International CSRC Investment Holdings Co., Ltd.

Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
International CSRC Investment Holdings Co., Ltd.

Opinion

We have audited the accompanying financial statements of International CSRC Investment Holdings Co., Ltd. (the "Corporation"), which comprise the balance sheets 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 Corporation 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing 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 Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key 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, and we do not provide a separate opinion on these matters.

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

Validity of Occurrence of Operating Revenue from Certain Customers of the Carbon Black Segment Under Equity Method

The investments accounted for using the equity method on December 31, 2025 was NT$26,683,939 thousand. Among subsidiaries accounted for using the equity method, the investment of the carbon black segment was NT$10,901,272 thousand and accounted for 41% of the equity method investment and 33% of the total assets. The operating revenue of the carbon black segment was NT$15,081,252 thousand, decreased by 12% compared with 2024. Sorting by the growth amount of operating revenue, we categorized the top growth customers that differ from the overall trend as significant risk customers. Therefore, we identified the validity of significant risk customers' operating revenue as key audit matters.

For the accounting policies, accounting estimates, estimation uncertainty and disclosure related to the validity of recognition of operating revenue, refer to Notes 4, 9 and the Corporation's consolidated financial statements Note 39.

We understood and conducted control tests on the effectiveness of internal controls related to the validity of operating revenue recognition of the carbon black segment; sampled and inspected whether an original sales order existed for each sale in the carbon black segment and confirmed the revenue was consistent with the sales order; inspected whether delivery notes were properly received, and the product and quantities on the delivery notes were consistent with invoices. In addition, we performed cash receipt tests on the revenue of top growth customers in the carbon black segment and confirmed the accounts receivable balances at the end-of-period, and conducted alternative procedures for those who could not respond to the confirmation letters on time. The alternative procedures included checking the evidence of transactions and observing the status of subsequent receipts.

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 for such internal control as management determines is necessary to enable the preparation of 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 Corporation's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation'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 Standards on Auditing 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 Standards on Auditing 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 Corporation’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 Corporation’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 Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our 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 ethical requirements regarding independence, and to communicate with them all relationships 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 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 audits resulting in this independent auditors' report are Tza-Li Gung and Hsiu-Chun Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 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.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,245,150	4	$ 1,824,987	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	202,178	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	800,794	2	1,083,013	3
Current tax assets (Notes 4 and 19)	-	-	18,015	-
Other financial assets - current (Note 23)	173,451	1	12,896	-
Other current assets	1,213	-	3,204	-
Total current assets	2,220,608	7	3,144,293	8
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	3,422,718	10	4,556,718	12
Investments accounted for using the equity method (Notes 4 and 9)	26,683,939	82	31,554,249	80
Property, plant and equipment (Notes 4 and 10)	4,950	-	20,780	-
Right-of-use assets (Notes 4 and 11)	1,124	-	-	-
Investment properties (Notes 4 and 12)	14,269	-	-	-
Deferred tax assets (Notes 4 and 19)	335,341	1	-	-
Other financial assets - non-current	-	-	12	-
Other non-current assets	2,604	-	106	-
Total non-current assets	30,464,945	93	36,131,865	92
TOTAL	$ 32,685,553	100	$ 39,276,158	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	$ -	-	$ 600,000	2
Short-term bills payable (Note 13)	-	-	199,759	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	83,300	-	129,500	-
Other payables (Notes 15 and 23)	222,854	1	226,387	1
Current tax liabilities (Notes 4 and 19)	16,972	-	42,452	-
Lease liabilities - current (Notes 4 and 11)	506	-	-	-
Current portion of long-term borrowings and bonds payable (Notes 4 and 14)	3,320,576	10	-	-
Other current liabilities	1,825	-	679	-
Total current liabilities	3,646,033	11	1,198,777	3
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 14)	-	-	3,258,323	9
Long-term borrowings (Note 13)	1,500,000	5	-	-
Provisions - non-current (Notes 4 and 16)	1,061	-	1,143	-
Deferred tax liabilities (Notes 4 and 19)	3,337,475	10	3,205,985	8
Lease liabilities - non-current (Notes 4 and 11)	634	-	-	-
Net defined benefit liabilities (Notes 4 and 16)	2,172	-	849	-
Other non-current liabilities	66,061	-	66,061	-
Total non-current liabilities	4,907,403	15	6,532,361	17
Total liabilities	8,553,436	26	7,731,138	20
EQUITY (Notes 14 and 17)				
Ordinary shares	9,847,336	30	9,847,336	25
Capital surplus	9,237,013	28	9,237,013	24
Retained earnings				
Legal reserve	3,189,170	10	3,189,170	8
Special reserve	748,274	2	648,078	2
(Accumulated deficit) unappropriated earnings	(119,027)	-	4,129,838	10
Total retained earnings	3,818,417	12	7,967,086	20
Other equity	1,519,439	5	4,783,673	12
Treasury shares	(290,088)	(1)	(290,088)	(1)
Total equity	24,132,117	74	31,545,020	80
TOTAL	$ 32,685,553	100	$ 39,276,158	100

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

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
NET OPERATING LOSS (Notes 4, 7, 8, 9 and 23)	$ (4,162,910)	(100)	$ (2,350,562)	(100)
GROSS LOSS	(4,162,910)	(100)	(2,350,562)	(100)
OPERATING EXPENSES (Notes 16, 18 and 23)				
General and administrative expenses	181,258	5	136,699	6
LOSS FROM OPERATIONS	(4,344,168)	(105)	(2,487,261)	(106)
NON-OPERATING INCOME AND EXPENSES (Notes 4, 18 and 23)				
Interest income	21,570	1	39,363	2
Other income	14,234	-	12,655	1
Other gains and losses	37,237	1	(87,118)	(4)
Finance costs	(87,432)	(2)	(75,747)	(3)
Total non-operating income and expenses	(14,391)	-	(110,847)	(4)
LOSS BEFORE INCOME TAX	(4,358,559)	(105)	(2,598,108)	(110)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 19)	209,834	5	(114,763)	(5)
NET LOSS	(4,148,725)	(100)	(2,712,871)	(115)
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 4 and 16)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(118)	-	1,448	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(1,348,286)	(32)	(626,597)	(27)
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	(300,653)	(7)	(123,608)	(5)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(1,615,121)	(39)	1,435,915	61
Other comprehensive (loss) income	(3,264,178)	(78)	687,158	29
TOTAL COMPREHENSIVE LOSS	$ (7,412,903)	(178)	$ (2,025,713)	(86)

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INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
LOSS PER SHARE (NEW TAIWAN DOLLARS; Note 20)				
Basic	$ (4.28)		$ (2.80)	
Diluted	$ (4.28)		$ (2.80)	

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

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

				Retained Earnings (Note 17)			Other Equity (Note 4)			
	Number of Shares (In Thousands of Shares)	Amount	Capital Surplus (Notes 4 and 15)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares (Notes 4 and 15)	Total Equity
BALANCE AT JANUARY 1, 2024	984,734	$ 9,847,336	$ 9,237,013	$ 3,189,170	$ 648,815	$ 6,831,945	$ (589,662)	$ 4,696,204	$ (290,088)	$ 33,570,733
Appropriation of the 2023 earnings										
Special reserve	-	-	-	-	(737)	737	-	-	-	-
Balance after appropriation	984,734	9,847,336	9,237,013	3,189,170	648,078	6,832,682	(589,662)	4,696,204	(290,088)	33,570,733
Net loss for the year ended December 31, 2024	-	-	-	-	-	(2,712,871)	-	-	-	(2,712,871)
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	10,027	1,435,915	(758,784)	-	687,158
Total comprehensive (loss) income for the year ended December 31, 2024	-	-	-	-	-	(2,702,844)	1,435,915	(758,784)	-	(2,025,713)
BALANCE AT DECEMBER 31, 2024	984,734	9,847,336	9,237,013	3,189,170	648,078	4,129,838	846,253	3,937,420	(290,088)	31,545,020
Appropriation of the 2024 earnings										
Special reserve	-	-	-	-	100,196	(100,196)	-	-	-	-
Balance after appropriation	984,734	9,847,336	9,237,013	3,189,170	748,274	4,029,642	846,253	3,937,420	(290,088)	31,545,020
Net loss for the year ended December 31, 2025	-	-	-	-	-	(4,148,725)	-	-	-	(4,148,725)
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	56	(1,615,121)	(1,649,113)	-	(3,264,178)
Total comprehensive loss for the year ended December 31, 2025	-	-	-	-	-	(4,148,669)	(1,615,121)	(1,649,113)	-	(7,412,903)
BALANCE AT DECEMBER 31, 2025	984,734	$ 9,847,336	$ 9,237,013	$ 3,189,170	$ 748,274	$ (119,027)	$ (768,868)	$ 2,288,307	$ (290,088)	$ 24,132,117

