

**TMP STEEL CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2026 AND 2025**

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TMP Steel Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of TMP Steel Corporation and its subsidiary (the “Group”) as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Tien, Chung-Yu
Independent Accountants
Hsu, Huei-Yu

PricewaterhouseCoopers, Taiwan
Republic of China
August 7, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2026		December 31, 2025		June 30, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 275,100	7	\$ 282,172	7	\$ 156,224	3
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		32,041	1	30,589	1	34,005	1
1136	Financial assets at amortised cost -	6(1)(3) and 8						
	current		46,000	1	80,500	2	99,000	2
1150	Notes receivable, net	6(4) and 12	58,651	1	101,440	2	178,339	4
1170	Accounts receivable, net	6(4) and 12	896,481	22	959,334	22	876,877	19
1180	Accounts receivable - related	6(4), 7 and 12						
	parties		60,974	1	121,895	3	258,132	6
1200	Other receivables	7	2,115	-	3,535	-	1,608	-
130X	Inventories	6(5)	795,576	20	729,392	17	1,098,326	24
1410	Prepayments	6(6) and 7	20,772	1	30,974	1	52,863	1
11XX	Total current assets		2,187,710	54	2,339,831	55	2,755,374	60
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss - non-current		236,200	6	247,800	6	223,350	5
1517	Financial assets at fair value	6(7)						
	through other comprehensive							
	income - non-current		179,243	5	203,175	5	164,010	4
1600	Property, plant and equipment	6(9), 7 and 8	927,391	23	948,838	22	874,290	19
1755	Right-of-use assets	6(10)	436,719	11	456,465	11	518,338	11
1780	Intangible assets		14,395	-	16,253	-	3,131	-
1840	Deferred income tax assets	6(27)	2,718	-	2,630	-	2,653	-
1915	Prepayments for equipment		11,466	-	10,378	-	16,623	-
1920	Guarantee deposits paid		30,266	1	24,558	1	25,271	1
15XX	Total non-current assets		1,838,398	46	1,910,097	45	1,827,666	40
1XXX	Total assets		\$ 4,026,108	100	\$ 4,249,928	100	\$ 4,583,040	100

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TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	June 30, 2026		December 31, 2025		June 30, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(11) and 8	\$ 306,947	8	\$ 440,000	10	\$ 515,000	11
2110	Short-term notes and bills payable	6(12)	-	-	79,908	2	129,874	3
2130	Contract liabilities - current	6(20)	189,484	5	180,097	4	239,615	5
2150	Notes payable		3,264	-	4,752	-	3,779	-
2170	Accounts payable		4,315	-	1,402	-	713	-
2180	Accounts payable - related parties	7	200,213	5	114,523	3	177,039	4
2200	Other payables	6(13)(18) and 7	202,529	5	112,051	3	291,011	6
2230	Current income tax liabilities	6(27)	16,158	-	14,389	-	19,089	1
2280	Lease liabilities - current		36,582	1	35,679	1	32,892	1
2320	Long-term liabilities, current portion	6(14) and 8	66,845	2	66,748	2	60,893	1
2399	Other current liabilities		585	-	670	-	567	-
21XX	Total current liabilities		1,026,922	26	1,050,219	25	1,470,472	32
Non-current liabilities								
2540	Long-term borrowings	6(14) and 8	386,765	9	420,211	10	400,330	9
2580	Lease liabilities - non-current		428,222	11	437,639	10	476,982	10
2640	Net defined benefit liabilities - non-current		1	-	3	-	1	-
25XX	Total non-current liabilities		814,988	20	857,853	20	877,313	19
2XXX	Total liabilities		1,841,910	46	1,908,072	45	2,347,785	51
Share capital								
3110	Common stock	6(16)	999,561	25	999,561	24	999,561	22
3200	Capital surplus	6(17)	910,034	22	910,034	21	910,034	20
	Retained earnings	6(18)						
3310	Legal reserve		109,737	3	94,491	2	94,491	2
3320	Special reserve		5,110	-	5,110	-	5,110	-
3350	Unappropriated retained earnings		259,760	6	334,660	8	260,889	6
3400	Other equity interest	6(7)(19)	(19,597)	-	4,335	-	(34,830)	(1)
3500	Treasury shares	6(16)	(80,407)	(2)	(6,335)	-	-	-
3XXX	Total equity		2,184,198	54	2,341,856	55	2,235,255	49
Significant contingent liabilities and unrecognised contract commitments		9						
3X2X	Total liabilities and equity		\$ 4,026,108	100	\$ 4,249,928	100	\$ 4,583,040	100

