YIEH HSING ENTERPRISE CO., LTD.
2026 Shareholders' Meeting

Time: June 24, 2026 at 9:30 am

Place: No. 38, Dazhai St.,Zihe Vil.,Ziguan Dist., Kaohsiung City (Zihe Community Center)

Attendants：Attending number of shares in person were 400,809,615, proxy attending and solicited attending number of share was zero, the total number of nonvoting rights was zero, the sum of shares was 400,809,615 achieving 75.53 % of the number of the Company's issued shares 530,651,613, was more than one half of the total number of issued shares. The chair shall call meeting to order in accordance with the regulations.

Delegate: Independent Director Chang, Wen-Yi, Remuneration Committee Member Chang, Wen-Yi, Independent Director Yang, Te -Yuan (Convener of the Audit Committee), Convener of the Compensation Committee Yang, Te -Yuan, Independent Director Wu, Ming-Tong, Remuneration Committee Member Wu, Ming-Tong, Director Huang, Chuan-Hsiang, President Huang, Chuan-Hsiang , Lawyer Lin, Ching-Yun, Accountant Su, Ping-chang, Financial Officer Yu, Ching-Sheng, Assistant Vice President of Business Operations Ho, Ming-Chang.

The Chair: Chairman Wu, Lin-Maw　　　　　　　　Recorder: Tseng, Hsiu-Chen

I. Call meeting to order

II. Perform acts of meeting

III. Chairman's address（omitted）

IV. Reported Matters：

1. 2025 Business Report（refer to P.4-P.12 of this agenda）
2. 2025 Audit Committee's Auditor's Annual Financial Statements（refer to P.24 of this agenda）

V. Acknowledged Matters

【Case 1】 Board of Directors' Proposal

Proposal: Acknowledgement of 2025 Financial Statements Case

Description:
1. For the Company's 2025 annual business report, the company financial statements, please refer to this meeting agenda.
2. The company 2025 financial statements have been audited by CPAs Chih-Fu Huang and Ling-Wen Huang of Crowe Horwath United Accounting Firm, and an audit report has been issued.
3. The above-mentioned financial statements and business report have been reviewed by the Audit Committee.
4. Please acknowledge

Resolution：After voted by attending shareholders holding total number of voting rights of 400,809,615 rights, approval: 399,227,617 rights accounted for the total number of voting rights of 99.60%, opposition:92,310 rights, invalidation:

0 right, abstention/not voted: 1,489,688 rights, approved right number achieved statutory passing amount, the proposal was approved.

【Case 2】Board of Directors' Proposal

Proposal: Acknowledgement of the company's 2025 loss appropriation

Description: 1. 2025 loss appropriation is as follows:

Yieh-Hsing Enterprises Co, Ltd.

Loss Appropriation

2025

Unit: NT$

Item	Amount
Beginning accumulated deficit	(216,960,348)
Add:2025 after-tax net loss	(1,186,376,017)
Changes in related companies and joint ventures recognized using the equity method	28,193
Other comprehensive profit and loss (remeasurement of defined benefit plan in 2025)	21,923,582
Deficit pending compensation at period end	(1,381,384,590)

Chairman: Wu, Lin-Maw   Manager: Huang, Chuan-Hsiang   Accounting Director: Shih, Fun-Yun

2. No dividends will be distributed this year

3. Please acknowledge

Resolution：After voted by attending shareholders holding total number of voting rights of 400,809,615 rights, approval: 399,268,809 rights accounted for the total number of voting rights of 99.61%, opposition:119,578 rights, invalidation: 0 right, abstention/not voted: 1,421,228 rights, approved right number achieved statutory passing amount, the proposal was approved.

VI. Election Matters

【Case 1】Board of Directors' Proposal

Proposal: Election of Directors, for your election.

Description: 1. According to Article 13 of the Company's Articles of Incorporation, the Company shall appoint six to seven directors (including three independent directors) under the candidate nomination system. Directors shall be elected by the shareholders' meeting from persons with legal capacity, for a term of three years, and may be re-elected for consecutive terms. The minimum shareholding ratio of directors shall comply with the regulations prescribed by the Financial Supervisory Commission.

2. In this election, seven directors (including three independent directors) are to be elected under the candidate nomination system.
3. The term of office of the Company’s current directors is from June 20, 2023 to June 19, 2026, the company programs a comprehensive re-election of directors.
4. The directors elected in this election shall assume office immediately upon being elected at the annual shareholders’ meeting. The term of office of the newly elected directors shall commence on June 24, 2026 and expire on June 23, 2029.
5. In accordance with Paragraph 5, Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the shareholding ratio of all directors shall reach 4% or more of the paid-in capital of the Company.
6. The election of directors in this re-election shall be conducted in accordance with the Company’s “Rules for Election of Directors.”
7. The list of director candidates for the current election and the explanations for the continued nomination of independent directors who have served three consecutive terms are set forth below. Shareholders are requested to elect directors from among the candidates listed therein.
8. For your election.

YIEH HSING ENTERPRISE CO., LTD.
2026 Regular Shareholders’ Meeting
The Name List of Nominated Directors Issued by Shareholders

Here according to Article 192-1 of the Company Act, the name liftoff nominated director candidates is as follows:

Number	Account number	Name	Main experiences of education (work)	Shareholding number
1	11	YIEH PHUI ENTERPRISE CO., LTD. Representative: Wu, Lin-Maw	Experiences of education: EMBA of National Sun Yat-sen University Department of Materials Science and Engineering of National Tsing Hua University Experience of work: General manager of Yieh Phui Enterprise Co., Ltd. Current position: Chairman of Yieh Hsing Enterprise Co., Ltd.	304,654,650
2	11	YIEH PHUI ENTERPRISE CO., LTD. Representative: Lin, I-Shou	Experience of work: Chairman of Yieh Hsing Enterprise Co., Ltd. Current position: Chairman of Yieh Phui Enterprise Co., Ltd. Chairman of Yieh United Steel Corporation	304,654,650
3	11	YIEH PHUI ENTERPRISE CO., LTD.	Experience of education: Master's degree, National Chung Hsing	

