial assets - current	$420,105	$377,497	$421,797
Property, plant and equipment (net)	$3,241,259	$3,303,083	$3,473,732
Investment properties(Note)	573,612	573,612	572,682
Total	$4,234,976	$4,254,192	$4,468,211

(Note) The subsequent measurement of the investment properties adopts the fair value model.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Guarantee notes issued to banks by the Company for loans and purchases performance totaled $10,082,727 thousand, $10,064,122 thousand, and $9,624,225 thousand as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

(2) Guaranteed notes received by the Company for the purpose of securing the payment claims totaled $13,423 thousand, $13,423 thousand,and $12,681 thousand as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

(3) The unused letters of credit as of March 31, 2026, December 31, 2025, and March 31, 2025, were as follows:

Unit: Thousands of NT Dollars/Foreign Currencies

Item	March 31, 2026	December 31, 2025	March 31, 2025
Foreign letter of credit	USD 9,565	USD 3,934	USD 6,547
Domestic letter of credit	NTD 59,957	NTD 56,773	NTD 110,960

(4) The Company was in contract with DAO FORTUNE CO ., Ltd. and MUKAND Ltd. and other raw material suppliers for material of billet, and the price was negotiated by both parties. As of March 31, 2026, the unfulfilled quantity was 18,010 tons, and the amount was approximately $270,527 thousand.

(5) Establishment of important construction contracts:

Item	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$162,375	$186,587	$371,276

10. SIGNIFICANT DISASTER LOSS: None.

11. SIGNIFICANT SUBSEQUENT EVENTS:

In response to the expansion plan for the Pingnan Acid Reduction Plant and operational capital requirements, the Company intends to dispose of its equity holdings in Great Emperor Hotel Corp. and Kings Garden International Corp. The disposal involves 12,400 thousand shares in each case, priced at NT$10.30 per share (the transaction price was determined with reference to the fairness opinion on the equity value issued by an independent certified public accountant.). The proposed settlement date and the payment receipt date set for the shares are May, 2026. The total proceeds from the sale are expected to be NT$125,042 thousand.

12. OTHERS

(1) Seasonality or periodicity of operations

The operation of the Company’s is not influenced by seasonality and periodicity.

(2) Capital risk management

There were no significant changes in the Company’s policies for capital risk management for the three months ended March 31, 2026 as compared with the financial statements for the year ended December 31, 2025. Please refer to Note 12(1) of the financial statements for the year ended December 31, 2025 for the related information.

(3) Financial Instruments

A. Financial risk of financial instruments

Financial risk management

There were no significant changes in the Company's Financial risk management policies and objectives for the three months ended March 31, 2026 as compared with the financial statements for the year ended December 31, 2025. Please refer to Note 12(2) of the financial statements for the year ended December 31, 2025 for the related information.

The nature and degree of significant financial risks

a. Market risks

(a)Foreign exchange rate risk

(i) There were no significant changes in the nature and degree of material financial risk for the three months ended March 31, 2026 as compared with the financial statements for the year ended December 31, 2025. Please refer to Note 12(2) of the financial statements for the year ended December 31, 2025 for the related information.

(ii) Exchange rate exposure and sensitivity analysis

	March 31, 2026					
				Sensitivity Analysis		
	Amount in Foreign Currency	Exchange rate	Presented amount (New Taiwan Dollars)	Range of change	Effects on profit or loss	Effects on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD: NTD	$39	31.995	1,271	Up 1%	13	-
EUR: NTD	11	36.71	399	Up 1%	4	-
RMB: NTD	4	4.629	19	Up 1%	-	-
Non-monetary items						
USD: NTD	5,467	31.995	174,911	Up 1%	-	1,749
Financial liabilities						
Monetary items						
USD:NTD	3,384	31.995	108,259	Up 1%	(1,083)	-