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

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 1,596,822	100	\$ 2,104,602	100	\$ 3,110,470	100	\$ 4,044,497	100
5000	Operating costs	6(5)(10)(15)(25)(26) and 7	(1,479,516)	(93)	(1,983,655)	(94)	(2,904,665)	(93)	(3,820,602)	(95)
5900	Net operating margin		117,306	7	120,947	6	205,805	7	223,895	5
	Operating expenses	6(10)(15)(25)(26), 7 and 12								
6100	Selling expenses		(40,353)	(2)	(49,014)	(3)	(80,049)	(3)	(94,285)	(2)
6200	General and administrative expenses		(16,882)	(1)	(21,904)	(1)	(35,620)	(1)	(43,819)	(1)
6450	Expected credit gains		-	-	85	-	-	-	85	-
6000	Total operating expenses		(57,235)	(3)	(70,833)	(4)	(115,669)	(4)	(138,019)	(3)
6900	Operating profit		60,071	4	50,114	2	90,136	3	85,876	2
	Non-operating income and expenses									
7100	Interest income	6(3)(21)	1,499	-	1,170	-	1,908	-	1,626	-
7010	Other income	6(22) and 7	639	-	518	-	1,531	-	20,930	-
7020	Other gains and losses	6(2)(10)(23)	(16,635)	(1)	(5,619)	-	(8,721)	-	113	-
7050	Finance costs	6(9)(10)(24)	(6,110)	-	(6,198)	-	(12,708)	(1)	(11,773)	-
7000	Total non-operating income and expenses		(20,607)	(1)	(10,129)	-	(17,990)	(1)	10,896	-
7900	Profit before income tax		39,464	3	39,985	2	72,146	2	96,772	2
7950	Income tax expense	6(27)	(10,052)	(1)	(7,901)	-	(14,856)	-	(18,085)	-
8200	Net income for the period		\$ 29,412	2	\$ 32,084	2	\$ 57,290	2	\$ 78,687	2
	Other comprehensive income									
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316	Unrealised gains or losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(7)(19)	\$ (5,750)	(1)	\$ (17,120)	(1)	\$ (23,932)	(1)	\$ (46,870)	(1)
8300	Total other comprehensive loss for the period		\$ (5,750)	(1)	\$ (17,120)	(1)	\$ (23,932)	(1)	\$ (46,870)	(1)
8500	Total comprehensive income for the period		\$ 23,662	1	\$ 14,964	1	\$ 33,358	1	\$ 31,817	1
	Profit attributable to:									
8610	Owners of parent		\$ 29,412	2	\$ 32,084	2	\$ 57,290	2	\$ 78,687	2
	Comprehensive income attributable to:									
8710	Owners of parent		\$ 23,662	1	\$ 14,964	1	\$ 33,358	1	\$ 31,817	1
	Earnings per share (in dollars)	6(28)								
9750	Basic		\$ 0.31		\$ 0.32		\$ 0.59		\$ 0.79	
9850	Diluted		\$ 0.31		\$ 0.32		\$ 0.59		\$ 0.79	