		Representative: Huang, Chuan-Hsiang	Experience of work: University Vice Chairperson, E United Group Current position: General manager of Yieh Hsing Enterprise Co., Ltd.	304,654,650
4	125573	YIEH UNITED STEEL CORPORATIO N Representative: Chen, Min-Li	Experience of education: Department of International Business, Providence University Experience of work: Director of Accounting Department of Yieh United Steel Corporation Current position: Senior Director of Accounting Department of Yieh United Steel Corporation	85,717,552
5	Independent director	Wu, Ming-Tong	Experience of education: Sun Yat-Sen University Master Experiences of work: Passed the metallurgy engineering technician of higher examination Passed the qualification Screening Examination for Professional Engineers of Metallurgy engineering technician The steel mill workshop director of Tang Eng Iron Works Co., Ltd. Production vice general manager of Yieh United Steel Corporation Vice Chairman of Angang Lianzhong (Guangzhou) Steel Corporation Current positions: Independent Director / Remuneration Committee of Yieh Hsing Enterprise Co., Ltd.	0
6	Independent director	CHENG,JEN-YING	Experience of education: Department of Accounting, Soochow University Experiences of work: Deputy General Manager of Finance and Administration of Yieh Mau Corporation	0
7	Independent director	Yang, Der-Yuan	Experience of education: Ph. D. of Economics, University of California, Santa Barbara Experiences of work: Associate Chair, Department of Finance, National Kaohsiung University of Science and Technology Chair, Department of Financial Management, National Kaohsiung University of Science and Technology Chair, Department of Finance, National Kaohsiung	0

			University of Science and Technology Professor, Department of Finance, National Kaohsiung University of Science and Technology Current positions: Professor of Department of Finance, National Kaohsiung University of Science and Technology Independent Director / Remuneration Committee of Yieh Hsing Enterprise Co., Ltd. Independent Director / Remuneration Committee of Yieh Phui Enterprise Co., Ltd. Sustainability Development Committee of Yieh Phui Enterprise Co., Ltd.	

Note :Independent director candidate, Yang, Der-Yuan has served as an independent director of the Company for three sessions. He has financial professionalism and acquaintance with relevant acts, so he can help the company to a significant extent; when exercising independent director's duties and responsibilities, he can utilize his expertise and provide professional opinions in regard to supervision of the Board of Directors. Besides, he had actively participated in operation of the Board of Directors. Taking the above-mentioned into consideration, we intend to re-nominate him to be one of the independent director candidates.

Election Results: The list of elected directors and independent directors is as follows:

Title	Stockholder's account	Name of stockholder	Representative	votes
Director	11	YIEH PHUI ENTERPRISE CO., LTD.	Wu, Lin-Maw	425,429,505
Director	11	YIEH PHUI ENTERPRISE CO., LTD.	Lin, I-Shou	398,318,773
Director	11	YIEH PHUI ENTERPRISE CO., LTD.	Huang, Chuan-Hsiang	398,450,714
Director	125573	YIEH UNITED STEEL ORPORATION	Chen, Min-Li	391,378,889
Independent director	non-shareholder	Wu, Ming-Tong		391,748,933
Independent director	non-shareholder	CHENG,JEN-YING		391,762,529
Independent director	non-shareholder	Yang, Der-Yuan		391,466,548

VII. Other Matters

【Case 1】Board of Directors' Proposal

Proposal: Lifting of the Non-Compete clause for Director, for your discussion.

Description:

1. According to Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. Avoided affecting the investment business development of the Company's directors, programed to lift the restrictions of all shareholders' non-compete prohibition.
3. Programed to discharge the work contents of non-compete prohibition restrictions, please refer to Attachment 1.
4. For your discussion.

Resolution：After voted by attending shareholders holding total number of voting rights of 400,809,615 rights, approval: 399,179,766 rights accounted for the total number of voting rights of 99.59%, opposition:216,005 rights, invalidation: 0 right, abstention/not voted: 1,413,844 rights, approved right number achieved statutory passing amount, the proposal was approved.

VIII. Extemporary Motions: none.

IX. Adjournment. (at 10:05 am)

There are no shareholders' questions at this shareholders' meeting

The Chair: Wu, Lin-Maw

Recorder: Tseng, Hsiu-Chen

1. 2025 Business Report

(I) 2025 Business Results:

1. Retrospect of International and Taiwan Wire Rod Market Overview

(1) The stainless steel wire rod market in 2025 recovered moderately, and operated in the pattern of regional differentiation.

As a global important base of stainless steel production and processing, Taiwan was confronted with affection by international material cost and trade policies, so the wire rod and fastener industry in Taiwan faced severe competitions in the market. Since demands of customers in Europe and U.S. slowed down due to stock adjustment, the market momentum turned weak; in the meantime, Southeast Asia and China went on with price competition, which further compressed profit margins; as a result, order visibility was a bit low, and the overall international stainless steel industry presented a conservative size of shrinking volume with weak price. Because of impact from trade barriers in the first half of the year, recovery of the global economy was not as strong as expected; the entire market performed poorly; however, under the influence of nickel price fluctuation and trade policies in the second half of the year, the market found slight support. Meanwhile, due to geopolitical changes and intervention of each country's tariff measures (e.g. EU's CBAM, U.S. tariff, etc.), the market in all countries was remarkably differential with the emergence of some recovery chance.

Taiwan is one of major production countries of stainless steel wire rod in the world. In 2025, international low-price competition was intensified, so most of the domestic manufacturers adopted the model of strategic adjustment of order taking, by which they reduced acceptance of low-margin standard product export orders, but instead focused on the customized and high-quality market; in consequence, a phenomenon of "quality increase but quantity decrease" appeared in the export performance. In such a transformational process, in spite of a decline in export volume, Taiwanese manufacturers, by virtue of edges of stable quality and high trustworthiness, acquired part of international order shifting opportunities, so the export unit price and total export value remained highly competitive.