	December 31, 2025					
				Sensitivity Analysis		
	Amount in Foreign Currency	Exchange rate	Presented amount (New Taiwan Dollars)	Range of change	Effects on profit or loss	Effects on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	141	31.43	3,131	Up 1%	31	-
EUR:NTD	52	36.9	1,901	Up 1%	19	
CNY:NTD	4	4.496	19	Up 1%	-	-
Non-monetary items						
USD:NTD	5,407	31.43	169,955	Up 1%	-	1,700

	Amount in Foreign Currency	Exchange rate	Presented amount (New Taiwan Dollars)	Range of change	Effects on profit or loss	Effects on Equity
	March 31, 2025					
				Sensitivity Analysis		
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD: NTD	$1,378	33.205	45,742	Up 1%	457	-
EUR: NTD	25	35.97	898	Up 1%	9	-
RMB: NTD	126	4.573	577	Up 1%	6	-
Non-monetary items						
USD: NTD	5,247	33.205	174,223	Up 1%	-	1,742

When NTD appreciates and other variation factors stay unchanged, there will be the same but opposite amount of influence as of March 31, 2026, December 31, 2025, and March 31, 2025.

(iii)Due to the exchange rate volatility, total exchange gains (losses) (including realized and unrealized) from the Company's monetary items amounted to $240 thousand and $1,338 thousand for the three months ended March 31,2026 and 2025, respectively.

(b) Price risk

Since the Company's investment in securities is classified as financial assets at FVTPL or financial assets at FVTOCI on the balance sheet, the Company does not expose to price risks of securities.

The Company mainly invests in domestic listed and unlisted stocks and beneficiary certificates. The price of such securities can be affected by changes in future value of those investment targets.

If the security price goes up or down by 1%, the post-tax profit or loss for the three months ended March 31, 2026 and 2025 will increase or decrease by $172 thousand and $226 thousand due to the increase or decrease of the fair value of financial assets measured at FVTPL. The post-tax other comprehensive income for the three months ended March 31, 2026 and 2025 will increase or decrease by $27 thousand and $30 thousand due to the increase or decrease of the fair value of financial assets measured at FVTOCI.

(c) Interest rate risk

The carrying amount of the Company's financial assets and financial liabilities that are exposed to interest rate risk at the reporting date is as follows:

Item	Carrying Amount		
	March 31, 2026	December 31, 2025	March 31, 2025
With fair value interest rate risk			
Financial liabilities	$112,120	$112,114	$112,132
Financial liabilities	(79,704)	(79,869)	(249,704)
Net	$32,416	$32,245	($137,572)
With cash flow interest rate risk			
Financial assets	$310,242	$268,700	$356,754
Financial liabilities	(7,029,782)	(7,146,117)	(7,036,586)
Net	($6,719,540)	($6,877,417)	($6,679,832)

(i) Sensitivity analysis of fair value interest rate risk tools

The Company does not classify any fixed-rate instruments as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. In addition, the Company does not designate derivatives (interest rate swap) as hedge instruments under hedge accounting. Therefore, the change of interest rate at reporting date does not have influence on net income and other comprehensive income.

(ii)Sensitivity analysis of those with cash flow interest rate risk:

The interest-fluctuate instruments possessed by the Company were floating-interest assets (liabilities). Therefore, the effective interest rate, as well as the future cash flows, changes along with the market movement. Every one percent increase (decrease) in the market interest will decrease (increase) the net profit by $16,799 thousand and $16,700 thousand for the three months ended March 31, 2026 and 2025, respectively.

b. Credit risk

Credit risk refers to the risk of financial loss to the Company arising from default by counterparties of financial instruments on the contract obligations. Credit risk of the Company mainly comes from receivables under operating activities and bank deposits and other financial instruments under investing activities. Credit risks related to operation and finance risks are managed separately.

Credit risk related to operations

To maintain the quality of accounts receivable, the Company has established the procedures for credit risk management with regards to its operations.