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

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent						Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Retained Earnings			
<u>Six months ended June 30, 2025</u>										
Balance at January 1, 2025		\$ 999,561	\$ 910,034	\$ 71,407	\$ 5,110	\$ 385,207		\$ 12,040	\$ -	\$ 2,383,359
Net income for the six-month period ended June 30, 2025		-	-	-	-	78,687		-	-	78,687
Other comprehensive loss for the six-month period ended June 30, 2025		-	-	-	-	-		(46,870)	-	(46,870)
Total comprehensive income (loss) for the six-month period ended June 30, 2025		-	-	-	-	78,687		(46,870)	-	31,817
Distribution of 2024 net income:										
Legal reserve		-	-	23,084	-	(23,084)		-	-	-
Cash dividends	6(18)	-	-	-	-	(179,921)		-	-	(179,921)
Balance at June 30, 2025		\$ 999,561	\$ 910,034	\$ 94,491	\$ 5,110	\$ 260,889		\$ (34,830)	\$ -	\$ 2,235,255
<u>Six months ended June 30, 2026</u>										
Balance at January 1, 2026		\$ 999,561	\$ 910,034	\$ 94,491	\$ 5,110	\$ 334,660		\$ 4,335	\$ (6,335)	\$ 2,341,856
Net income for the six-month period ended June 30, 2026		-	-	-	-	57,290		-	-	57,290
Other comprehensive loss for the six-month period ended June 30, 2026		-	-	-	-	-		(23,932)	-	(23,932)
Total comprehensive income (loss) for the six-month period ended June 30, 2026		-	-	-	-	57,290		(23,932)	-	33,358
Distribution of 2025 earnings:										
Legal reserve		-	-	15,246	-	(15,246)		-	-	-
Cash dividends	6(18)	-	-	-	-	(116,944)		-	-	(116,944)
Purchase of treasury stocks	6(16)	-	-	-	-	-		-	(74,072)	(74,072)
Balance at June 30, 2026		\$ 999,561	\$ 910,034	\$ 109,737	\$ 5,110	\$ 259,760		\$ (19,597)	\$ (80,407)	\$ 2,184,198

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

TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Six months ended June 30 2026	2025
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 72,146	\$ 96,772
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss	6(2)(23)	9,028	(777)
Expected credit gain	12	-	(85)
Depreciation	6(9)(10)(25)	49,495	48,000
Losses on disposal of property, plant and equipment	6(23)	-	12
Property, plant and equipment transferred to expenses	6(9)	56	-
Gain from lease modification	6(10)(23)	(22)	-
Amortisation	6(25)	1,858	307
Interest income	6(21)	(1,908)	(1,626)
Interest expense	6(24)	12,708	11,773
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		42,789	(51,633)
Accounts receivable		62,853	176,563
Accounts receivable - related parties		60,921	(253,568)
Other receivables		1,420	10
Inventories		(66,184)	(86,693)
Prepayments		10,202	21,246
Changes in operating liabilities			
Contract liabilities - current		9,387	(27,100)
Notes payable		(1,488)	(963)
Accounts payable		2,913	(330)
Accounts payable - related parties		85,690	(139,529)
Other payables		(26,216)	(14,419)
Other current liabilities		(85)	77
Net defined benefit liabilities - non-current		(2)	1
Cash inflow (outflow) generated from operations		325,561	(221,962)
Interest received		1,908	1,626
Interest paid		(13,806)	(14,713)
Income tax paid		(13,175)	(10,942)
Net cash flows from (used in) operating activities		300,488	(245,991)

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TMP STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	<u>Notes</u>	<u>Six months ended June 30</u>	
		<u>2026</u>	<u>2025</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortised cost - current		\$ 77,800	\$ -
Increase in financial assets at amortised cost - current		(43,300)	(44,000)
Acquisition of financial assets at fair value through profit or loss - current		-	(35,737)
Proceeds from disposal of financial assets at fair value through profit or loss - current		1,120	59
Acquisition of financial assets at fair value through other comprehensive income - current		-	(99,440)
Cash paid for acquisition of property, plant and equipment	6(29)	(4,932)	(94,106)
Interest paid for acquisition of property, plant and equipment	6(9)(24)(29)	(418)	(2,814)
Proceeds from disposal of property, plant and equipment		-	157
Increase in prepayment for equipment		(1,125)	(6,395)
(Increase) decrease in guarantee deposits paid		(5,708)	322
Net cash flows from (used in) investing activities		<u>23,437</u>	<u>(281,954)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	558,322	665,000
Decrease in short-term borrowings	6(30)	(691,375)	(466,932)
Increase in short-term notes and bills payable	6(30)	-	130,000
Decrease in short-term notes and bills payable	6(30)	(79,908)	-
Payment of lease liabilities	6(30)	(10,615)	(13,708)
Increase in long-term borrowings	6(30)	-	85,000
Decrease in long-term borrowings	6(30)	(33,349)	(27,645)
Purchase of treasury stocks	6(16)	(74,072)	-
Net cash flows (used in) from financing activities		<u>(330,997)</u>	<u>371,715</u>
Net decrease in cash and cash equivalents		(7,072)	(156,230)
Cash and cash equivalents at beginning of period	6(1)	<u>282,172</u>	<u>312,454</u>
Cash and cash equivalents at end of period	6(1)	<u>\$ 275,100</u>	<u>\$ 156,224</u>