As a whole, since 2023 when the stainless steel wire industry in Taiwan bottomed out, it has gradually and moderately recovered. In 2025, the market was still situated in a consolidation phase, while the wire rod market benefited from support of rigid demands with relatively stable performance. Notwithstanding, since demand momentum was still not so obvious, and price competition was ongoing, the subsequent trend still needed to be deliberately observed.

(2) The carbon steel wire rod market in 2025 showed a pattern of "stable at the beginning, weak in the middle, and wait-and-see at the end".

In 2025, the global carbon steel market moved on the verge of recovery with challenges ahead. Affected by uneven regional demands, tariff barriers, and green transformation pressure, the global steel demands showed a pattern of "stable at the beginning, weak in the middle, and wait-and-see at the end". Mainly benefiting from development of downstream industries, such as automobile, construction, infrastructure, manufacturing industry, etc. Above all, demands in India and Southeast Asia were strong, benefiting from infrastructure and manufacturing industry shifting. On the contrary, carbon steel for construction use in the Europe and U.S markets just achieved mediocre performance due to residual effect of high interest rates. In terms of supply, weak domestic demands in China resulted in ongoing spillover of excess capacity; low-priced wire rod in Southeast Asia and China made impact on the international quotation, so each country was forced to launch anti-dumping investigation frequently.

The carbon steel market in Taiwan suffered a lot of macroeconomics (such as exchange rate fluctuation, net-zero carbon emission, geopolitics and trade barriers); consequently, the domestic market faced double attacks of “low-price competition from import” and “impeded export in downstream” in 2025. Although it slightly rose due to stock replenishment in the first half of the year, the price pulled back with concession under the influence of uncertainty of U.S. tariff and export hindrance of the downstream fastener industry (screw and nut).

As the green steel industry undergoes a challenging transformation toward carbon neutrality, demand for eco-friendly steel continues to rise. The automotive and construction industries are at the forefront of this transition, with demand expected to accelerate. Additionally, as raw material price declines are anticipated to slow, the overall supply-demand dynamics in the steel market are expected to improve.

(3) 2025 Business Overview

The Company reported total revenue of NT$5.283 billion in 2025, marking a decrease of NT$1.617 billion from NT$6.9 billion in 2024. However, the Company incurred a pre-tax net loss of NT$1.196 billion, worsening from a pre-tax net loss of NT$1.085 million in 2024. The decline of revenue was affected by interactive influence between three major factors of international material cost, terminal market demands, and geopolitics & trade barriers in the wire rod market; as a result, the domestic and foreign stainless steel and carbon steel wire rod market showed a conservative trend of shrinking volume with weak price in 2025. Its market retrospect and in-depth analysis were summarized as follows:

Stainless steel: Because materials of precious metals such as scrap iron, nickel, chromium, copper, etc. all oscillated within a certain range, and the unit price slowly rose, the price of stainless steel wire rod found a desirable support. However, owing to unstable international economic situation and policies, the order visibility of stainless steel wire rod was a bit low, and its profit was severely compressed, so the conservative trend of small volume with weak price appeared in the market.

Carbon steel: Restricted by international requirements of zero emission and rigid environmental protection regulations, which further disturb the global market by Influencing the global market through a low-price competition strategy, the price of carbon steel wire rod market showed a trend of “cold trading volume with high prices and high volatility. Strong domestic demands supported the domestic price, while weakness of the export market, along with interference of imported steel materials, imposed restrictions on price rise, resulting in a conservative situation of mediocre volume with weak price.

In conclusion, the steel market in 2025 has been characterized by uncertainty, influenced by factors such as the global economic slowdown, raw material price fluctuations, the impact of low-priced steel products from China, changes in trade policies, and geopolitical tensions. Despite these challenges, with an increase in global infrastructure investment, the emergence of post-war reconstruction demand, and supply chain adjustments, the Company has proactively focused on improving its production processes. By maintaining consistent product quality and offering a comprehensive range of specifications, the Company seeks to expand its international market share, enhance product turnover rates, and optimize production capacity utilization. The Company is committed to strengthening its existing markets while also targeting potential customers, positioning itself ahead of the steel market recovery to meet future demand growth.

2. Review of the Company Operation in 2025

The results of the company's business plan implementation, budget implementation, financial revenue and expenditure, profitability analysis and research and development status last year (2025) are as follows：

(1) 2025 Business Plan Implementation Results

Financial Report

Unit: NT$ Thousand

Year / Item	2025	2024	Amount Increase/Decrease	Change Ratio
Operating Income	5,283,228	6,899,957	(1,616,729)	(23.43)
Operating Cost	5,906,279	7,427,223	(1,520,944)	(20.48)
Gross Operating Profit (Loss)	(623,051)	(527,266)	(95,785)	(18.17)
Operating Expenses	194,688	202,601	(7,913)	(3.91)
Net Operating Profit (Loss)	(817,739)	(729,867)	(87,872)	(12.04)
Non-operating income and expenses	(384,076)	(355,102)	(28,974)	(8.16)
Net Profit (Loss) Before Tax	(1,201,815)	(1,084,969)	(116,846)	(10.77)
Income Tax Expenses	15,440	850	14,590	1716.47
Net Profit (Loss) After Tax	(1,186,375)	(1,084,119)	(102,256)	(9.43)

(2) 2025 Budget Implementation：

The company didn’t disclose financial forecast in 2025, so the disclosure of the budget implementation status did not apply.