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

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (4,358,559)	$ (2,598,108)
Adjustments for:		
Depreciation	506	152
Amortization	478	13
Net (gain) loss on financial assets and liabilities at FVTPL	(46,749)	90,222
Interest expense	87,432	75,747
Interest income	(21,570)	(39,363)
Share of profit or loss of subsidiaries and associates	4,404,509	2,617,252
Unrealized gain on foreign exchange	(190)	(349)
Changes in operating assets and liabilities		
Other current assets	1,991	(2,417)
Other financial assets	(159,587)	18,613
Other payables	(6,228)	47,579
Provisions	(82)	138
Other current liabilities	1,146	(17)
Net defined benefit liabilities	1,205	7,811
Cash (used in) generated from operations	(95,698)	217,273
Interest received	20,587	43,652
Income tax paid	(1,482)	(12,006)
Net cash (used in) generated from operating activities	(76,593)	248,919
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at FVTOCI	-	17,558
Proceeds from capital reduction of financial assets at FVTOCI	67,933	-
Acquisition of financial assets at FVTPL	-	(200,000)
Proceeds from disposal of financial assets at FVTPL	202,727	-
Net cash outflow on acquisition of subsidiaries	(1,733,568)	(2,004,319)
Acquisition of property, plant and equipment	(630)	(1,564)
Increase in other non-current assets	(876)	(119)
Dividends received	283,595	547,200
Net cash used in investing activities	(1,180,819)	(1,641,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(600,000)	(200,000)
Increase in short-term bills payable	-	199,759
Decrease in short-term bills payable	(199,759)	-
Proceeds from long-term borrowings	1,500,000	-
Repayments of the principal portion of lease liabilities	(399)	-
Interest paid	(22,267)	(15,022)
Net cash generated from (used in) financing activities	677,575	(15,263)

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INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
NET DECREASE IN CASH AND CASH EQUIVALENTS	$ (579,837)	$ (1,407,588)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,824,987	3,232,575
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 1,245,150	$ 1,824,987

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

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

International CSRC Investment Holdings Co., Ltd. (formerly China Synthetic Rubber Corporation) (the "Corporation") was incorporated on June 15, 1973 with a factory located inside the Linyuan Petrochemical Industrial Zone in Kaohsiung City, which produces carbon black, a material for tire and other rubber products. The power and steam co-generation system started operations in December 1993. The Corporation also engages in biotechnology research and development. The Corporation's shares are listed on the Taiwan Stock Exchange.

The Corporation spun off and assigned the business related to the domestic Carbon Black Business to its wholly-owned subsidiary, Linyuan Advanced Materials Technology Co., Ltd., and spun off the business related to the Biotechnology Business to establish Circular Commitment Company. After the spin-off, the Corporation was transformed into an investment holding corporation. The spin-off was approved at the shareholders' meeting on June 26, 2018. The spin-off record date was scheduled on October 1, 2018, which was approved by the Board of Directors on August 7, 2018.

Approved by the Ministry of Economic Affairs on October 15, 2018, China Synthetic Rubber Corporation is renamed as "International CSRC Investment Holdings Co., Ltd.". The Corporation continues its listing with same stock code: 2104. The Chinese stock short name will be "International CSRC."

The financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation's Board of Directors on March 10, 2026.

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

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

   1) Amendments to IAS 21 "Lack of Exchangeability"

      The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Corporation's accounting policies.

   2) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets.

3) Identification of related parties

In accordance with the Q&A "Identification of Related Parties" issued by the ARDF in June 2025, the Corporation has reassessed its relationship with its managed funds to determine whether it exercises control or significant influence, or if it solely provides key management services to them. Since the Corporation only provides key management services to certain managed funds, the previous identification of related parties based on the Q&A issued by the ARDF in July 2013 was revised. Accordingly, these funds are no longer identified as related parties of the Corporation, effective from January 1, 2025. Furthermore, in accordance with the Q&A issued by the FSC, comparative information for the year 2024 need not to be restated, which means the identified and disclosed related party relationships and transactions in prior financial statements are not required to be adjusted retrospectively.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	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
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the financial statements were authorized for issue, the Corporation has assessed that the application of other standards will not have a material impact on the Corporation's financial position and financial performance.

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

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

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

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

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

   The amendments stipulate that, when the Corporation sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Corporation loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Corporation sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation’s interest as an unrelated investor in the associate or joint venture, i.e., the Corporation’s share of the gain or loss is eliminated. Also, when the Corporation loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation’s interest as an unrelated investor in the associate or joint venture, i.e., the Corporation’s share of the gain or loss is eliminated.

2) IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

   - To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Corporation shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

   - The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

   - Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation labels items as “other” only if it cannot find a more informative label.

   - Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements about management’s view of an aspect of the financial performance of the Corporation as a whole, the Corporation shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

   - The Corporation shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

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

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the assets or liabilities.

When preparing these parent company only financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Corporation does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements of the Corporation, transactions in currencies other than the Corporation's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting financial statements, the functional currencies of the Corporation entities (including subsidiaries and associates in other countries that use currency different from the currency of the Corporation.) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

If the Corporation disposes of entire interest of the foreign operation, or disposes of partial interest in the subsidiary of the foreign operation but loses control, or the retained interest after the disposal of the joint arrangement or associate of the foreign operation becomes a financial asset and is treated with the accounting policy of the financial instrument, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

If the partial disposal of a foreign operation subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences will be re-attributed to the subsidiary's non-controlling interests, and is not recognized in profit or loss. For all other partial disposals of a foreign operation, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation’s share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation’s share of equity of subsidiaries.

Changes in the Corporation’s ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are accounted for as equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation’s share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation’s net investment in the subsidiary), the Corporation continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Corporation’s share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company’s financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company’s financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

f. Investments in associates

An associate is an entity over which the Corporation has significant influence and which is not a subsidiary.

Corporation uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associates are reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Corporation continues to apply the equity method and does not remeasure the retained interest.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Depreciation of property, plant and equipment is recognized using the straight-line method within their useful lives. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment property

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets and investment property

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when they are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 22.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and accounts receivable at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii) Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period after the impairment.

Cash equivalents include time deposits and repurchase agreements collateralized by commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivables).

The Corporation always recognizes lifetime Expected Credit Losses (i.e. ECLs) for accounts receivable.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Corporation recognizes an impairment gain or loss in profit or loss for financial assets stated above with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity and is calculated on a weighted-average basis by type of stock. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at FVTPL, all the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liabilities derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity and related liability component will be transferred to share capital and capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

l. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The primary business activity of the Corporation is to manage investees, with investment revenue and service revenue being the main sources of revenue.

m. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than as stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefit expenses in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law, an additional tax on unappropriated earnings is levied in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's income tax expense.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the period

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, and in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	**2024**
Checking accounts and demand deposits	$ 153,791	$ 193,612
Cash equivalents (investments with original maturities less than 3 months)		
Repurchase agreements collateralized by commercial papers	691,309	910,325
Time deposits	400,000	721,000
Cash on hand	50	50
	$ 1,245,150	$ 1,824,987

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	**2024**
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ -	$ 202,178
Financial liabilities at FVTPL - current		
Held for trading		
Derivatives (undesignated hedging)		
Redemption option and put option of convertible bonds	$ 83,300	$ 129,500

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
Current		
Domestic investments		
Listed shares and emerging market shares	$ 800,794	$ 1,083,013
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 2,911,328	$ 3,896,463
Unlisted shares	511,390	660,255
	$ 3,422,718	$ 4,556,718

Dividend income from financial assets at FVTOCI was $203,773 thousand and $214,798 thousand in 2025 and 2024, respectively.

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
Investments in subsidiaries	$ 25,697,212	$ 28,072,773
Investments in associate	986,727	3,481,476
	$ 26,683,939	$ 31,554,249

a. Investments in subsidiaries

	December 31	
	2025	2024
Unlisted subsidiaries		
CSRC (BVI) Ltd.	$ 6,240,526	$ 6,691,932
CS Development & Investment Co.	1,313,439	1,665,075
Consolidated Resource Co.	265,712	230,353
Linyuan Advanced Materials Technology Co., Ltd.	2,058,131	2,508,826
Circular Commitment Company	143,667	224,597
CCC Dutch B.V.	(391,169)	(231,832)
CSRC Alpha, Inc.	130,273	-
Yun Cheng Investment Corporation	1,316,863	1,423,296
Synpac (North Carolina), Inc.	11,998,851	12,052,395
Synpac Ltd.	23,120	23,697
CCC USA Corp.	2,597,799	3,484,434
	$ 25,697,212	$ 28,072,773

At the end of the reporting period, the Corporation's ownership interests and voting rights in subsidiaries were as follows:

	December 31	
	2025	**2024**
Unlisted subsidiaries		
CSRC (BVI) Ltd.	100.00	100.00
CS Development & Investment Co.	100.00	100.00
Consolidated Resource Co.	100.00	100.00
Linyuan Advanced Materials Technology Co., Ltd.	100.00	100.00
Circular Commitment Company	100.00	100.00
CCC Dutch B.V.	100.00	100.00
CSRC Alpha, Inc.	100.00	100.00
Yun Cheng Investment Corporation	94.69	94.69
Synpac (North Carolina), Inc.	88.46	88.46
Synpac Ltd.	75.00	75.00
CCC USA Corp.	66.67	66.67

b. Investment in associate

	December 31	
	2025	**2024**
Associate that is not individually material		
TCC Recycle Energy Technology Company	$ 986,727	$ 3,481,476

	For the Year Ended December 31	
	2025	**2024**
Aggregate information of account is not individually material		
The Corporation's share of:		
Net loss from continuing operations	$ (2,492,970)	$ (315,610)
Other comprehensive income	(1,779)	3,019
Total comprehensive loss	$ (2,494,749)	$ (312,591)

On July 14, 2025, a fire broke out at Molie Quantum Energy Corporation, a subsidiary of TCC Recycle Energy Technology Company, in which the Corporation holds an indirect 13.67% equity interest. The incident caused damage to certain property, plant and equipment and inventories. Accordingly, the Corporation recognized an investment loss of $2,128,696 thousand under the equity method (net of insurance proceeds).