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

TMP STEEL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) TMP Steel Corporation (the “Company”) was incorporated on May 16, 1984 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C). The Company and its subsidiary (the “Group”) are engaged in the wholesale of hardware and building materials and the manufacture and sales of its components.
- (2) The Company used to be named Taipei MultiPower Electronics Co., Ltd., then changed its name to Taipei MultiPower International Co., Ltd., as approved by the shareholders during their meeting on June 15, 2010; On June 29, 2016, the shareholders during their meeting has approved to again change the Company’s name to TMP Steel Corporation.
- (3) The common shares of the Company have been listed on the Taipei Exchange since September 2003.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on August 7, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (“IASB”)</u>
Specific provisions of 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
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

(Note 1) The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

(Note 2) The entities shall apply the amendment simultaneously with IFRS 18.

Except for IFRS 18, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements':

IFRS 18, replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and the additional descriptions described below, the other principal accounting policies adopted are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2025. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and financial at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with "IFRSs" requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, 'CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY'.

(3) Basis of consolidation

- A. The basis for the preparation of these consolidated financial statements is consistent with the basis applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
TMP Steel Corporation	Taiwan Steel Material Corp.	Wholesale of hardware and sale	100.00	100.00	100.00	—

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income taxes

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

No significant changes during the period. For detailed information, refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Cash:			
Cash on hand	\$ 307	\$ 355	\$ 207
Checking deposits and demand deposits	<u>274, 793</u>	<u>281, 817</u>	<u>156, 017</u>
	<u>\$ 275, 100</u>	<u>\$ 282, 172</u>	<u>\$ 156, 224</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral (listed as 'Financial assets at amortised cost - current') as of June 30, 2026, December 31, 2025 and June 30, 2025 are provided in Note 8, 'PLEDGED ASSETS'.

(2) Financial assets at fair value through profit or loss

<u>Assets</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Current items:			
Financial assets held for trading			
Listed and emerging stocks	<u>\$ 32, 041</u>	<u>\$ 30, 589</u>	<u>\$ 34, 005</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed and emerging stocks - private placement	<u>\$ 236, 200</u>	<u>\$ 247, 800</u>	<u>\$ 223, 350</u>

A. The Group recognised net (loss) gain of (\$16,738), (\$5,087), (\$9,028) and \$777 (listed as "Other gains and losses") for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

- B. In November 2023, the Company subscribed 5,000 thousand shares of King House Co., Ltd. through private placement. The private placement shares shall not be transferred within three years.
- C. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost - current

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Demand deposits pledged	\$ 46,000	\$ 80,500	\$ 99,000

- A. The Group recognised interest income of \$273, \$276, \$273 and \$276 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.
- B. As of June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the carrying amount.
- C. As of June 30, 2026, December 31, 2025 and June 30, 2025, the financial assets at amortised cost pledged to others as collateral are provided in Note 8, 'PLEDGED ASSETS'.
- D. Information about credit risk of financial assets at amortised cost is provided in Note 12(2), 'Financial instruments'.

(4) Notes and accounts receivable, net

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Notes receivable	\$ 58,664	\$ 101,453	\$ 178,352
Less: Allowance for uncollectible accounts ()	(13)	(13)	(13)
	<u>\$ 58,651</u>	<u>\$ 101,440</u>	<u>\$ 178,339</u>
Accounts receivable	\$ 919,410	\$ 982,263	\$ 899,845
Less: Allowance for uncollectible accounts ()	(22,929)	(22,929)	(22,968)
	<u>\$ 896,481</u>	<u>\$ 959,334</u>	<u>\$ 876,877</u>