(3) Financial income and expenditure and profitability analysis：

Financial Report

Item	2025	2024
Net cash flow from operating activities (NT$1,000)	(658,065)	(614,329)
Equity/Asset (%)	34.22	42.03
Liability/Asse t(%)	65.78	57.97
Long-term fund to property, plant, and equipment ratio (%)	140.06	175.75
Current Ratio (%)	40.97	62.08
Quick Ratio (%)	13.98	28.00
Asset-to-remuneration ratio (%)	(8.23)	(7.31)
Equity-to-remuneration ratio (%)	(24.84)	(18.57)
Profit margin (%)	(22.46)	(15.71)

Earnings per share (NT$)	(2.24)	(2.04)
Number of shares at year end (1,000 shares)	530,652	530,652

(4) Research and Development

The company believes that the main lifeline of an enterprise lies in research and development. The company's research and development plan adheres to the following business philosophy:

Innovation	Introduce new technologies, research new processes, develop new products, innovate management, and jointly promote overall industrial upgrading.
Growth	Continue to invest, enhance the vitality of the enterprise, improve the items and quality of products and services, and enable the company, employees and customers to grow together.
Responsibility	Work hard to protect the rights and interests of investors. Implement environmental protection and maintain social resources. Fulfill corporate responsibility and give back to the society.
Sustainability	Cultivate outstanding talents for joint management, root in Taiwan, set our sights on the world and be sustainable.

The company continues to carry out the research and development of new products with lean and innovative thinking, We link the innovative thinking to explore new models. The company also pursues the further promotion of products and operation quality and strives to create more value for the company and customers with lean management and optimal service.

(II) 2026 Business Plan

1.Conduct multiple development in keeping with steel billet material sources, and reinforce expansion of non-stainless steel wire rod sales territory.

Acquisition of steel billet materials is substantially important for the single rolling mills; they must look for suppliers who can cooperate with them on a long-term and stable basis, and steady application of steel billet quality and prompt continuation of its volume are both crucial keys of stable selling. Being able to stabilize these two aspects in the capacity of a production manufacturer which, except China Steel Corporation, has the most complete sizes in the wire rod market, we can supply steel billet materials in coordination with multiple-size production; there is still a huge potential of growth in the territory of non-stainless steel wire rod.

2.Enlarge items of steel grades of stainless steel wire rod, and further expand production application area.

Comparatively, stainless steel wire rod is classified as a product market with small volume but large items. The domestic surface demands in 2025 amounted to 136 thousand tons with about 40 items of steel types. It was required to seek suitable steel billet material sources for each item in line with restructure and optimization of production equipment to provide customers with more comprehensive, popular, and diversified choices. For this sake, we became the main supplier in terms of stable sales volume for import, while we will extend our sales and services via export throughout the world in order to achieve the company’s objective of overall expansive selling.

3.Continue to strengthen product research, development and sales

The Company continues to strive for integrating the upstream customers so that both of us can jointly develop demands of new steel grade market of downstream customers. Since 2018, we have developed, one by one, new steel grades and new sizes of wire dimeter; for example, in 2018, we increased the steel grade combination of 304J3A and 304M5, and developed new sizes of 5.0mm; in addition, we also developed the new steel grades of 2205/303CU/430L in the same year; in 2019 the Company launched the fast-cutting stainless steel AISI 303; in 2020, development of 410 new steel grades was completed; in 2023, new steel grades of 409Cb and YCS 550 were developed; in 2024, the Company developed 1215MS high-speed cutting steel and 10B21/10B33. The Company will continue to develop new steel grades to provide customers with different choices and consolidate the market.

4.Conserve energy and carry out cost reduction projects

Energy is the major source of cost consumption in the steel industry. With the active cooperation, the Company inputs the research and innovation manpower. We are committed to achieving the goal of energy conservation and carbon reduction from process improvement to product development in order to reduce both the energy consumption and the production cost and enhance competitiveness. Since 2015, we have carried out a number of improved processes and measures; our significant performance included conversion of the fuel system from heavy oil to natural gas combustion in the Pingnan Factory in October 2021, reinvestment in power generation by renewable solar energy, etc in 2022. A variety of energy-saving and carbon reduction measures brought forth abundant results in electricity and carbon conservation. At present, we have reported the average electricity saving rate in 2025 has exceeded 2%, better than the government's policy goal of 1.5%. Besides, with regard to performance of solar green power, in 2025, our power generation reached approximately 2.136 million kWh, which reduced carbon emission by about 1,012 tons.

5.Expected Sales Volume in 2026

For 2026, the Company plans to sell approximately 305,000 tons of stainless steel and non-stainless steel wire rod.

Globally, steel demand is expected to moderately rebound in the future in 2026. Emerging and developing regions will drive growth in global demand. Moreover, boosted by the global trend of net-emission, the steel industry is accelerating its steps to move towards green transformation. As observed by the World Steel Association, growth of future steel demands will depend on not only quantity but even "the development direction of "low carbonization" and "highly-added value". Every country's steel plants are actively importing EAF steelmaking, hydrogen-based reduction, and renewable energy application for the purpose of reducing strength of carbon emission. Meanwhile, policies like EU's CBAM also urged steel companies to improve their carbon reduction ability in order to maintain their international competitiveness. Although green transformation will increase short-term operating cost and capital expenditure, in a long-term sense, those steel companies which possess low-carbon processes and environmental-friendly edges will even have opportunities to gain competition edge during the reorganization process of global supply chain, and become the key role in the future steel market development. In response to the future trend of green transformation with improved competitiveness, the Company will endeavor to develop material suppliers, and utilize production line optimization to reduce production cost with a view to continuing to provide customers with competitive prices, and we will also develop high-end products at the same time, continue to promote equipment sophistication, and improve production technology in order to create maximum benefits for the Company.

(III) The Company’s future development strategy and impact of external competitive environment, regulatory environment, and general business environment

1.Future Development Strategy of the Company

In addition to continuing intensive cultivation of the existing U.S. market, the Company will exploit, on an active basis, the European and Southeast Asia markets in order to diversify regional risks, and expand selling territory. As far as product strategy is concerned, we will gradually transform to put emphasis on high-niche stainless steel products, identify customers with high-end application demands, and meanwhile make use of process optimization and cost control to maintain competitiveness of general products, and stabilize existing customers. We will continue to develop new stainless steel grades with high processability to increase product differentiation and get rid of threats of low-price competition.