Risk assessment on individual customer includes factors that could affect the customer's ability to pay, such as the customer's financial status, the Company's internal credit ratings, historical transactions, and current economic conditions.

Financial credit risk

The credit risks of bank deposits and other financial instruments are measured and monitored by the Company's financial departments. The Company does not expect significant credit risk because the counterparties are creditworthy and investment-graded financial institutions, companies, and government agencies without any significant default concerns. In addition, the Company does not have any debt instrument investments that are either measured at amortized cost, or at FVTOCI.

(a) Credit concentration risk

As of March 31, 2026, December 31, 2025, and March 31, 2025 the top ten clients accounted for 97.63%, 83.10%, and 79.98% of the Company's accounts receivable, indicating a credit concentration risk. However, no significant credit concentration risk was shown from the remaining accounts receivable.

(b) Measurement of expected credit impairment loss

(i) Accounts receivables and contract assets apply the simplified approach. Please refer to Note 6.3 for details.

(ii) Collaterals and other credit enhancement held to avoid credit risks from financial assets:

The following table shows the maximum exposure to credit risk regarding financial assets recognized in the standalone balance sheets, pledged collateral, master netting arrangements and other credit enhancement held by the Company:

March 31, 2026	Carrying Amount	Decreased amount of maximum exposure to credit risks Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	$ -	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable：					
Financial assets at fair value through profit and loss	17,238	-	-	-	-
Financial assets measured at FVTOCI-Equity instruments	2,728	-	-	-	-
Total	$19,966	$ -	$ -	$ -	$ -

December 31, 2025	Carrying Amount	Decreased amount of maximum exposure to credit risks Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	$ -	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable：					
Financial assets at fair value through profit and loss	12,361	-	-	-	-
Financial assets measured at FVTOCI-Equity instruments	2,505	-	-	-	-
Total	$14,866	$ -	$ -	$ -	$ -

March 31, 2025	Carrying Amount	Decreased amount of maximum exposure to credit risks: Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	$ -	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable：					
Financial assets at fair value through profit and loss	22,585	-	-	-	-
Financial assets measured at FVTOCI-Equity instruments	2,960	-	-	-	-
Total	$25,545	$ -	$ -	$ -	$ -

c. Liquidity risk

(a) Liquidity risk management

There were no significant changes in the Company's objects and policies for liquidity risk management for the three months ended March 31, 2026. Please refer to Note 12(2) of the financial statements for the year ended December 31, 2025 for the related information.

(b)Analysis of maturity of financial liabilities

The following table details the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

	March 31, 2026						
Non-derivative financial Liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Short-term loans	$2,346,545	$580,000	$ -	$ -	$ -	$2,926,545	$2,926,545
Short-term notes and bills payable	80,000	-	-	-	-	80,000	79,704
Notes payable	61,482	-	-	-	-	61,482	61,482
Accounts payable	109,509	-	-	-	-	109,509	109,509
Other payables	782,762	-	-	-	-	782,762	782,762
Long-term loans (including current portion)	387,300	388,300	1,538,750	1,798,650	-	4,113,000	4,103,235
Total	$3,767,598	$968,300	$1,538,750	$1,798,650	$ -	$8,073,298	$8,063,237

Non-derivative financial Liabilities	December 31, 2025 Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Short-term loans	$2,421,134	$580,000	$ -	$ -	$ -	$3,001,134	$3,001,134
Short-term notes and bills payable	80,000	-	-	-	-	80,000	79,869
Notes payable	71,296	-	-	-	-	71,296	71,296
Accounts payable	18,505	-	-	-	-	18,505	18,505
Other payables	671,623	-	-	-	-	671,623	671,623
Long-term loans (including current portion)	228,000	386,800	1,733,600	1,762,600	-	4,111,000	4,144,983
Total	$3,490,558	$966,800	$1,733,600	$1,762,600	$ -	$7,953,558	$7,987,410