- A. The ageing analysis of notes receivable and accounts receivable (including related parties) that were past due but not impaired is as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Notes receivable:			
During the credit period	<u>\$ 58,664</u>	<u>\$ 101,453</u>	<u>\$ 178,352</u>
Accounts receivable:			
During the credit period	\$ 939,471	\$ 988,236	\$ 1,098,877
Overdue 1 to 90 days	18,821	93,980	36,894
Overdue 91 to 180 days	59	134	80
Overdue 181 to 270 days	91	43	16
Overdue 271 to 365 days	134	73	57
Overdue over 365 days	<u>21,808</u>	<u>21,692</u>	<u>22,053</u>
	<u>\$ 980,384</u>	<u>\$ 1,104,158</u>	<u>\$ 1,157,977</u>

The above ageing analysis was based on days overdue.

- B. As of June 30, 2026, December 31, 2025 and June 30, 2025, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers (including related parties) amounted to \$1,207,691.
- C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.
- D. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group did not hold any collateral as security for notes and accounts receivable.
- E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), 'Financial instruments'.

(5) Inventories

June 30, 2026			
		Allowance for inventory valuation losses	Book value
	Cost		
Raw materials	\$ 637, 974	\$ –	\$ 637, 974
Work in progress	18, 011	–	18, 011
Finished goods	139, 591	–	139, 591
	<u>\$ 795, 576</u>	<u>\$ –</u>	<u>\$ 795, 576</u>
December 31, 2025			
		Allowance for inventory valuation losses	Book value
	Cost		
Raw materials	\$ 627, 608	\$ –	\$ 627, 608
Work in progress	22, 143	–	22, 143
Finished goods	79, 641	–	79, 641
	<u>\$ 729, 392</u>	<u>\$ –</u>	<u>\$ 729, 392</u>
June 30, 2025			
		Allowance for inventory valuation losses	Book value
	Cost		
Raw materials	\$ 1, 027, 388	\$ –	\$ 1, 027, 388
Work in progress	5, 266	–	5, 266
Finished goods	65, 672	–	65, 672
	<u>\$ 1, 098, 326</u>	<u>\$ –</u>	<u>\$ 1, 098, 326</u>

The cost of inventories recognised as expense for the period:

	For the three-month periods ended June 30,	
	2026	2025
Cost of goods sold	\$ 1, 482, 130	\$ 1, 986, 036
Sales of scraps	(2, 614)	(2, 381)
	<u>\$ 1, 479, 516</u>	<u>\$ 1, 983, 655</u>

	For the six-month periods ended June 30,	
	2026	2025
Cost of goods sold	\$ 2, 910, 354	\$ 3, 825, 878
Sales of scraps	(5, 689)	(5, 276)
	<u>\$ 2, 904, 665</u>	<u>\$ 3, 820, 602</u>

(6) Prepayments

	June 30, 2026	December 31, 2025	June 30, 2025
Residual tax credit	\$ 11, 376	\$ 24, 023	\$ 41, 307
Prepayments to suppliers	1, 133	1, 073	-
Others	<u>8, 263</u>	<u>5, 878</u>	<u>11, 556</u>
	<u>\$ 20, 772</u>	<u>\$ 30, 974</u>	<u>\$ 52, 863</u>

(7) Financial assets at fair value through other comprehensive income - non-current

Items	June 30, 2026	December 31, 2025	June 30, 2025
Equity instruments			
Listed and emerging stocks	\$ 106, 933	\$ 119, 175	\$ 94, 150
Listed and emerging stocks - private placement	<u>72, 310</u>	<u>84, 000</u>	<u>69, 860</u>
	<u>\$ 179, 243</u>	<u>\$ 203, 175</u>	<u>\$ 164, 010</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended June 30,	
	2026	2025
Fair value change recognised in other comprehensive income		
Held at end of period	(\$ <u>5, 750</u>)	(\$ <u>17, 120</u>)

	For the six-month periods ended June 30,	
	2026	2025
Fair value change recognised in other comprehensive income		
Held at end of period	(\$ <u>23, 932</u>)	(\$ <u>46, 870</u>)

C. In December 2024, the Company subscribed 7,000 thousand shares of TSG Development Co., Ltd. (formerly Data Van International Corp.) through private placement. The private placement shares shall not be transferred within three years.

D. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group has no financial assets at fair value through other comprehensive income pledged to others.

(8) Investments accounted for using equity method

A. Details of investment accounted for using equity method are as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Korea Peibo Electronics Co., Ltd.	\$ 1, 058	\$ 1, 058	\$ 1, 058
Less: Accumulated impairment	(1, 058)	(1, 058)	(1, 058)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group has no investment accounted for using equity method pledged to others.

C. For the three-month and six-month periods ended June 30, 2026 and 2025, the Group did not recognise impairment loss or gain on reversal of impairment related to investments accounted for using equity method. As of June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amount of accumulated impairment loss of investments accounted for using equity method was \$1,058 for all periods.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2026</u>								
Cost	\$ 103,606	\$ 406,420	\$ 263,468	\$ 2,039	\$ 42,149	\$ 90,684	\$ 180,830	\$1,089,196
Accumulated depreciation	—	(13,162)	(84,123)	(1,099)	(19,228)	(22,746)	—	(140,358)
	<u>\$ 103,606</u>	<u>\$ 393,258</u>	<u>\$ 179,345</u>	<u>\$ 940</u>	<u>\$ 22,921</u>	<u>\$ 67,938</u>	<u>\$ 180,830</u>	<u>\$ 948,838</u>
<u>For the six-month period ended June 30, 2026</u>								
At January 1	\$ 103,606	\$ 393,258	\$ 179,345	\$ 940	\$ 22,921	\$ 67,938	\$ 180,830	\$ 948,838
Additions	—	57	506	360	232	87	4,956	6,198
Transferred (Note)	—	641	39,348	—	—	119	(40,127)	(19)
Depreciation	—	(4,121)	(14,634)	(338)	(2,768)	(5,765)	—	(27,626)
Disposals - Cost	—	—	—	—	(14)	—	—	(14)
- Accumulated depreciation	—	—	—	—	14	—	—	14
At June 30	<u>\$ 103,606</u>	<u>\$ 389,835</u>	<u>\$ 204,565</u>	<u>\$ 962</u>	<u>\$ 20,385</u>	<u>\$ 62,379</u>	<u>\$ 145,659</u>	<u>\$ 927,391</u>
<u>At June 30, 2026</u>								
Cost	\$ 103,606	\$ 407,118	\$ 303,322	\$ 2,399	\$ 42,367	\$ 90,890	\$ 145,659	\$1,095,361
Accumulated depreciation	—	(17,283)	(98,757)	(1,437)	(21,982)	(28,511)	—	(167,970)
	<u>\$ 103,606</u>	<u>\$ 389,835</u>	<u>\$ 204,565</u>	<u>\$ 962</u>	<u>\$ 20,385</u>	<u>\$ 62,379</u>	<u>\$ 145,659</u>	<u>\$ 927,391</u>

(Note) \$37 was transferred from “Prepayments for equipment” and \$56 was transferred to “Expenses”.