In terms of supply chain and market layout, the Company will strengthen sales proportion of high value-added products, and unite the upstream steel mills to continuously exploit foreign steel billet sources in order to optimize the structure of material supply. In the meantime, we make use of customized products and services to expand management of different customer bases, and improve overall operating performance.

In order to deploy the future steel market and reinforce competition edge of the wire rod market, the Company has additionally established BIC wire rod production equipment in the Pingnan Wire Factory for the purpose of optimizing its wire rod size combination in May 2021. In addition, we increased the wire sizing and reducing mill unit, and replaced the wire finishing mill unit in order to effectively control wire specifications, improve product quality, and increase customers’ purchasing intention. In the said plan, the reorganization and upgrading of each equipment in the Pingnan Wire Factory has been completed; the total investment amount was expected to reach about NT$1.273 billion, and installation thereof has been completed one after another in 2023.

Concurrently, with a view to promoting process optimization, improving economies of scale effects, and reducing energy consumption and pollution emission, in 2025, the Company has successively invested NT$1.05 billion round in the Pingnan Factory for buildup of the pickling line and solution treatment furnace in order to optimize its stainless steel wire rod process. In addition, we installed the equipment of drawing machine to extend our products into the straight rod market, and expand product combination for consolidating our competitiveness in the solid bar market.

In respect of sustainable development, the Company also imported the power generation equipment of renewable solar energy in order to reduce energy consumption and greenhouse gas emission, and continue to promote sustainable development of our operations and the environment.

2.The impact of the external competitive environment

In 2018, the United States imposed Section 232 tariffs on steel and aluminum exports from Europe. Subsequently, the European Union imposed retaliatory tariffs on certain products exported from the United States. Since January 2022, the United States has replaced the steel and aluminum Section 232 tariffs with tariff rate quotas (TRQ). In response, the European Union has fully suspended retaliatory tariffs on certain products exported from the United States. Both parties have agreed to suspend tariff imposition until December 31, 2023. On December 19, 2023, the European Union announced the extension of the suspension of tariffs related to the steel dispute with the United States until March 31, 2025. Despite efforts by our government to negotiate tariff rate quotas with the United States, we have not received this advantage. Therefore, theoretically, our exports may be crowded out. Tariff imposition may weaken competition and increase supply chain costs, necessitating appropriate responses from the Company. Furthermore, with the implementation of the Regional Comprehensive Economic Partnership (RCEP), encompassing the largest population and economic scale, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) absorbing new members, global economic and trade dynamics, as well as supply chains, are further restructuring. Due to our small domestic market size, our country must adhere to trade liberalization and participate in regional economic integration to avoid marginalization in international trade competition. Domestic industries are threatened and impacted by the importation of low-priced goods due to market openness, requiring substantial assistance and attention from the government. In the face of changing external environments, reducing supply chain-related costs, product differentiation, enhancing product added value, stabilizing sales channels, and maintaining customer relationships are crucial for maintaining competitive advantages.

The Company will adopt differentiated strategies, competing in the international market with high-quality and promptly delivered stainless steel wire rod elements, supported by stable support from domestic and international customers in terms of quality, delivery, price, and service. To strengthen competitiveness in the Asia-Pacific region, we will also enhance research and development of premium products and improvements to serve customers and expand markets with the best quality.

3.The impact of regulatory environment and general business environment

(1) Regulations of environmental protection and carbon emission

Accompanied with global emphasis on climate change issues, all countries, one by one, strengthen carbon emission management, energy use efficiency, and related disclosure requirements. The steel industry is one of high energy-intensive industries, so changes of relevant laws and regulations might increase operating cost or capital expenditure. The Company will continue to keep an eye on development of policies, face challenges of carbon fee collection, and adopt effective carbon reducing strategies to reduce cost, increase competitiveness, and create business opportunities. The creation of a carbon pricing mechanism will not only determine the company's future payment obligations based on carbon emissions but will also accelerate its carbon tracking efforts and drive ESG-related carbon reduction initiatives. While low-carbon practices present challenges, they also offer vast opportunities. By taking the lead in carbon reduction and embracing the shift early, the Company expects to gain a competitive advantage, which will be instrumental in supporting its long-term sustainable development.

(2) International trade and tariff policy

In recent years, the global economic and trade situation experienced a lot of changes. Taking industry protection and national security into consideration, all countries adopt trade measures one after another, such as tariff adjustment, anti-dumping duty, countervailing duty, import quota, etc. It made material impact on the international competition environment of the steel industry. Steel products belong to commodity of high international liquidity. Changes of trade policies will directly affect competitiveness of export price, market access conditions, customers' purchasing decision-making, and even sales volume and profit-gaining performance. Besides, execution of the regional economic integration agreement and the bilateral free trade agreement might also change each market's tariff structure and supply sources layout, and turn out to be competition edges or disadvantageous factors. If major export markets raise tariff or launch remedy investigation, operational uncertainty and order-taking risks might increase. The Company will continue to pay attention to the tendency of international economic and trade policies, and adjust market development and product sales strategies in due course. Moreover, we diversify market, enhance the proportion of high value-added products, and improve service quality so as to reduce impact made by changes of trade policies on our operation.

(3) Impact of material-end market fluctuation (price and exchange rate)

The Company's main production cost is significantly affected by prices of steel billet, scrap steel, nickel, chromium and energy. With sharp fluctuation, the commodity market price is liable to be affected by global supply and demand changes, geopolitical risks, supply status of minerals, and capital flow of the financial market. If raw material price rises substantially within a short period, production cost might be raised with gross margin compressed. On the contrary, rapid price fall might also cause risk of decline in inventory value. In addition, part of the Company's material purchase and product selling is priced in foreign currencies, so fluctuation of exchange rates will affect purchasing cost, sales revenue, and exchange loss/profit performance. If new Taiwan dollar causes significant appreciation and depreciation against main trading currencies, impact might be made on operating performance and financial achievements. The Company will apply appropriate stock control, flexible quotation mechanism and exchange rate risk management measures in order to reduce impact of exchange rate fluctuation on our operation.