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Other Equipment	Property under Construction	Total
Cost					
Balance at January 1, 2025	$ 19,099	$ 2,361	$ 4,049	$ 1,470	$ 26,979
Additions	-	-	-	630	630
Reclassification	(14,269)	-	-	(2,100)	(16,369)
Balance at December 31, 2025	$ 4,830	$ 2,361	$ 4,049	$ -	$ 11,240
Accumulated depreciation					
Balance at January 1, 2025	$ -	$ 2,361	$ 3,838	$ -	$ 6,199
Depreciation expense	-	-	91	-	91
Balance at December 31, 2025	$ -	$ 2,361	$ 3,929	$ -	$ 6,290
Carrying amounts at December 31, 2025	$ 4,830	$ -	$ 120	$ -	$ 4,950
Cost					
Balance at January 1, 2024	$ 19,099	$ 2,361	$ 3,955	$ -	$ 25,415
Additions	-	-	94	1,470	1,564
Balance at December 31, 2024	$ 19,099	$ 2,361	$ 4,049	$ 1,470	$ 26,979
Accumulated depreciation					
Balance at January 1, 2024	$ -	$ 2,361	$ 3,686	$ -	$ 6,047
Depreciation expense	-	-	152	-	152
Balance at December 31, 2024	$ -	$ 2,361	$ 3,838	$ -	$ 6,199
Carrying amounts at December 31, 2024	$ 19,099	$ -	$ 211	$ 1,470	$ 20,780

No impairment assessment was performed for the years ended December 31, 2025 and 2024 as there was no material indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives of the assets as follows:

Buildings	4 to 55 years
Other equipment	3 to 12 years

11. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amounts		
Transportation equipment	$ 1,124	$ -

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets		
Transportation equipment	$ 1,539	$ -
Depreciation charge for right-of-use assets		
Transportation equipment	$ 415	$ -

b. Lease liabilities

	December 31	
	2025	2024
Carrying amounts		
Current	$ 506	$ -
Non-current	$ 634	$ -

Range of discount rate for lease liabilities was as follows:

	December 31	
	2025	2024
Transportation equipment	6.75%	-

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term lease	$ 5,797	$ 7,203
Total cash outflow for leases	$ 6,270	$ 7,203

The Corporation leased certain buildings, transportation equipment and office equipment which qualify as short-term leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

12. INVESTMENT PROPERTIES

	For the Year Ended December 31, 2025
Cost	
Balance at January 1	$ -
Reclassification	14,269
Balance at December 31	$ 14,269
Accumulated depreciation	
Balance at January 1 and December 31	$ -
Carrying amounts at December 31	$ 14,269

The fair value of investment properties as of December 31, 2025 was primarily based on the valuation reports obtained from several independent valuers. The fair value as of December 31, 2025 ranged from NT$1.33 billion to NT$1.7 billion.

13. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Credit borrowings	$ -	$ 600,000
Interest rate	-	1.68%-1.98%

b. Short-term bills payable

	December 31	
	2025	2024
Commercial paper	$ -	$ 200,000
Less: Unamortized discount on bills payable	-	(241)
	$ -	$ 199,759
Interest rate	-	2.00%
Due date	-	2025.1.23

c. Long-term borrowings

	December 31	
	2025	2024
Credit borrowings	$ 1,500,000	$ -
Long-term borrowings	$ 1,500,000	$ -
Interest rate	1.91%-2.39%	-
Due date	2032.11.26	-

14. BONDS PAYABLE

	December 31	
	2025	2024
Third domestic unsecured convertible bonds	$ 3,500,000	$ 3,500,000
Less: Discount on bonds payable	(179,424)	(241,677)
	3,320,576	3,258,323
Less: Current portion of bonds payable	(3,320,576)	-
	$ -	$ 3,258,323

The Corporation issued third domestic unsecured convertible bonds with a coupon rate of 0% on October 13, 2023. The face value of each bond was $100 thousand and was issued at 100.2% of the face value. The bonds issued 35,000 units at the total amount of $3,507,000 thousand, and the maturity period was five years.

Each bondholders has the right to convert one unit of bonds into ordinary shares at a price of $21.2 per share. If the subsequent conversion price encounters anti-dilution clauses, it will be adjusted in accordance with the conversion regulations. The conversion period is from January 14, 2024 to October 13, 2028. If the corporate bonds are not converted by then, they will be repaid in cash at maturity according to the face value of the bonds.

Other major clauses are as follows:

a. Put option of the bondholders

These convertible bonds could be sold back by bondholders three years after the issuance date (i.e., October 13, 2026). Bondholders may request the Corporation to redeem the convertible bonds at the price by adding interest compensation to the face value, which is 100.90% of the face value of the bonds (the real yield is 0.3%). If the Corporation accepts the request of sell-back, the Corporation shall redeem the convertible bonds in cash.

b. Redemption right of the Corporation

From the day after the three-month issuance of the convertible bonds (i.e., January 14, 2024) to the forty days before the expiration of the issuance period (i.e., September 3, 2028), if the closing price of the Corporation’s common stock exceeding the current conversion price by more than 30% (inclusive) for thirty consecutive business days, or when the outstanding balance of the convertible bonds is less than 10% of the original issuance amount, the Corporation may redeem the outstanding bonds in cash according to the face value of the bonds in accordance with the regulations.

These convertible bonds include liability and equity components. The equity component is presented as capital surplus - share option under equity. The effective interest rate initially recognized for the liability component was 1.9106%.

	Convertible Bonds
Proceeds from issuance (less transaction cost $5,729 thousands)	$ 3,501,272
Derivative instrument of redemption option and put option (listed as financial liabilities at fair value through profit or loss) and allocation of transaction cost recognized as profit or loss	(34,592)
Equity component (less allocation of transaction cost $462 thousand)	(282,688)
Liability component at issue date (less allocation of transaction cost $5,208 thousand)	3,183,992
Interest charged at an effective interest rate of 1.9106%	74,331
Liability component at December 31, 2024	3,258,323
Interest charged at an effective interest rate of 1.9106%	62,253
Liability component at December 31, 2025	$ 3,320,576

15. OTHER PAYABLES

	December 31	
	2025	2024
Payable for salaries and bonuses	$ 56,903	$ 54,803
Other payables - related parties (Note 23)	31,397	80,642
Payable for professional fee	6,709	7,278
Others	127,845	83,664
	$ 222,854	$ 226,387

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Corporation adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributes amounts at a certain percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plans were as follows:

	December 31	
	2025	**2024**
Present value of defined benefit obligation	$ 2,172	$ 849
Fair value of plan assets	-	-
Net defined benefit liabilities	$ 2,172	$ 849

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2025	$ 849	$ -	$ 849
Service cost			
Current service cost	1,193	-	1,193
Net interest expense	12	-	12
Recognized in profit or loss	1,205	-	1,205
Remeasurement			
Actuarial loss - changes in financial assumptions	54	-	54
Actuarial loss - experience adjustments	64	-	64
Recognized in other comprehensive income	118	-	118
Balance at December 31, 2025	$ 2,172	$ -	$ 2,172
Balance at January 1, 2024	$ 1,470	$ (6,984)	$ (5,514)
Service cost			
Current service cost	56	-	56
Net interest expense (income)	17	(80)	(63)
Recognized in profit or loss	73	(80)	(7)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(754)	(754)
Actuarial gain - changes in financial assumptions	(52)	-	(52)
Actuarial gain - experience adjustments	(642)	-	(642)
Recognized in other comprehensive income	(694)	(754)	(1,448)
Contributions from the employer	-	(91)	(91)
Liabilities extinguished on settlement	-	7,909	7,909
Balance at December 31, 2024	$ 849	$ -	$ 849

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	**2024**
Discount rate(s)	1.375%	1.500%
Expected rate(s) of salary increase	2.250%	2.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2025	**2024**
Discount rate(s)		
0.25% increase	$ (90)	$ (33)
0.25% decrease	$ 94	$ 34
Expected rate(s) of salary increase		
0.25% increase	$ 90	$ 33
0.25% decrease	$ (86)	$ (32)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	**2024**
The expected contributions to the plan for the next year	$ -	$ -
The average duration of the defined benefit obligation	16.8 years	15.5 years

The Corporation's other long-term employee benefits were $1,061 thousand and $1,143 thousand (included in the balance sheet under provisions - non-current) as of December 31, 2025 and 2024, respectively.

17. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	2,000,000	2,000,000
Shares authorized	$ 20,000,000	$ 20,000,000
Number of shares issued and fully paid (in thousands)	984,734	984,734
Shares issued	$ 9,847,336	$ 9,847,336
Surplus	8,529,343	8,529,343
	$ 18,376,679	$ 18,376,679

The issued ordinary shares, with a par value of NT$10, carry one voting right per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 8,529,343	$ 8,529,343
Treasury shares transactions	250,662	250,662
May be used to offset a deficit only (2)		
Changes in percentage of ownership interests in subsidiaries	107,235	107,235
Changes in interests in associates accounted for using the equity method	44,944	44,944
May not be used for any purpose		
Equity component of convertible bonds	282,688	282,688
Employee share options	22,141	22,141
	$ 9,237,013	$ 9,237,013

1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries and associates resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries and associates accounted for using the equity method.

c. Retained earnings and dividend policy

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

The Corporation may also opt to transfer retained earnings to capital and distribute share dividends to finance its working capital requirements and major investment plans, but the cash dividend payout ratio should be up to 20% of the total dividends to be distributed to ordinary shareholders. For the policies on distribution of compensation of employees and remuneration of directors, please refer to Note 18(g).

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

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2024 and 2023 were approved at the shareholders' meetings on May 28, 2025 and May 28, 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Appropriation (reversal) of special reserve	$ 100,196	$ (737)	$ -	$ -

The deficit compensation for 2025, which was proposed by the Company's Board of Directors on March 10, 2026, was as follows:

	Deficit Compensation
	For the Year Ended December 31, 2025
Unappropriated earnings at the beginning of the year	$ 4,029,642
Add: Remeasurement on defined benefit plan	56
Less: Net loss for the year	(4,148,725)
Accumulated deficit at the end of the year	$ (119,027)

The deficit compensation for 2025 is subject to approval at the shareholders' meeting to be held on May 26, 2026.

d. Treasury shares

(Shares in Thousands)

Purpose	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at December 31
2025				
Shares held by its subsidiary	14,735	-	-	14,735
2024				
Shares held by its subsidiary	14,735	-	-	14,735

The subsidiary, CS Development & Investment Co., acquired the Corporation's shares with book value of $290,088 thousand. As of December 31, 2025 and 2024, the market value of the treasury shares was $169,449 thousand and $187,130 thousand, respectively. A subsidiary holding treasury shares, shall have shareholders' rights, except that subsidiary holding over 50% of the shares has no rights to participate in any share issuance for cash and to vote.

18. LOSS BEFORE INCOME TAX

Net loss from continuing operations included the following:

a. Other income

	For the Year Ended December 31	
	2025	2024
Remuneration of directors and supervisors	$ 13,008	$ 11,115
Others	1,226	1,540
	$ 14,234	$ 12,655

b. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 21,570	$ 39,363

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Net gain (loss) on financial assets and liabilities at FVTPL	$ 46,749	$ (90,222)
Net foreign exchange (loss) gains	(8,778)	3,971
Others	(734)	(867)
	$ 37,237	$ (87,118)

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Bond interest	$ 62,253	$ 61,085
Interest expense	25,105	14,662
Interest on lease liabilities	74	-
	$ 87,432	$ 75,747

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	$ 91	$ 152
Right-of-use assets	415	-
Deferred expenses	478	13
	$ 984	$ 165
An analysis of depreciation by function		
Operating expenses	$ 506	$ 152
An analysis of amortization by function		
Operating expenses	$ 478	$ 13

f. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Post-employment benefits (Note 16)		
Defined contribution plans	$ 9,124	$ 2,635
Defined benefit plans	1,205	(7)
	10,329	2,628
Other employee benefits	88,305	63,583
Total employee benefit expense	$ 98,634	$ 66,211
An analysis of employee benefits expense by function		
Operating expenses	$ 98,634	$ 66,211

g. Compensation of employees and remuneration of directors

According to the amendments to the Corporation's Articles approved by the shareholders' meeting at May 28, 2025, the allocation ratio of employee compensation increased from 0.01%-3% of profit before income tax, before the deduction of employee compensation and directors' remuneration, to 0.1%-3%. Of the total amount of employee compensation, no less than 10% shall be distributed to non-executive employees. The allocation for director remuneration shall remain no more than 1%. When the Corporation has accumulated deficits, it shall reserve the deficit amount in advance, and then allocate compensation of employees and remuneration of directors based on aforementioned ratio.

For the years ended December 31, 2025 and 2024, the Corporation incurred loss before tax, and thus did not accrue compensation of employees and remuneration of directors. If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the following year.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2024 and 2023.

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

19. INCOME TAXES

a. Major components of income tax (benefit) expense recognized in profit or loss were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 1	$ 2,973
Adjustments for prior years	(5,984)	(9,722)
	(5,983)	(6,749)
Deferred tax		
In respect of the current year	(203,851)	121,512
Income tax (benefit) expense recognized in profit or loss	$ (209,834)	$ 114,763

A reconciliation of accounting profit and income tax (benefit) expense is as follows:

	For the Year Ended December 31	
	2025	2024
Net loss before income tax from current year	$ (4,358,559)	$ (2,598,108)
Income tax expense calculated at the statutory rate	$ (871,712)	$ (519,622)
Non-deductible expenses in determining taxable income	9,108	5,984
Tax-exempt income	513,644	(50,586)
Unrecognized deductible temporary differences	146,074	671,490
Tax (payable to) receivable from subsidiaries under the consolidated tax return system	(964)	17,219
Adjustments for prior years' tax	(5,984)	(9,722)
Income tax (benefit) expense recognized in profit or loss	$ (209,834)	$ 114,763

b. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax assets		
Tax receivable from subsidiaries under the consolidated tax return system	$ -	$ 18,015
Current tax liabilities		
Income tax payable	$ 16,008	$ 41,656
Tax payable to subsidiaries under the consolidated tax return system	964	796
	$ 16,972	$ 42,452

c. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities are as follows:

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Investments loss accounted for using the equity method	$ -	$ 335,341	$ 335,341
Deferred tax liabilities			
Temporary differences			
Unappropriated earnings of subsidiaries	$ 3,205,101	$ 132,313	$ 3,337,414
Others	884	(823)	61
	$ 3,205,985	$ 131,490	$ 3,337,475

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Others	$ 112	$ (112)	$ -
Deferred tax liabilities			
Temporary differences			
Unappropriated earnings of subsidiaries	$ 3,084,585	$ 120,516	$ 3,205,101
Others	-	884	884
	$ 3,084,585	$ 121,400	$ 3,205,985

d. Significant items for which no deferred tax assets have been recognized

	December 31	
	2025	2024
Investments loss accounted for using the equity method	$ 16,947,917	$ 13,130,456

e. Income tax assessments

Income tax returns through 2022, had been assessed by the tax authorities.

20. LOSS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2025	2024
Basic loss per share		
Total basic loss per share	$ (4.28)	$ (2.80)
Diluted loss per share		
Total diluted loss per share	$ (4.28)	$ (2.80)

The loss and weighted average number of ordinary shares used in the computation of loss per share were as follows:

Net Loss for the Year

	For the Year Ended December 31	
	2025	2024
Loss attributable to owners of the Corporation	$ (4,148,725)	$ (2,712,871)
Effect of potentially dilutive ordinary shares:		
Compensation of employees	-	-
Net loss used to calculate diluted loss per share	$ (4,148,725)	$ (2,712,871)

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic loss per share	969,999	969,999
Effect of potentially dilutive ordinary shares:		
Compensation of employees	-	-
Weighted average number of ordinary shares used in the computation of diluted loss per share	969,999	969,999

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

For the years ended December 31, 2025 and 2024, one of the components used in the computation of diluted earnings per share was a net loss. Therefore, it caused an anti-dilutive effect and was excluded from the computation of diluted earnings per share.

21. CAPITAL MANAGEMENT

The Corporation manages and maintains sufficient capital to expand operations and meet related capital expenditure. The Corporation manages its capital to maintain the profitability and financial structure, and ensure that it has sufficient financial resources to fund its working capital, capital expenditures, debt repayments and the payment of dividends to shareholders.

22. FINANCIAL INSTRUMENTS

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

Except those listed in the table below, the disclosures of fair value are not required for financial instruments that are not measured at fair value with carrying value approximating fair value.

December 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 3,320,576	$ -	$ -	$ 3,319,750	$ 3,319,750

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 3,258,323	$ -	$ -	$ 3,225,950	$ 3,225,950

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

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 3,712,122	$ -	$ -	$ 3,712,122
Domestic unlisted shares	-	-	511,390	511,390
	$ 3,712,122	$ -	$ 511,390	$ 4,223,512
Financial liabilities at FVTPL				
Derivative instrument - redemption option and put option of convertible bonds	$ -	$ -	$ 83,300	$ 83,300

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	$ 202,178	$ -	$ -	$ 202,178
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 4,979,476	$ -	$ -	$ 4,979,476
Domestic unlisted shares	-	-	660,255	660,255
	$ 4,979,476	$ -	$ 660,255	$ 5,639,731
Financial liabilities at FVTPL				
Derivative instrument - redemption option and put option of convertible bonds	$ -	$ -	$ 129,500	$ 129,500

No transfers between Levels 1 and 2 in 2025 and 2024.