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2025</u>								
Cost	\$ 103,606	\$ 140,542	\$ 212,613	\$ 1,454	\$ 39,378	\$ 37,738	\$ 328,512	\$ 863,843
Accumulated depreciation	<u>–</u>	<u>(8,470)</u>	<u>(60,063)</u>	<u>(647)</u>	<u>(14,436)</u>	<u>(16,138)</u>	<u>–</u>	<u>(99,754)</u>
	<u>\$ 103,606</u>	<u>\$ 132,072</u>	<u>\$ 152,550</u>	<u>\$ 807</u>	<u>\$ 24,942</u>	<u>\$ 21,600</u>	<u>\$ 328,512</u>	<u>\$ 764,089</u>
<u>For the six-month period ended June 30, 2025</u>								
At January 1	\$ 103,606	\$ 132,072	\$ 152,550	\$ 807	\$ 24,942	\$ 21,600	\$ 328,512	\$ 764,089
Additions	–	84	9,868	267	1,271	1,491	82,790	95,771
Transferred (Note)	–	–	33,922	–	2,032	50,495	(49,746)	36,703
Depreciation	–	(1,461)	(12,694)	(185)	(2,709)	(5,055)	–	(22,104)
Disposals - Cost	–	–	(600)	–	(360)	(2,839)	–	(3,799)
- Accumulated depreciation	<u>–</u>	<u>–</u>	<u>431</u>	<u>–</u>	<u>360</u>	<u>2,839</u>	<u>–</u>	<u>3,630</u>
At June 30	<u>\$ 103,606</u>	<u>\$ 130,695</u>	<u>\$ 183,477</u>	<u>\$ 889</u>	<u>\$ 25,536</u>	<u>\$ 68,531</u>	<u>\$ 361,556</u>	<u>\$ 874,290</u>
<u>At June 30, 2025</u>								
Cost	\$ 103,606	\$ 140,626	\$ 255,803	\$ 1,721	\$ 42,321	\$ 86,885	\$ 361,556	\$ 992,518
Accumulated depreciation	<u>–</u>	<u>(9,931)</u>	<u>(72,326)</u>	<u>(832)</u>	<u>(16,785)</u>	<u>(18,354)</u>	<u>–</u>	<u>(118,228)</u>
	<u>\$ 103,606</u>	<u>\$ 130,695</u>	<u>\$ 183,477</u>	<u>\$ 889</u>	<u>\$ 25,536</u>	<u>\$ 68,531</u>	<u>\$ 361,556</u>	<u>\$ 874,290</u>

(Note) \$24 was transferred from “Inventories”, \$39,321 was transferred from “Prepayments for business facilities” and \$2,642 was transferred to “Intangible assets”.

- A. The Group's property, plant and equipment as of June 30, 2026, December 31, 2025 and June 30, 2025 were for its own use.
- B. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	For the three-month periods ended June 30,	
	2026	2025
Amount capitalised	\$ 206	\$ 1,586
Range of the interest rates for capitalisation	1.52%	1.92%
	For the six-month periods ended June 30,	
	2026	2025
Amount capitalised	\$ 418	\$ 2,814
Range of the interest rates for capitalisation	1.52%	1.92%

- C. Information about the property, plant and equipment that were pledged to others as collateral as of June 30, 2026, December 31, 2025 and June 30, 2025 is provided in Note 8, 'PLEDGED ASSETS'.

(10) Leasing arrangements - lessee

- A. The Group leases various assets including plant, buildings and transportation equipment. Rental contracts are typically made for periods of 3 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. The carrying amount of right-of-use assets and the depreciation are as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 425, 487	\$ 435, 609	\$ 465, 089
Transportation equipment	2, 969	4, 329	5, 680
Buildings	<u>8, 263</u>	<u>16, 527</u>	<u>47, 569</u>
	<u>\$ 436, 719</u>	<u>\$ 456, 465</u>	<u>\$ 518, 338</u>
	<u>For the three-month periods ended June 30,</u>		
	<u>2026</u>	<u>2025</u>	
	<u>Depreciation</u>	<u>Depreciation</u>	
Land	\$ 6, 080	\$ 6, 297	
Transportation equipment	529	751	
Buildings	<u>4, 132</u>	<u>5, 586</u>	
	<u>\$ 10, 741</u>	<u>\$ 12, 634</u>	

	For the six-month periods ended June 30,	
	2026	2025
	Depreciation	Depreciation
Land	\$ 12,520	\$ 13,223
Transportation equipment	1,086	1,502
Buildings	8,263	11,171
	<u>\$ 21,869</u>	<u>\$ 25,896</u>

C. The additions and remeasurements to right-of-use assets were (\$66), \$—, \$2,397 and \$7,414 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended June 30,	
	2026	2025
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,310	\$ 2,505
Expense on short-term lease contracts	1,876	2,221
Expense on leases of low-value assets	70	56
Gain from lease modification	(8)	—

	For the six-month periods ended June 30,	
	2026	2025
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,791	\$ 5,328
Expense on short-term lease contracts	3,748	4,523
Expense on leases of low-value assets	123	104
Gain from lease modification	(22)	—

E. The Group's total cash outflow for leases were \$9,631, \$11,796, \$19,277 and \$23,663 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

(11) Short-term borrowings

Type of borrowings	June 30, 2026	Interest rate range	Collateral
Secured bank borrowings	<u>\$ 306,947</u>	2.1%~2.705%	Demand deposits
Type of borrowings	December 31, 2025	Interest rate range	Collateral
Secured bank borrowings	<u>\$ 440,000</u>	2.128%~2.445%	Demand deposits
Type of borrowings	June 30, 2025	Interest rate range	Collateral
Secured bank borrowings	<u>\$ 515,000</u>	2.128%~2.48%	Demand deposits

Information about interest expenses recognised in profit or loss for the three-month and six-month periods ended June 30, 2026 and 2025 is provided in Note 6(24), 'Finance costs'.