(4) Global economy and industry conditions

In October 2025, the World Seel Association released a short-term demands forecast (2025 - 2026), indicating the global steel demands bottomed out in 2025, and is expected to slightly rebound to 1.773 billion tons in 2026 with an annual growth of 1.3%, which suggested the industry was moving, step by step, from downturn to moderate recovery.

Momentum of this wave of growth mainly came from resilience of the global economy; major economies continue to promote investment in infrastructure with the support of factors such as gradual loosening of the financial environment, etc. However, performance was still different region by region. Among them, under the influence of weak local real estate market, local fiscal pressure, and trade conflicts, steel demands in China were estimated to decline by 2.0% in 2025; 1% will be further dropped in 2026. Despite converged decline, the overall demands are still at an adjustment stage. Notwithstanding trade conflicts warm up, cost rises, and geopolitical uncertainties still exist, the market is still filled with cautious optimism, to the effect that the global steel demands will enter a phase of moderate growth in 2026.

Between 2025 and 2026, growth momentum of the global steel demands is mainly contributed by India, part of ASEAN, Middle East, and North Africa. In particular, growth in India is obvious with an annual growth of up to 9%. It is estimated that in 2026, the steel demands in India will increase by 75 million tons, compared with 2020, which mainly benefits from infrastructure investment, urbanization development, and expansion of manufacturing industry. In the past, the steel industry was over-dependent on China; however, as construction momentum in China gradually slowed down, the global economic momentum will be transferred, step by step, to India, and countries in Southeast Asia, Middle East, and Africa. Each emerging market will become core growth engine. In comparison, the mature markets (e.g. Europe and U.S.) step into a period of low growth, and demand momentum in Northeast Asia is still weak, so recovery will be relatively delayed.

In conclusion, as estimated, in 2026, steel demands will moderately rebound; however, attention should be paid to the factors such as tense situation of global trade, geopolitical uncertainties, cost rise in the manufacturing industry, etc., which might bring potential risks for recovery of steel demands. All in all, the steel industry is moving from bottom to initial recovery. Its future development will tend to be moderate with regional differentiation.

Chairman: Wu, Lin-Maw   Managerial Officer: Huang, Chuan-Hsiang   Accounting supervisor: Shih, Fun-Yun

國富浩華聯合會計師事務所
Crowe (TW) CPAs
80250高雄市苓雅區四維三路6號27樓之1
27F-1., No.6, Siwei 3rd Rd.,
Lingya Dist.,
Kaohsiung City 80250, Taiwan
Tel +886 7 3312133
Fax +886 7 3331710
www.crowe.tw

Independent Auditors' Report

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

Opinion

We have audited the accompanying balance sheets of Yieh Hsing Enterprise Co., Ltd. (the "Company") as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code the of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements for the year ended December 31, 2025 are stated as follows:

Revenue recognition

Please refer to Note 4.17 to the financial statements for the accounting policy on revenue recognition; Note 5.1.(1) for Critical Accounting Judgments and Major Sources of Estimation and Assumption Uncertainty of revenue recognition; and Note 6.20 for the details of revenue recognition.

Description of key audit matter

The company engages mainly in the manufacturing and selling of wire rods and steel processed, operating revenue is one of the major item in the financial statements and becomes to the concerns for users of financial statements. Therefore, we determined the revenue recognition as a key audit matter.

How the matter was addressed in our audit

Our key audit procedures included analyzing the industry trends, income types, product lines, and customers' two-year operating income status to confirm whether there were abnormal circumstances or centralized transactions and identify possible risks; understanding and testing the internal control procedure to assess the effectiveness of the relevant internal control for revenue recognition; conducting a sample test on the sales transactions of the top ten new customers to confirm the authenticity of the sales transaction and executing sales cutoff test.

Valuation of inventory

Please refer to Note 4.7 to the financial statements for the accounting policy on inventories; Note 5.2.(5) for Critical Accounting Judgments and Major Sources of Estimation and Assumption Uncertainty of inventories; and Note 6.4 for inventory valuation.

Description of key audit matter

The Company's inventory was $1,022,190 thousand as of December 31, 2025, which accounted for 8% of total assets. The inventory valuation is measured at the lower of inventory cost and net realizable value. Given that the valuation of net realizable value of inventory has a significant impact on critical judgements and estimates and since inventory valuation is dependent on the influence of frequently volatile fluctuations of international metal price, we have thus included this item in the key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included obtaining management's assessment data which determines the lower of inventory cost and net realizable value; sampling estimated selling prices to the most recent sales records; and assessing the appropriateness of management's basis for estimating the net realizable value.

Responsibilities of Management and Those Charged with Governance for 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in Our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financia1 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and review of the work performed by the group engagement team members , and for forming the Company audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethica1 requirements regarding independence, and to communicate with them all re1ationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

____

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China
March 6, 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 audit such financial statements are those generally applied in the Republic of China.

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

YIEH HSING ENTERPRISE CO., LTD.
BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024	
CURRENT ASSETS	Note	Amount	%	Amount	%
Cash and cash equivalents	6(1)	$ 142,530	1	$ 213,093	2
Financial assets at fair value through profit or loss - current	6(2)	12,361	-	17,832	-
Notes receivable, net		62	-	-	-
Accounts receivable, net	6(3)	90,427	1	268,791	2
Accounts receivable - related parties, net	7	4,802	-	5,603	-
Other receivables		3,310	-	12,421	-
Other receivables - related parties, net	7	9,475	-	387	-
Current tax assets		359	-	627	-
Inventories	6(4)	1,022,190	8	1,086,840	9
Prepayments		213,519	2	55,489	-
Other financial assets - current	8	377,497	3	420,792	3
Total Current Assets		1,876,532	15	2,081,875	16
NONCURRENT ASSETS					
Financial assets at fair value through other comprehensive income or loss - noncurrent	6(5)	2,505	-	3,163	-
Investments accounted for using equity method	6(6)	4,065,839	33	4,471,727	35
Property, plant and equipment	6(7)	5,546,047	45	5,301,295	42
Investment properties	6(8)	609,565	5	608,833	5
Deferred tax assets	6(25)	152,623	1	134,686	1
Refundable deposits		143	-	143	-
Net defined benefit assets - noncurrent	6(15)	89,037	1	60,011	1
Other noncurrent assets - other	6(9)	6,371	-	8,620	-
Total Noncurrent Assets		10,472,130	85	10,588,478	84
TOTAL ASSETS		$ 12,348,662	100	$ 12,670,353	100