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

For the year ended December 31, 2025

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2025	$ -	$ 660,255	$ 660,255
Recognized in other comprehensive loss (included in unrealized loss on financial assets at FVTOCI)	-	(80,932)	(80,932)
Return of capital from capital reduction	-	(67,933)	(67,933)
Balance at December 31, 2025	$ -	$ 511,390	$ 511,390

Financial Liabilities	Financial Liabilities at FVTPL	Financial Liabilities at FVTOCI	Total
Balance at January 1, 2025	$ 129,500	$ -	$ 129,500
Recognized in loss (other gains and losses)	(46,200)	-	(46,200)
Balance at December 31, 2025	$ 83,300	$ -	$ 83,300

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2024	$ -	$ 611,694	$ 611,694
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	48,561	48,561
Balance at December 31, 2024	$ -	$ 660,255	$ 660,255

Financial Liabilities	Financial Liabilities at FVTPL	Financial Liabilities at FVTOCI	Total
Balance at January 1, 2024	$ 37,100	$ -	$ 37,100
Recognized in loss (other gains and losses)	92,400	-	92,400
Balance at December 31, 2024	$ 129,500	$ -	$ 129,500

3) Valuation techniques and inputs applied for Level 3 fair value measurement

	Fair Value at December 31, 2025	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI					
Equity instruments	$ 511,390	Market approach	P/B Lack of liquidity discount	1.13 20%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value
		Balance sheet method	Lack of liquidity discount	10%	When the higher lack of liquidity discount, the lower of fair value
Financial liabilities at FVTPL - redemption option and put option of convertible bonds	83,300	Binomial option pricing model	Volatility	34.45%	When the higher the volatility, the higher of fair value

	Fair Value at December 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI					
Equity instruments	$ 660,255	Market approach	P/B Lack of liquidity discount	1.05 20%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value
		Balance sheet method	Lack of liquidity discount	10%	When the higher lack of liquidity discount, the lower of fair value
Financial liabilities at FVTPL - redemption option and put option of convertible bonds	129,500	Binomial option pricing model	Volatility	19.98%	When the higher the volatility, the higher of fair value

c. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
Mandatorily classified as at FVTPL (1)	$ -	$ 202,178
Financial assets at amortized cost (2)	1,418,601	1,837,895
Financial assets at FVTOCI (3)	4,223,512	5,639,731
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	83,300	129,500
Financial liabilities at amortized cost (4)	5,043,430	4,284,469

1) The balances included financial assets at fair value through profit or loss - current.

2) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, other financial assets - current, and other financial assets - non-current.

3) The balances included financial assets at fair value through other comprehensive income - current and financial assets at fair value through other comprehensive income - non-current.

4) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, other payables, bonds payable (included current portion) and long-term borrowings.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include investments in equity and debt securities, beneficiary certificates, borrowings and bonds payable. The Corporation's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

There had been no change to the Corporation's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 25.

<u>Sensitivity analysis</u>

The Corporation was mainly exposed to the U.S. dollars.

The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts the translation at the end of the reporting period for a 1% change in foreign currency rates. Had the New Taiwan dollars strengthened/weakened by 1% against U.S. dollars, the Corporation's pre-tax loss for the years ended December 31, 2025 and 2024 would increase/decrease by $1,899 thousand and $5,915 thousand, respectively.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk. The exposure at the end of the reporting period did not reflect the exposure during the period because sales are seasonal.

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation holds financial assets and liabilities at floating interest rates.

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

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial assets	$ 1,211,309	$ 1,631,325
Financial liabilities	4,821,716	4,058,082
Cash flow interest rate risk		
Financial assets	153,791	193,612

Sensitivity analysis

The sensitivity analyses below were determined based on the Corporation's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Corporation's pre-tax loss for the years ended December 31, 2025 and 2024 would decrease/increase by $769 thousand and $968 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments. The Corporation adopted sensitivity analysis to measure the equity price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would increase/decrease by $211,176 thousand and $281,987 thousand, respectively, as a result of the changes in financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which will cause a financial loss to the Corporation due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

3) Liquidity risk

The Corporation manages liquidity risk by maintaining a level of cash and cash equivalents, high liquidity in securities, and adequate reserves for bank loan facilities, deemed adequate to ensure the Corporation maintain enough financial flexibility. For the years ended December 31, 2025 and 2024, the amounts of unused financing facilities were $6,622,830 thousand and $9,458,875 thousand, respectively.

Liquidity and interest risk rate tables

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables excluded interest cash flows.

December 31, 2025

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 222,854	$ -	$ -	$ -	$ 222,854
Lease liabilities	567	567	95	-	1,229
Fixed interest rate borrowings	-	1,200,000	200,000	100,000	1,500,000
	$ 223,421	$ 1,200,567	$ 200,095	$ 100,000	$ 1,724,083

Additional information about the maturity analysis for total financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years	Total
Lease liabilities	$ 567	$ 662	$ -	$ -	$ -	$ 1,229
Fixed interest rate borrowings	-	1,400,000	100,000	-	-	1,500,000
	$ 567	$ 1,400,662	$ 100,000	$ -	$ -	$ 1,501,229

December 31, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 226,387	$ -	$ -	$ -	$ 226,387
Fixed interest rate borrowings	799,759	-	-	-	799,759
	$ 1,026,146	$ -	$ -	$ -	$ 1,026,146

Additional information about the maturity analysis for total financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years	Total
Fixed interest rate borrowings	$ 799,759	$ -	$ -	$ -	$ -	$ 799,759

23. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and related parties are disclosed below.

a. The Corporation's related parties and their relationship

Related Party Name	Relationship with the Corporation
CS Development & Investment Co.	Subsidiary
Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary
Yun Cheng Investment Corporation	Subsidiary
Circular Commitment Company	Subsidiary
Continental Carbon Company (CCC)	Subsidiary
TCC Group Holdings Co., Ltd.	Same key management personnel
TCC Green Energy Corporation	Same key management personnel
TCC Asset Management & Development Corporation	Same key management personnel
Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation (Dr. Cecilia Koo Foundation)	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
L'Hotel De Chine Corporation	Management personnel in substance
OYAK Synthetic Carbon Products Industry and Trade Corporation (OYAK Synthetic Carbon)	Joint venture (Note)

Note: OYAK Synthetic Carbon is a 100% owned subsidiary of the joint venture company, Continental Carbon OYAK (Netherlands) B.V.

b. Operating transactions

The prices and payment terms were comparable with those for third parties. Rental of lease agreements with related parties was based on market price and the payment terms were determined at general condition.

	Service Fee Revenue	
	For the Year Ended December 31	
	2025	2024
Subsidiaries	$ 37,826	$ 51,892

	General and Administrative Expenses	
	For the Year Ended December 31	
	2025	2024
Same key management personnel	$ 5,620	$ 5,633
Management personnel in substance	35	211
	$ 5,655	$ 5,844

	Other Income	
	For the Year Ended December 31	
	2025	2024
Subsidiaries	$ 389	$ 431

	Other Receivable (Included in Other Financial Assets - Current)	
	December 31	
	2025	2024
Linyuan Advanced Materials Technology Co., Ltd.	$ 41,787	$ -
CCC	7,743	11,143
OYAK Synthetic Carbon	2,212	-
Same key management personnel	20	12
Subsidiaries	-	1
	$ 51,762	$ 11,156

	Other Payables	
	December 31	
	2025	2024
Dr. Cecilia Koo Foundation	$ 28,000	$ 28,000
Linyuan Advanced Materials Technology Co., Ltd.	3,073	52,221
Same key management personnel	324	377
Management personnel in substance	-	44
	$ 31,397	$ 80,642

c. Endorsements/guarantees provided

Information about endorsements/guarantees provided to subsidiary, please refer to Table 2.

d. Compensation of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	$ 23,979	$ 21,120
Post-employment benefits	108	108
	$ 24,087	$ 21,228

The compensation of directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

24. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, please refer to Note 36 to the consolidated financial statements.

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 6,043	31.4300 (USD:NTD)	$ 189,946
Non-monetary items			
Investments in subsidiaries accounted for using the equity method			
USD	667,851	31.3400 (USD:NTD)	$ 20,990,569

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 18,043	32.7850 (USD:NTD)	$ 591,530
Non-monetary items			
Investments in subsidiaries accounted for using the equity method			
USD	678,739	32.7850 (USD:NTD)	$ 22,252,458

The significant foreign exchange gains (losses) were as follows:

	2025		2024	
Foreign Currencies	Average Exchange Rate	Net Foreign Exchange (Losses) Gains	Average Exchange Rate	Net Foreign Exchange (Losses) Gains
USD	31.1800 (USD:NTD)	$ (8,778)	32.1120 (USD:NTD)	$ 3,971

26. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Significant marketable securities held. (Table 3)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

6) Information on investees. (Table 6)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (None)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services. (None)