Non-derivative financial Liabilities	March 31, 2025 Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Short-term loans	$2,398,128	$380,000	$ -	$ -	$ -	$2,778,128	$2,778,128
Short-term notes and bills payable	250,000	-	-	-	-	250,000	249,704
Notes payable	80,969	-	-	-	-	80,969	80,969
Accounts payable	29,027	-	-	-	-	29,027	29,027
Other payables	144,050	-	-	-	-	144,050	144,050
Long-term loans (including current portion)	228,000	228,000	769,200	3,044,800	-	4,270,000	4,258,458
Total	$3,130,174	$608,000	$769,200	$3,044,800	$ -	$7,552,174	$7,540,336

The Company does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

B. Types of Financial instruments

Financial assets	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets measured at amortized cost			
Cash and cash equivalents	$77,375	$142,530	$149,922
Notes receivables and accounts receivables (including related parties)	88,301	95,291	176,351
Other receivables (including related parties)	6,116	12,785	13,066
Other financial assets - current	420,105	377,497	421,797
Refundable deposits	143	143	143
Financial assets at fair value through profit or loss - current	17,238	12,361	22,585
Financial assets at fair value through other comprehensive income or loss - noncurrent	2,728	2,505	2,960
Financial liabilities			
Financial liabilities measured at amortized costs			
Short-term loans	2,926,545	3,001,134	2,778,128
Short-term notes and bills payable	79,704	79,869	249,704
Notes payable and accounts payable (including related parties)	170,991	89,801	109,996
Other payables (including related parties)	782,762	671,623	144,050
Long-term loans (including current portion)	4,103,235	4,144,983	4,258,458

(4) Fair Value Information:

1. For information on fair value of financial assets and financial liabilities not measured at fair value, please refer to Note 12(4)3. For fair value of investment property measured at cost, please refer to Note 6.8. For fair value of investments in associates with quoted prices in an open market, please refer to Note 6.6 for details.
2. Definition of the three levels in fair value

<u>Level 1</u>

Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's beneficiary certificate with quoted market prices is included in Level 1.

<u>Level 2</u>

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market and preferred stock investment is included in Level 3.

3. Financial instruments not measured at fair value

Management of the Company thinks that the carrying amount of financial instruments not measured at fair value except those listed in the table below, including cash and cash equivalents, notes receivables, accounts receivables, other financial assets, refundable deposits, short term loans, short-term bills payable, accounts payable, and long-term loans (including current portion), is the reasonable approximation of their fair value.

4. Fair value hierarchy

The fair value hierarchy of financial instrument is measured at fair value on a recurring basis. Information about the Company's fair value hierarchy is disclosed in the following table:

	March 31, 2026			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Funds	$17,238	$ -	$ -	$17,238
Financial assets measured at FVTOCI				
Equity securities				
Domestic unlisted stocks	-	-	2,728	2,728
Investment real estate (Note)	-	-	609,565	609,565
Total	$17,238	$ -	$612,293	$629,531

	December 31, 2025			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Funds	$12,361	$ -	$ -	$12,361
Financial assets measured at FVTOCI				
Equity securities				
Domestic unlisted stocks	-	-	2,505	2,505
Investment real estate (Note)	-	-	609,565	609,565
Total	$12,361	$ -	$612,070	$624,431

Item	March 31, 2025 Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Funds	$22,585	$ -	$ -	$22,585
Financial assets measured at FVTOCI				
Equity securities				
Domestic unlisted stocks	-	-	2,960	2,960
Investment real estate (Note)	-	-	608,833	608,833
Total	$22,585	$ -	$611,793	$634,378

(Note) This is the investment property adopting the fair value model.