Liabilities and Equity		December 31, 2025		December 31, 2024	
CURRENT LIABLITIES	Note	Amount	%	Amount	%
Short-term loans	6(10)	$ 3,001,134	25	$ 2,316,518	18
Short-term notes and bills payable	6(11)	79,869	1	249,883	2
Contract liabilities - current	6(20)	28,713	-	66,306	1
Notes payable		71,296	1	94,175	1
Accounts payable - related parties	7	18,505	-	24,642	-
Other payables	6(12)	161,638	1	163,897	1
Other payables - related parties	7	509,985	4	4,680	-
Current income tax liabilities		1,225	-	-	-
Provisions - current	6(13)	33,601	-	38,451	-
Advance receipts		308	-	308	-
Current portion of long-term loans	6(14)	674,360	5	394,663	3
Total Current Liabilities		4,580,634	37	3,353,523	26
NONCURRENT LIABILITIES					
Long-term loans	6(14)	3,470,623	28	3,926,696	31
Deferred tax liabilities	6(25)	71,857	1	65,349	1
Total Noncurrent Liabilities		3,542,480	29	3,992,045	32
TOTAL LIABILITIES		8,123,114	66	7,345,568	58
EQUITY					
Share capital	6(16)				
Common stock		5,306,516	43	5,306,516	42
Capital surplus	6(17)	295,447	2	539,890	4
Retained earnings	6(18)				
Accumulated deficits		(1,381,384)	(11)	(536,365)	(4)
Other equity	6(19)	4,969	-	14,744	-
Total Equity		4,225,548	34	5,324,785	42
TOTAL LIABILITIES AND EQUITY		$ 12,348,662	100	$ 12,670,353	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)

		Year Ended December 31			
		2025		2024	
	Note	Amount	%	Amount	%
OPERATING REVENUE	6(20)	$ 5,283,228	100	$ 6,899,957	100
OPERATING COST	6(4)	(5,906,279)	(112)	(7,427,223)	(108)
GROSS PROFIT(LOSS)		(623,051)	(12)	(527,266)	(8)
OPERATING EXPENSES					
Selling and marketing expenses		(91,731)	(2)	(107,524)	(2)
General and administrative expenses		(102,957)	(2)	(95,077)	(1)
Total operating expenses		(194,688)	(4)	(202,601)	(3)
INCOME (LOSS) FROM OPERATIONS		(817,739)	(16)	(729,867)	(11)
NON-OPERATING INCOME AND EXPENSES					
Interest income		3,174	-	4,430	-
Other income	6(22)	19,158	-	5,528	-
Other gains and losses	6(23)	(4,035)	-	24,162	-
Finance costs	6(24)	(196,308)	(4)	(191,682)	(3)
Share of loss of subsidiaries, associates and joint ventures		(206,065)	(3)	(197,540)	(2)
Total non-operating income and expenses		(384,076)	(7)	(355,102)	(5)
INCOME (LOSS) BEFORE INCOME TAX		(1,201,815)	(23)	(1,084,969)	(16)
INCOME TAX EXPENSE	6(25)	15,440	-	850	-
NET INCOME (LOSS)		(1,186,375)	(23)	(1,084,119)	(16)
OTHER COMPREHENSIVE INCOME (LOSS)	6(26)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans					
Unrealized gain (loss) on investments in equity instruments		27,377	-	24,515	-
at fair value through other comprehensive Income		(658)	-	(701)	-
Share of other comprehensive income (loss) of subsidiaries,					
associates and joint ventures		(2,893)	-	(1,644)	-
Income tax expense (benefit) related to items that will not be reclassified					
subsequently to profit or loss		(5,475)	-	(4,903)	-
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income (loss) of subsidiaries,		(6,202)	-	11,006	-
associates and joint ventures					-
Total other comprehensive income (loss), net of income tax		12,149	-	28,273	-
TOTAL COMPREHENSIVE INCOME (LOSS)		$ (1,174,226)	(23)	$ (1,055,846)	(16)
EARNINGS PER SHARE					
Basic earnings (loss) per share	6(27)	$ (2.24)		$ (2.04)	
Diluted earnings (loss) per share	6(27)	$ (2.24)		$ (2.04)	

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)

Item	Common Stock	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Unappropriated Earnings (Accumulated Deficits)	Other Equity Item: Exchange Differences on Translating Foreign Operations	Other Equity Item: Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Other Equity Item: Gain (loss) on Hedging instruments	Total Equity
BALANCE AT JANUARY 1, 2024	$ 5,306,516	$ 1,479,871	$ 337	$ (440,840)	$ 4,506	$ 1,629	$ 4	$ 6,352,023
Appropriation and distributions of prior years' earnings:								
The statutory surplus reserve covers the loss	-	-	(337)	337	-	-	-	-
Changes in associates and joint ventures using the equity method	-	28,656	-	(48)	-	-	-	28,608
Capital surplus used to offset accumulated deficit	-	(968,637)	-	968,637	-	-	-	-
Net income (loss) for 2024	-	-	-	(1,084,119)	-	-	-	(1,084,119)
Other comprehensive income (loss) for 2024, net of income tax	-	-	-	19,668	11,006	(2,401)	-	28,273
Total comprehensive income (loss) for 2024	-	-	-	(1,064,451)	11,006	(2,401)	-	(1,055,846)
BALANCE AT DECEMBER 31, 2024	5,306,516	539,890	-	(536,365)	15,512	(772)	4	5,324,785
Appropriation and distributions of prior years' earnings:								
Changes in associates and joint ventures using the equity method	-	74,961	-	28	-	-	-	74,989
Capital surplus used to offset accumulated deficit	-	(319,404)	-	319,404	-	-	-	-
Net income (loss) for 2025	-	-	-	(1,186,375)	-	-	-	(1,186,375)
Other comprehensive income (loss) for 2025, net ofincome tax	-	-	-	21,924	(6,202)	(3,573)	-	12,149
Total comprehensive income (loss) for 2025	-	-	-	(1,164,451)	(6,202)	(3,573)	-	(1,174,226)
BALANCE AT DECEMBER 31, 2025	$ 5,306,516	$295,447	$ -	$ (1,381,384)	$ 9,310	$ (4,345)	$ 4	$ 4,225,548