TABLE 1

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	CSRC China Corporation	CSRC China (Anshan) Corporation	Other receivables from related parties	Yes	$ 685,950 (RMB 150,000)	$ -	$ -	-	Short-term financing	$ -	Operating capital	$ -	-	$ -	$ 367,426 (Note 1)	$ 734,852 (Note 1)	-
		CSRC China (Chongqing) Corporation	Other receivables from related parties	Yes	91,460 (RMB 20,000)	-	-	-	Short-term financing	-	Operating capital	-	-	-	367,426 (Note 1)	734,852 (Note 1)	-
2	Synpac (North Carolina), Inc.	Continental Carbon Company	Other receivables from related parties	Yes	2,953,800 (US$ 90,000)	942,900 (US$ 30,000)	691,460 (US$ 22,000)	5.90%	Short-term financing	-	Operating capital	-	-	-	20,346,231 (Note 2)	40,692,462 (Note 2)	-
		CCC Transport Company	Other receivables from related parties	Yes	332,050 (US$ 10,000)	314,300 (US$ 10,000)	282,870 (US$ 9,000)	5.97%	Short-term financing	-	Operating capital	-	-	-	20,346,231 (Note 2)	40,692,462 (Note 2)	-
		CCC Dutch B.V.	Other receivables from related parties	Yes	1,909,288 (US$ 57,500)	1,807,225 (US$ 57,500)	1,807,225 (US$ 57,500)	4.47%-4.54%	Short-term financing	-	Operating capital	-	-	-	20,346,231 (Note 2)	40,692,462 (Note 2)	-
		SVC Management, LLC	Other receivables from related parties	Yes	1,477,210 (US$ 47,000)	1,477,210 (US$ 47,000)	1,477,210 (US$ 47,000)	4.47%-4.65%	Short-term financing	-	Operating capital	-	-	-	20,346,231 (Note 2)	40,692,462 (Note 2)	-
		CSRC (BVI) Ltd.	Other receivables from related parties	Yes	1,992,300 (US$ 60,000)	1,885,800 (US$ 60,000)	1,885,800 (US$ 60,000)	4.54%	Short-term financing	-	Operating capital	-	-	-	20,346,231 (Note 2)	40,692,462 (Note 2)	-
3	CSRC (Singapore) Pte. Ltd.	Continental Carbon Eco Tech Pvt. Ltd.	Other receivables from related parties	Yes	1,493,500 (US$ 50,000)	1,571,500 (US$ 50,000)	-	-	Short-term financing	-	Operating capital	-	-	-	11,936,409 (Note 3)	23,872,817 (Note 3)	-

Note 1: The financing limit of financing provided by CSRC China (Chongqing), CSRC China and CSRC China (Anshan) to direct and indirect wholly owned subsidiaries of the Corporation for each borrower is 200% of the lender’s net equity on its latest financial statements. The aggregate financing limit is 400% of the lender’s net equity on its current financial statements.

Note 2: The financing limit of financing provided by Synpac (North Carolina), Inc. to direct and indirect wholly owned subsidiaries of the Corporation for each borrower is 150% of the lender’s net equity on its latest financial statements. The aggregate financing limit is 300% of the lender’s net equity on its latest financial statements.

Note 3: The financing limit of financing provided by CSRC (Singapore) Pte. Ltd. to direct and indirect wholly owned subsidiaries of the Corporation for each borrower is 150% of the lender’s net equity on its latest financial statements. The aggregate financing limit is 300% of the lender’s net equity on its latest financial statements.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	International CSRC Investment Holdings Co., Ltd.	Consolidated Resource Co.	Note 1	$ 24,132,117	$ 75,000	$ 75,000	$ -	$ -	0.31%	$ 36,198,176 (Note 3)	Yes	No	No	-
		CS Development & Investment Co.	Note 1		150,000	140,000	-	-	0.58%		Yes	No	No	-
		Continental Carbon India Pvt. Ltd.	Note 1		1,434,827	1,421,428	348,358	-	5.89%		Yes	No	No	-
		Continental Carbon Eco Tech Pvt. Ltd.	Note 1		4,449,466	4,447,464	2,503,423	-	18.43%		Yes	No	No	-
		Continental Carbon Company	Note 1		10,321,890	6,631,730	4,777,360	-	27.48%		Yes	No	No	-
		CSRC (Singapore) Pte. Ltd.	Note 1		785,750	785,750	-	-	3.26%		Yes	No	No	-
		CSRC China Corporation	Note 1		4,705,803	3,398,220	1,555,338	-	14.08%		Yes	No	Yes	-
		CSRC China (Chongqing) Corporation	Note 1		1,952,610	-	-	-	-		Yes	No	Yes	-
		CSRC China (Anshan) Corporation	Note 1		2,683,498	-	-	-	-		Yes	No	Yes	-
		Yun Cheng Investment Corporation	Note 1		150,000	150,000	-	-	0.62%		Yes	No	No	-

Note 1: Subsidiary in which the Corporation directly or indirectly owns more than 50% of its voting shares.

Note 2: For guarantees provided to a counter-party which a business relationship exists with the Corporation, the endorsement guarantee amount is limited up to 50% of total transaction amounts in the recent year. In addition, the limit on endorsement guarantee is up to 100% of the Corporation’s net equity based on latest financial statements.

Note 3: The aggregate endorsement/guarantee amount of the Corporation is limited to 150% of its net equity based on its latest financial statements.

TABLE 3

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)	
International CSRC Investment Holdings Co., Ltd.	Ordinary share(s)							
	China Steel Chemical Corporation	The Corporation is one of its directors	Financial assets at FVTOCI - current	11,759,096	$ 800,794	4.96	$ 800,794	-
	TCC Group Holdings Co., Ltd.	Same with key management personnel	Financial assets at FVTOCI - non-current	113,896,285	2,642,394	1.51	2,642,394	-
	Videoland Television Network	-	Financial assets at FVTOCI - non-current	6,437,457	363,652	5.64	363,652	-
CS Development & Investment Co.	Ordinary share(s)							
	TCC Group Holdings Co., Ltd.	Same with key management personnel	Financial assets at FVTOCI - non-current	30,860,136	715,955	0.41	715,955	-

Note 1: Listed shares were measured by closing price of December 31, 2025. Unlisted shares, emerging market shares were measured by valuation techniques and inputs applied for Level 3 fair value, please refer to Note 22.

Note 2: The table only discloses marketable securities with a carrying amount of $300,000 thousand or above.

TABLE 4

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts/Trade Receivable (Payables)			Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% to Total	
Linyuan Advanced Materials Technology Co., Ltd.	China Steel Chemical Corporation	The Corporation is one of its directors	Purchase	$ 802,601	36	Payable on the 15th of the next month	$ -	-	Trade payables	$ (73,617)	(28)	-
Continental Carbon Company	Continental Carbon Company Europe SPRL	Same ultimate parent company	Sale	738,793	15	Receivable on the 120th day	-	-	Accounts receivable	223,394	21	-
Continental Carbon Company Europe SPRL	Continental Carbon Company	Same ultimate parent company	Purchase	738,793	95	Payable on the 120th day	-	-	Trade payables	(223,394)	(100)	-

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
Synpac (North Carolina), Inc.	Continental Carbon Company	Same ultimate parent company	Other receivable	$ 698,375	Note	$ -	-	$ -	$ -
	CCC Transport Company	Same ultimate parent company	Other receivable	283,771	Note	-	-	-	-
	CCC Dutch B.V.	Same ultimate parent company	Other receivable	1,814,065	Note	-	-	10,940	-
	SVC Management, LLC	Same ultimate parent company	Other receivable	1,479,047	Note	-	-	1,932	-
	CSRC (BVI) Ltd.	Same ultimate parent company	Other receivable	1,898,523	Note	-	-	21,879	-
Continental Carbon Company	Continental Carbon Company Europe SPRL	Same ultimate parent company	Accounts receivable	223,394	3.71	-	-	44,180	-

Note: It was the transaction resulting from financing provided to others (including interest).