5. Fair value valuation technique for instruments measured at fair value:

(1) Financial Instruments:

A. The fair value of financial instruments with quoted prices in active markets is the quoted market prices. Market prices published by major trading centers and exchanges for on-the-run government bonds are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in active markets. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If one of the conditions fails, the market is not deemed active. In general, indications of an inactive market include a wide bid-ask spread, a significant increase in the bid-ask spread and low level of trading volume. The fair value of financial instruments with active markets held by the Company are stated by their natures and types as follows:

(a) Open-end funds：Net asset value.

B. Except for financial assets with an active market, the fair value of other financial assets is obtained either based on the valuation technique or by reference to the quotes from counterparties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, the discounted cash flow method, or other valuation technique e.g., the one that applies market information available on the balance sheet date to a pricing model for calculation.

(2) Investment property:

A. The fair value valuation technique adopted by the Company for the investment property at fair value is based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and commissioned external appraisal for calculation based on income approach and land development approach. The information on relevant parameter assumptions and input is as follows:

a. Cash flow: Cash flow shall be valuated based on existing lease contracts, rent at local market rates, or current market rents for similar comparable properties in the same location and condition, and overvalued and undervalued comparable properties shall be excluded. If there is a period-end value, the discounted present period-end value may be added.

b. Analysis period: When there is no specified period for the income, the analysis period in principle shall not be longer than 10 years; when there is a specified period for the income, the income shall be estimated for the remainder of the specified period.

c. Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus the estimate for the individual characteristics of the investment property. "Based on a certain interest rate" means that the interest rate may not be lower than the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co., Ltd., plus 0.75 % as the minimum, and plus 1%-2.5% as the presumed discount rate.

d. Growth rate: Adjusted with reference to the average rate of change of the consumer price index over the past 10 years.

B. The outputs of the evaluation model are estimates and the evaluation techniques may not reflect all the relevant factors of the Company's holdings of non-financial instruments. Therefore, the estimate of the evaluation model will be adjusted appropriately according to additional parameters, such as model risk or liquidity risk. In accordance with the Company's fair value valuation model management policy and related control procedures, the management believes that valuation adjustments are appropriate and necessary in order to fairly express the fair value of non-financial instruments in the balance sheet. The price information and parameters used in the evaluation process have been carefully evaluated and adjusted appropriately according to current market conditions.

6. Transfers between Level 1 and Level 2 fair value hierarchy: None.

7. Statement of changes in Level 3 fair value hierarchy:

(1) Financial Instruments:

Item	Investment in unquoted financial instruments	
	Year Ended March 31	
	2026	2025
Beginning balance	$2,505	$3,163
Recognized in other comprehensive income	223	(203)
Ending balance	$2,728	$2,960

(2) Investment Properties:

Item	Investment in unquoted financial instruments	
	Year Ended March 31	
	2026	2025
January 1	$609,565	$608,833
Fair value adjustments	-	-
March 31	$609,565	$608,833

8. Quantified information on value fair measured on the basis of major unobservable input value (Level 3):

(1) Financial instruments:

The unlisted company stocks held by the Company in an inactive market are mainly based on the market method and net asset value method to estimate the fair value. The market method is judgment is based on the same type of company evaluation, third party quotation, company net value and operating status assessment. Used to measure the significant unobservable inputs of fair value.

March 31, 2026

	Measurement technique	Major unobservable input value	Range	Relationship between input value and fair value
Financial assets at fair value through other comprehensive income - stocks	Market Approach	Lack of liquidity discount rate	11.63%	The lower the degree of lack of liquidity, the lower the fair value estimate

December 31, 2025

	Measurement technique	Major unobservable input value	Range	Relationship between input value and fair value
Financial assets at fair value through other comprehensive income - stocks	Market Approach	Lack of liquidity discount rate	11.72%	The lower the degree of lack of liquidity, the lower the fair value estimate

March 31, 2025

	Measurement technique	Major unobservable input value	Range	Relationship between input value and fair value
Financial assets at fair value through other comprehensive income - stocks	Market Approach	Lack of liquidity discount rate	26.82%	The lower the degree of lack of liquidity, the lower the fair value estimate