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	Year Ended December 31 2025	Year Ended December 31 2024
1.CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	($1,201,815)	($1,084,969)
Adjustments to reconcile profit and loss:		
Depreciation	303,551	303,233
Amortization expense	2,249	2,249
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(500)	210
Interest expense	196,308	191,682
Interest income	(3,174)	(4,430)
Dividend income	(600)	(450)
Share of loss of subsidiaries, associates and joint ventures	206,065	197,540
Loss on disposal and retirement of property, plant and equipment	2,607	1,609
Property, plant and equipment transferred to expenses	10,500	1,928
Loss (gain) on disposal of investments	812	(650)
Loss (gain) on disposal of investments accounted for using equity method	(732)	(19,338)
Total adjustments to reconcile profit and loss	717,086	673,583
Changes in operating assets and liabilities		
Net changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss	5,159	(456)
Decrease (increase) in notes receivable	(62)	37
Decrease (increase) in accounts receivables	179,165	(140,995)
Decrease (increase) in other receivables	-	(4,854)
Decrease (increase) in inventories	64,650	50,642
Decrease (increase) in prepayments	(158,030)	(2,381)
Decrease (increase) in other operating assets	(1,649)	(1,337)
Total net changes in operating assets	89,233	(99,344)
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	(37,593)	40,670
Increase (decrease) in notes payable	(22,879)	(10,895)
Increase (decrease) in accounts payable	(6,137)	24,642
Increase (decrease) in other payables	(252)	(3,012)
Increase (decrease) in provisions	(4,850)	25,690
Increase (decrease) in advance receipts	-	6

Item	Year Ended December 31 2025	2024
Total net changes in operating liabilities	($71,711)	$ 77,101
Total net changes in operating assets and liabilities	17,522	(22,243)
Total adjustments	734,608	651,340
Cash generated from (used in) operations	(467,207)	(433,629)
Interest received	3,197	4,405
Dividends received	600	450
Interest paid	(194,684)	(185,299)
Income tax paid (refund)	29	(256)
Net cash generated from (used in) operating activities	(658,065)	(614,329)
2.CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	(14,854)	-
Disposal of investments accounted for using equity method	280,160	-
Proceeds from capital reduction of investees accounted for using equity method	411	271
Acquisition of property, plant and equipment	(558,207)	(375,531)
Proceeds from disposal of property, plant and equipment	81	254
Increase in other financial assets	-	(74,940)
Decrease in other financial assets	43,295	-
Net cash generated from (used in) investing activities	(249,114)	(449,946)
3.CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	684,616	799,380
Increase in short-term notes and bills payable	(170,000)	-
Proceeds from long-term loans	218,000	280,000
Repayment of long-term loans	(396,000)	(276,000)
Increase other payables - related parties	500,000	-
Net cash generated from (used in) financing activities	836,616	803,380
4.NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(70,563)	(260,895)
5.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	213,093	473,988
6.CASH AND CASH EQUIVALENTS AT THE END OF THE THE PERIOD	$ 142,530	$ 213,093

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

2. 2025 Audit Committee’s Auditor’s Annual Financial Statements

Report of the Auditing Committee

Yieh Hsing Enterprise Co., Ltd.

The board of directors has prepared the 2025 operating report, financial statement and the deficit offset, among which has been audited and signed off by Crowe Horwath (TW)CPAs. The operating report, financial statement and the deficit offset have been audited by the auditing committee and no abnormality found. Thus, the report has been released according to Article 14-4 and Article 219 of the Company Act. Herein kindly ask for approval.

To

The 2026 the Stockholder’s Meeting of Yieh Hsing .

Chairman of the Auditing Committee: Yang Der-Yuan

March 6, 2026

Attachment 1

YIEH HSING ENTERPRISE CO., LTD.
List of Release of the Non-Compete Prohibition on Directors

Name	The Position of the Company and the Name of the Company	
Lin I-Shou	Chairman	Yieh United Steel Corporation、Yieh Phui Enterprise Co.,Ltd.
	Director	Shin Phui Steel Corporation、Shin Yang Steel Co., Ltd.、Sin Bang Investment & Development Co., Ltd.、Yieh Mau Corp.、United Brightening Development Corp.、Kuo Chang Enterprise Co., Ltd.、Chao Ying Investment Development Co., Ltd.、Hong Yuh Assets Management Co., Ltd. 、Long Yuan Investment Development Co., Ltd.、Shin Chun Investment Development Co., Ltd.、Chun Fong Investment Development Co., Ltd.、Shing Bang Enterprise Co., Ltd.、Chao Ying Enterprise Co., Ltd、Li Hui Development Co., Ltd.、Ji Chang Enterprise Co., Ltd.、Lien Chen Ready-Mixed Concrete Co., Ltd.、 、Yieh Hong Enterprise Corporation Ltd.
Wu Lin-Maw	Director	Yieh Phui (China) Technomaterial Co., Ltd.、Changshu Ever Glory Trading Co.,Ltd.、Tianjin Lianfa Precision Steel Corporation、Pt. E-United Ferro Indonesia
Huang Chuan-Hsiang	CEO	Indonesia Representative Office
CHEN MIN-LI	Senior Director	Yieh United Steel Corporation
Yang Der-Yuan	Independent director	Yieh Phui Enterprise Co., Ltd.