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, U.S. Dollars and EUR)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee (Note 1)	Share of Profits (Loss) (Note 1)	Note
				December 31, 2025 (Note 1)	December 31, 2024 (Note 1)	Shares	%	Carrying Amount (Note 1)			
International CSRC Investment Holdings Co., Ltd.	CSRC (BVI) Ltd.	B.V.I.	Investment	$ 20,386,125	$ 18,886,066	665,990,790	100.00	$ 6,240,526	$ (1,287,251)	$ (1,286,221)	Subsidiary
	CS Development & Investment Co.	Taipei, Taiwan	Investment	198,569	198,569	45,178,600	100.00	1,313,439	(16,098)	(16,098)	Subsidiary
	Consolidated Resource Co.	Taipei, Taiwan	Carbon masterbatch and carbon black processing and sales	195,878	195,878	164,440	100.00	265,712	58,920	58,920	Subsidiary
	Linyuan Advanced Materials Technology Co., Ltd.	Kaohsiung, Taiwan	Carbon black production and sales	1,600,100	1,600,100	135,986,110	100.00	2,058,131	(260,365)	(262,097)	Subsidiary
	Circular Commitment Company	Taipei, Taiwan	Biotechnology services and investment	90,000	90,000	9,000,000	100.00	143,667	(36,371)	(36,371)	Subsidiary
	CCC Dutch B.V.	Dutch	Investment	263,668	172,290	50,000	100.00	(391,169)	(37,639)	(37,639)	Subsidiary
	CSRC Alpha, Inc.	U.S.A.	Investment	142,131	-	3,000	100.00	130,273	(7,331)	(7,331)	Subsidiary
	Yun Cheng Investment Corporation	Taipei, Taiwan	Investment	991,041	991,041	52,173,842	94.69	1,316,863	(28,415)	(26,906)	Subsidiary
	Synpac (North Carolina), Inc.	U.S.A.	Investment	3,053,037	3,053,037	11,500,000	88.46	11,998,851	498,580	441,044	Subsidiary
	Synpac Ltd.	B.V.I.	Investment	211,425	211,425	8,100,000	75.00	23,120	532	399	Subsidiary
	CCC USA Corp.	U.S.A.	Investment	3,066,826	3,066,826	158,334	66.67	2,597,799	(1,232,310)	(739,239)	Subsidiary
	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sales	3,963,684	3,963,684	388,962,582	13.67	986,727	(18,238,028)	(2,492,970)	Associate
CSRC (BVI) Ltd.	CSRC (Singapore) Pte. Ltd.	Singapore	Investment	US$ 713,491 ≒ 22,425,022	US$ 674,302 ≒ 21,193,312	973,102,802	100.00	US$ 253,185 ≒ 7,957,605	US$ (38,622) ≒ (1,204,234)	Note 2	Subsidiary
	Continental Carbon Eco Tech Pvt. Ltd.	India	Carbon black production and sales	US$ - ≒ 2	US$ - ≒ 2	335	0.01	US$ - ≒ -	(US$ 23,016) ≒ (717,639)	Note 2	Subsidiary
CSRC (Singapore) Pte. Ltd.	Continental Carbon India Pvt. Ltd.	India	Carbon black production and sales	US$ 96,949 ≒ 3,047,107	US$ 96,949 ≒ 3,047,107	408,390,634	100.00	US$ 17,203 ≒ 540,690	US$ (5,820) ≒ (181,468)	Note 2	Subsidiary
	Continental Carbon Eco Tech Pvt. Ltd.	India	Carbon black production and sales	US$ 314,300 ≒ 9,878,449	US$ 301,611 ≒ 9,479,634	2,373,064,884	99.99	US$ 217,843 ≒ 6,846,805	US$ (23,016) ≒ (717,639)	Note 2	Subsidiary
CS Development & Investment Co.	SVC Services, LLC	U.S.A.	Investment service	4	4	-	99.90	22,685	-	Note 2	Subsidiary
	SVC Management, LLC	U.S.A.	Investment consultation	8,885	8,885	-	99.90	734,323	43,322	Note 2	Subsidiary
	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sales	105,046	105,046	10,583,923	0.37	26,732	(18,238,028)	Note 2	Associate
	Yun Cheng Investment Corporation	Taipei, Taiwan	Investment	10,775	10,775	183,066	0.33	4,589	(28,415)	Note 2	Subsidiary
Consolidated Resource Co.	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sales	1,685	1,685	166,631	0.01	432	(18,238,028)	Note 2	Associate
Circular Commitment Company	Synpac GP Corporation	U.S.A.	Investment	602	602	1,000	100.00	817	10	Note 2	Subsidiary
Synpac GP Corporation	SVC Services, LLC	U.S.A.	Investment service	US$ 1 ≒ 31	US$ 1 ≒ 31	-	0.10	US$ 1 ≒ 31	US$ - ≒ -	Note 2	Subsidiary
	SVC Management, LLC	U.S.A.	Investment consultation	US$ 11 ≒ 346	US$ 11 ≒ 346	-	0.10	US$ 23 ≒ 723	US$ 1,389 ≒ 43,322	Note 2	Subsidiary
Yun Cheng Investment Corporation	Synpac (North Carolina), Inc.	U.S.A.	Investment	150,000	150,000	1,500,000	11.54	1,636,177	498,580	Note 2	Subsidiary
Synpac (North Carolina), Inc.	Synpac Venture Capital, L.P.	U.S.A.	Investment	US$ 2,250 ≒ 70,718	US$ 2,250 ≒ 70,718	-	99.90	US$ 158,421 ≒ 4,979,172	US$ 6,103 ≒ 190,292	Note 2	Subsidiary
SVC Management, LLC	Synpac Venture Capital, L.P.	U.S.A.	Investment	US$ 2 ≒ 63	US$ 2 ≒ 63	-	0.10	US$ 8,012 ≒ 251,817	US$ 6,103 ≒ 190,292	Note 2	Subsidiary
CCC USA Corp.	Continental Carbon Company	U.S.A.	Carbon black production and sales	US$ 204,000 ≒ 6,411,720	US$ 204,000 ≒ 6,411,720	151,300	100.00	US$ 148,864 ≒ 4,678,796	US$ (38,861) ≒ (1,211,686)	Note 2	Subsidiary
	CCC Transport Company	U.S.A.	Carbon black transport	US$ 10 ≒ 314	US$ 10 ≒ 314	10,000	100.00	US$ (2,496) ≒ (78,449)	US$ (259) ≒ (8,076)	Note 2	Subsidiary
	Continental Carbon Nanotechnologies, Inc.	U.S.A.	Carbon nanotubes production and sales	US$ 6,200 ≒ 194,866	US$ 6,200 ≒ 194,866	1,000	100.00	US$ 731 ≒ 22,975	US$ - ≒ -	Note 2	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount: December 31, 2025 (Note 1)	Original Investment Amount: December 31, 2024 (Note 1)	As of December 31, 2025: Shares	As of December 31, 2025: %	As of December 31, 2025: Carrying Amount (Note 1)	Net Income (Loss) of the Investee (Note 1)	Share of Profits (Loss) (Note 1)	Note
Continental Carbon Company	Continental Carbon Company Europe SPRL	Belgium	Carbon black sales	US$ 24 ≒ 754	US$ 24 ≒ 754	1,000	100.00	US$ 124 ≒ 3,897	US$ 428 ≒ 13,345	Note 2	Subsidiary
	Eco CSRC Infinic, LLC	U.S.A.	Carbon black production and sales	US$ 8,500 ≒ 267,155	US$ - ≒ -	-	14.00	US$ 8,343 ≒ 262,229	US$ (1,120) ≒ (34,922)	Note 2	Joint venture
CCC Dutch B.V.	Continental Carbon OYAK (Netherlands) B.V.	Dutch	Investment	US$ 60,000 ≒ 1,885,800	US$ 60,000 ≒ 1,885,800	27	50.00	EUR 38,440 ≒ 1,418,428	EUR (9,329) ≒ (328,193)	Note 2	Joint venture
CSRC Alpha, Inc.	Eco CSRC Infinic, LLC	U.S.A.	Carbon black production and sales	US$ 4,375 ≒ 137,506	US$ - ≒ -	-	21.00	US$ 4,140 ≒ 130,116	US$ (1,120) ≒ (34,922)	Note 2	Joint venture

Note 1: The average exchange rates for the year ended December 31, 2025 were US$1=NT$31.180, EUR1=NT$35.180; the exchange rates on December 31, 2025 were US$1=NT$31.430, EUR1=NT$36.900.

Note 2: The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

(Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outflow	Inflow							
CSRC China Corporation	Carbon black production and sales	US$ 30,000 ≒ 942,900	Indirect	US$ 56,441 ≒ 1,773,941	$ -	$ -	US$ 56,441 ≒ 1,773,941	US$ (5,495) ≒ (171,334) (Note 1)	100.00	US$ (5,520) ≒ (172,114) (Note 1)	US$ 5,813 ≒ 182,703	$ -	Note 5
CSRC China (Anshan) Corporation	Carbon black production and sales	US$ 118,850 ≒ 3,735,456	Indirect	US$ 137,750 ≒ 4,329,483	US$ 31,500 ≒ 990,045	-	US$ 169,250 ≒ 5,319,528	US$ (2,873) ≒ (89,580) (Note 1)	100.00	US$ (2,873) ≒ (89,580) (Note 1)	US$ 1,663 ≒ 52,268	-	Note 6
CSRC China (Chongqing) Corporation	Carbon black production and sales	US$ 67,000 ≒ 2,105,810	Indirect	US$ 67,000 ≒ 2,105,810	-	-	US$ 67,000 ≒ 2,105,810	US$ (1,514) ≒ (47,207) (Note 2)	-	US$ (1,514) ≒ (47,207) (Note 2)	-	-	Note 2

	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA (Note 4)
International CSRC Investment Holdings Co., Ltd.	$ 9,199,279	$ 9,752,446 (US$ 310,291)	$ 14,479,270

Note 1: For the years ended December 31, 2025 and 2024, the Corporation had an average of 52 and 41 employees, respectively. The number of non-employee directors was 9 for both years, and the calculation basis was consistent with employee benefits expense.

Note 2: The investee was disposed of on April 10, 2025, and the gain or loss on the investment was recognized based on the financial statements that had not been audited by the Corporation’s auditors prior to the disposal.

Note 3: Except for the profit (loss) in the current period which was based on the average exchange rate for the year ended December 31, 2025 (US$1=NT$31.180); the rest of the amounts were based on the exchange rate on December 31, 2025 (US$1=NT$31.430).

Note 4: The investment limit is 60% of the Corporation’s net equity.

Note 5: On November 4, 2025, the Board of Directors resolved to approve a capital reduction of US$23,500 thousand to offset accumulated deficit. After the capital reduction, the paid-in capital amounted to US$30,000 thousand.