(2) Investment Properties:

March 31, 2026

Item	Fair value	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Investment Real Estate Income Method	$609,565	Discounted cash flow analysis	Discount rate The capitalization rate of the value gain at the end of the period	2.47~2.50% 1.47~1.75%	The higher the discount rate or the higher the earnings capitalization rate, the lower the fair value

December 31, 2025

Item	Fair value	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Investment Real Estate Income Method	$609,565	Discounted cash flow analysis	Discount rate The capitalization rate of the value gain at the end of the period	2.47~2.50% 1.47~1.75%	The higher the discount rate or the higher the earnings capitalization rate, the lower the fair value

March 31, 2025

Item	Fair value	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Investment Real Estate Income Method	$608,833	Discounted cash flow analysis	Discount rate The capitalization rate of the value gain at the end of the period	2.47~2.50% 1.65~1.75%	The higher the discount rate or the higher the earnings capitalization rate, the lower the fair value

9. Valuation process for Level 3 fair value measurement:

Valuation process regarding fair value Level 3 is conducted by the Company’s finance department, by which the independence of fair value of financial instruments is verified though use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed so as to ensure their reasonableness.

(5) Transfer of financial assets:

A. Transferred financial assets fully derecognized:

The Company was in contract with Chang Hwa Commercial Bank, Ltd. for accounts receivable factoring. According to the contract, the Company does not have to bear the risk of default over the transferred accounts receivables but only the loss from trade disputes. As the Company did not have any continued participation over those transferred accounts receivables, they were derecognized from the accounts. Information on outstanding receivables is as follows:

Three Months Ended March 31, 2026:

Counterparty	Advance Amount - Beginning of the Period	Factoring Amount	Amount Collected in Cash	Advance Amount -End of the Period	Annual Interest Rate for the Advance Amount	Line of Credit
Chang Hwa	1,990	1,197	3,187	-	3.12%	EUR 450
Commercial Bank	(EUR 56)	(EUR 32)	(EUR 88)	(EUR 0)		

Three Months Ended March 31, 2025:

Counterparty	Advance Amount - Beginning of the Period	Factoring Amount	Amount Collected in Cash	Advance Amount -End of the Period	Annual Interest Rate for the Advance Amount	Line of Credit
Chang Hwa	10,906	9,152	20,058	-	3.77%-3.84%	EUR1,000
Commercial Bank	(EUR 294)	(EUR 265)	(EUR 559)	(EUR 0)		

B. Transferred financial assets not fully derecognized: None.

(6) Offsetting financial assets and financial liabilities: None.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Endorsements and guarantees provided: None.

C. Significant securities held at the end of the period: Please see Table 1 attached.

D. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Please see Table 2 attached.

E. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

(2) Information on investees: Please see Table 3 attached.

(3) Information on investment in mainland China: None.

TABLE 1

YIEH HSING ENTERPRISE CO., LTD.
Significant securities held at the end of the period
March 31, 2026

Unit: Thousands shares；Thousands of NT Dollar/ Foreign Currencies

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2026				Note
				Shares (in thousands)	Carrying value	Ownership (%)	Fair value	
Yieh Hsing Enterprise Co., Ltd	Fund/ FSITC Global Utilities and Infrastructure Fund	None	Financial assets at fair value through profit or loss - current	127	2,451	—	2,451	
	Fund/ Allianz AI Income-AT	None	Financial assets at fair value through profit or loss - current	12	4,815	—	4,815	
	Fund/ AMUNDI FUNDS STRATEGIC INCOME	None	Financial assets at fair value through profit or loss - current	500	5,000	—	5,000	
	Fund/ Franklin Templeton SinoAm Global High Yield Bond Fund A	None	Financial assets at fair value through profit or loss - current	369	4,972	—	4,972	
	Total			1,008	17,238		17,238	
	Pacific Harbor Stevedoring Corporation	Director of the entity is the Company’s chairman	Financial assets at fair value through other comprehensive income - noncurrent	150	2,728	3.00%	2,728	