Note 6: On March 11, 2025, the Board of Directors resolved to cease operations and proceed with dissolution and liquidation, and this decision meets the criteria of discontinued operations. See note 11. In addition, on November 7, 2025, the Board of Directors resolved to approve a capital reduction of US$62,500 thousand to offset accumulated deficit. After the capital reduction, the paid-in capital amounted to US$118,850 thousand.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Checking accounts and demand deposits	$ 51,631
Foreign currency deposits (Note 1)	102,160
Cash equivalents - time deposits	400,000
Cash equivalents - repurchase agreement collateralized by commercial papers (Note 2)	691,309
Cash on hand	50
	$ 1,245,150

Note 1: US$3,250 thousand, translated at the exchange rate of US$1=NT$31.430.

Note 2: Expired on January 30, 2026; interest rate at 1.31%-3.70%.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT FVTOCI - CURRENT
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Name	Number of Shares	Par Value (Dollars)	Total Amount	Cost of Acquisition	Fair Value		Note
					Unit Price	Total Amount	
Domestic listed shares							
China Steel Chemical Corporation	11,759,096	$10	$ 117,591	$ 88,673	$68.1	$ 800,794	-

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Name	January 1, 2025		Increase (Decrease) During the Year		Unrealized Gain (Loss) on Financial Instruments	December 31, 2025		Note	Collateral
	Number of Shares	Fair Value	Shares	Cost		Number of Shares	Fair Value		
Domestic listed shares									
TCC Group Holdings Co., Ltd. - ordinary shares	113,896,285	$ 3,610,512	-	$ -	$ (968,118)	113,896,285	$ 2,642,394	-	Nil
TCC Group Holdings Co., Ltd. - preferred shares	2,000,000	93,200	-	-	(2,400)	2,000,000	90,800	-	Nil
O-Bank - ordinary shares	19,489,522	192,751	-	-	(14,617)	19,489,522	178,134	-	Nil
		3,896,463		-	(985,135)		2,911,328		
Domestic unlisted ordinary shares									
China Investment Co., Ltd.	8,491,677	283,792	(6,793,342)	(67,933)	(68,121)	1,698,335	147,738	Note	Nil
Videoland Television Network	6,437,457	376,463	-	-	(12,811)	6,437,457	363,652	-	Nil
		660,255		(67,933)	(80,932)		511,390		
		$ 4,556,718		$ (67,933)	$ (1,066,067)		$ 3,422,718		

Note: The decrease for the year was due to a capital reduction through the refund of share capital.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Par Value	Balance, January 1, 2025			Increase During the Year		Decrease During the Year		Share of Profit or Loss of Subsidiaries and Associates Accounted for Using the Equity Method	Equity Adjustment	Dividends Distributed by Subsidiaries	Balance, December 31, 2025			Market Price or Net Asset Value		Note
		Shares	Ownership	Amount	Shares	Amount	Shares	Amount				Shares	Ownership	Amount	Unit Price	Amount	
Unlisted Corporation																	
CSRC (BVI) Ltd.	US$ 1	620,301,693	100.00	$ 6,691,932	45,689,097	$ 1,500,059	-	$ -	$ (1,286,221)	$ (665,244)	$ -	665,990,790	100.00	$ 6,240,526	9.37	$ 6,239,344	
CS Development & Investment Co.	10	45,178,600	100.00	1,665,075	-	-	-	-	(16,098)	(295,181)	(40,357)	45,178,600	100.00	1,313,439	32.82	1,482,888	
Consolidated Resource Co.	1,000	164,440	100.00	230,353	-	-	-	-	58,920	(16,848)	(6,713)	164,440	100.00	265,712	1,615.86	265,712	
Linyuan Advanced Materials Technology Co., Ltd.	10	135,986,110	100.00	2,508,826	-	-	-	-	(262,097)	3,402	(192,000)	135,986,110	100.00	2,058,131	15.12	2,056,379	
Circular Commitment Company	10	9,000,000	100.00	224,597	-	-	-	-	(36,371)	(34)	(44,525)	9,000,000	100.00	143,667	15.96	143,667	
CCC Dutch B.V.	EUR 1	50,000	100.00	(231,832)	-	91,378	-	-	(37,639)	(213,076)	-	50,000	100.00	(391,169)	(7,823.38)	(391,169)	
CSRC Alpha, Inc.	US$ 1	-	100.00	-	3,000	142,131	-	-	(7,331)	(4,527)	-	3,000	100.00	130,273	43,424.33	130,273	
Yun Cheng Investment Corporation	10	52,173,842	94.69	1,423,296	-	-	-	-	(26,906)	(79,527)	-	52,173,842	94.69	1,316,863	25.24	1,316,863	
Synpac (North Carolina) Inc.	US$ 1	11,500,000	88.46	12,052,395	-	-	-	-	441,044	(494,588)	-	11,500,000	88.46	11,998,851	1,043.38	11,998,851	
Synpac Ltd.	US$ 1	8,100,000	75.00	23,697	-	-	-	-	399	(976)	-	8,100,000	75.00	23,120	2.85	23,120	
CCC USA Corp.	US$ 0.01	158,334	66.67	3,484,434	-	-	-	-	(739,239)	(147,396)	-	158,334	66.67	2,597,799	16,407.08	2,597,799	
TCC Recycle Energy Technology Company	10	388,962,582	13.67	3,481,476	-	-	-	-	(2,492,970)	(1,779)	-	388,962,582	13.67	986,727	2.09	811,503	
				$ 31,554,249		$ 1,733,568		$ -	$ (4,404,509)	$ (1,915,774)	$ (283,595)			$ 26,683,939		$ 26,675,230	

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

					Amount						
Item	**Contract Organization**	**Issuing Date**	**Interest Date**	**Annual Interest Rate**	**Amount Issued**	**Amount Repaid**	**Ending Balance**	**Unamortized Bond (Discount) Premium**	**Carrying Amount**	**Reimbursement**	**Collateral**
Domestic corporate bonds											
Year 2023 third domestic unsecured convertible bonds	CTBC Bank Co., Ltd.	2023.10.13	-	-	$ 3,500,000	$ -	$ 3,500,000	$ (179,424)	$ 3,320,576	Repayment upon maturity	Nil
Less: Current portion of bonds payable									(3,320,576)		
									$ -		

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Lender	Description	Amount	Duration	Annual Interest Rate	Pledged as Collateral
CTBC Bank Co., Ltd.	Credit borrowings	$ 700,000	2025.10.31-2027.10.31	2.39%	Nil
Taishin International Bank Co., Ltd.	Credit borrowings	200,000	2025.10.31-2029.10.30	2.15%	Nil
KGI Bank Co., Ltd.	Credit borrowings	500,000	2025.09.23-2027.09.23	2.05%	Nil
The Export-Import Bank of the Republic of China	Credit borrowings	100,000	2025.11.28-2032.11.26	1.91%	Nil
		1,500,000			
Less: Current portion of long-term borrowings		-			
		$ 1,500,000			

STATEMENT 7

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF NET OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Share of loss of subsidiaries and associate	$ (4,404,509)
Dividend income	203,773
Service fee revenue	37,826
	$ (4,162,910)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Salaries expense	$ -	$ 64,327	$ -	$ 64,327
Professional service fees	-	21,188	-	21,188
Director's transportation expenses	-	15,455	-	15,455
Others (Note)	-	80,288	-	80,288
	$ -	$ 181,258	$ -	$ 181,258

Note: The amount of each item in others does not exceed 10% of the account balance.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits expenses (Note)						
Salaries expense	$ -	$ 64,327	$ 64,327	$ -	$ 42,949	$ 42,949
Labor and health insurance	-	4,876	4,876	-	3,511	3,511
Pension	-	10,329	10,329	-	2,628	2,628
Directors compensation	-	15,455	15,455	-	14,948	14,948
Others	-	3,647	3,647	-	2,175	2,175
	$ -	$ 98,634	$ 98,634	$ -	$ 66,211	$ 66,211
Depreciation	$ -	$ 506	$ 506	$ -	$ 152	$ 152
Amortization	$ -	$ 478	$ 478	$ -	$ 13	$ 13

Note 1: For the years ended December 31, 2025 and 2024, the Corporation had an average of 52 and 41 employees, respectively. The number of non-employee directors was 9 for both years, and the calculation basis was consistent with employee benefits expense.

Note 2:

a. The average employee benefit expenses in 2025 was $1,934 thousand.
The average employee benefit expenses in 2024 was $1,602 thousand.

b. The average employee salaries expense in 2025 was $1,496 thousand.
The average employee salaries expense in 2024 was $1,342 thousand.

c. The adjustment of average employee salaries expense was 11.48%.

d. The Corporation did not have supervisors for the years ended December 31, 2025 and 2024. Therefore there was no compensation to the supervisors.

e. The Corporation's salary and compensation policies (including directors, managers and employee) were:

1) The Corporation's overall salary and compensation policy is according to industry practice, the Corporation's operational results and organizational structure. It will be adjusted in a timely manner based on industry practice, dynamics, the overall economic and changes in industry prosperity and government regulations, if necessary.

2) The compensation policy of directors and executive officers is based on operational strategy, profitability, performance, job contribution and other factors. It also considers industry practice. It is reviewed by the Remuneration Committee, then submitted to the Board of Directors for approval.

3) The employee salary and compensation are based on employees' education, experience, professional knowledge and skills, performance and industry practice.

4) The bonus will be paid based on the Corporation's operational performance and employees' performance.