TABLE 2

YIEH HSING ENTERPRISE CO., LTD.
Purchases from or Sales to Related Parties of at Least NT$100 million or 20% of the Paid-in Capital
For The Three Months Ended March 31, 2026

Unit: Thousands of NT Dollars/Foreign Currencies

Purchaser/ seller	Counterparty	Relationship with the counterparty	Transaction: Purchases (sales)	Transaction: Amount	Transaction: Percentage of total purchases (sales)	Transaction: Credit term	Differences in transaction terms compared to third party transactions: Unit price	Differences in transaction terms compared to third party transactions: Credit term	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Note
Yieh Hsing Enterprise Co., Ltd.	Yieh United Steel Corporation	An investee accounted for using equity method	Purchases	446,986	58.38%	T/T or Sight L/C before goods acceptance.	—	—	25,834	15.11%	

TABLE 3

YIEH HSING ENTERPRISE CO., LTD.
Information on Investees (Excluding Information on Investment in Mainland China)
For The Three Months Ended March 31, 2026

Unit: Thousands shares；Thousands of NT Dollar/ Foreign Currencies

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				March 31, 2026	December 31, 2025	Shares (in thousands)	Percentage of Ownership	Carrying Value			
Yieh Hsing Enterprise Co., Ltd.	Great Emperor Hotel Co., Ltd.	Kaohsiung City	Hotel industry	1,995,122	1,995,122	196,350	37.26%	1,506,289	(15,043)	(5,604)	
	Kings Garden International Co., Ltd.	Kaohsiung City	Leasing, sales, and development of residential and commercial buildings, department stores	2,016,933	2,016,933	198,350	39.67%	1,445,648	(71,154)	(28,227)	
	United Winner Metals L.P	Virginia, US	Scrap steel recycling	106,468	106,468	—	33.75%	174,911	5,582	1,884	
	Cheng Shin Security Co., Ltd.	Kaohsiung City	Security	4,000	4,000	400	10.00%	1,991	(181)	(18)	
	Eliter International Corp.	Kaohsiung City	Construction of buildings	748,896	748,896	77,106	7.42%	759,515	(18,222)	(1,351)	
	E-Da Development Corp.	Kaohsiung City	Leisure development	470,595	470,595	24,272	5.94%	133,340	(86,522)	(5,141)	
	Yieh United Steel Corporation	Kaohsiung City	Steel products related business	20,204	20,204	2,542	0.08%	6,475	(1,106,188)	(874)	(Note)
	Shin Jan Engineering and Management consulting Co., Ltd.	Kaohsiung City	Management Consulting and Human Resources	2,400	2,400	240	8.00%	1,373	601	48	
	Total			5,364,618	5,364,618			4,029,542	(1,291,127)	(39,283)	

(Note): Due to cross ownership and the adoption of equity method between Yieh Phui Enterprise Co., Ltd. and Yieh United Steel Corporation, investment gain/loss is accounted for using the treasury stock approach. Thus, the income/loss of investee for the period excludes gain/loss accounted for using equity method by Yieh United Steel Corporation in relation to the Company.

14.Segment Information

(1) General information:

The Company operates in a single industry, mainly engaged in the processing and manufacturing of stainless steel, carbon steel, special steel, etc., and the terminal application of their products are similar. The operating decision-makers based on the Company's performance evaluation and resource allocation and identified that the Company has only a single reporting department.

(2) Measurement of Segment Information:

The Company's decision-maker evaluates the performance of the operating based on income (loss) before income tax.

(3) Information on product and service: No disclosure requirement for Interim financial statements.

(4) Geographical information: No disclosure requirement for Interim financial statements.

(5) Major customer information: No disclosure requirement for Interim financial statements.