(12) Short-term notes and bills payable

Type of borrowings	December 31, 2025	Interest rate	Collateral
Commercial papers payable	\$ 80,000	2.638%	None
Less: Unamortized discount	(92)		
	<u>\$ 79,908</u>		

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Commercial papers payable	\$ 130,000	2.628%~2.66%	None
Less: Unamortized discount	(126)		
	<u>\$ 129,874</u>		

The Group had no short-term notes and bills payable as of June 30, 2026.

- A. Commercial papers payable were guaranteed by Mega International Commercial Bank for the short-term capital turnover.
- B. For more information on interest expenses recognised in profit or loss by the Group for the three-month and six-month periods ended June 30, 2026 and 2025, refer to Note 6(24), 'Financial costs'.

(13) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Dividend payable	\$ 116,944	\$ -	\$ 179,921
Accrued salaries and bonuses	26,955	31,665	34,668
Accrued shipping fee	25,485	31,181	40,331
Accrued manufacturing fees	13,034	12,631	12,215
Accrued employees' compensation and directors' remuneration	3,522	4,506	4,574
Equipment payable	1,016	168	2,065
Others	15,573	31,900	17,237
	<u>\$ 202,529</u>	<u>\$ 112,051</u>	<u>\$ 291,011</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	June 30, 2026
Long-term bank borrowings				
Secured borrowings	2020.2~2031.12	2.22%~2.278%	Land and buildings	\$ 112,882
Unsecured borrowings	2024.7~2035.9	1.52%~1.92%	None	340,728
				<u>453,610</u>
Less: Current portion of long-term borrowings				(66,845)
				<u>\$ 386,765</u>

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Secured borrowings	2020. 2~2035. 9	1. 52%~2. 278%	Land and buildings	\$ 179, 109
Unsecured borrowings	2024. 7~2034. 7	1. 92%	None	307, 850
				486, 959
Less: Current portion of long-term borrowings				(66, 748)
				\$ 420, 211
Type of borrowings	Borrowing period	Interest rate range	Collateral	June 30, 2025
Long-term bank borrowings				
Secured borrowings	2020. 2~2031. 12	2. 22%~2. 278%	Land and buildings	\$ 132, 969
Unsecured borrowings	2024. 7~2034. 7	1. 92%	None	328, 254
				461, 223
Less: Current portion of long-term borrowings				(60, 893)
				\$ 400, 330

Information about interest expenses recognised in profit or loss for the three-month and six-month periods ended June 30, 2026 and 2025 is provided in Note 6(24), ‘Finance costs’.

(15) Pensions

A. Starting from 2025, the Group will apply to transfer senior migrant workers who meet the salary and technical conditions and have worked in Taiwan for more than 6 years to intermediate skilled workers in the industry in accordance with the long-term retention of skilled foreign workers program of the Ministry of Labor. The intermediate skilled workers in the Group are subject to the Labor Standards Act. The Group has a defined benefit pension plan, covering all regular employees’ service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March. For the aforementioned pension plan, the Group recognised pension costs of \$2, \$5, \$4 and \$6 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

B. Effective July 1, 2005, the Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Group were \$1,299, \$1,413, \$2,645 and \$2,609 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

(16) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows (unit: in thousands of shares):

	For the six-month periods ended June 30,	
	2026	2025
Beginning balance	99, 657	99, 956
Purchase of treasury stocks	(3, 529)	—
Ending balance	<u>96, 128</u>	<u>99, 956</u>

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company’s treasury shares are as follows (unit: in thousands of shares):

Reason for reacquisition	For the six-month periods ended June 30, 2026			
	At January 1	Increase	Decrease	At June 30
To be reissued to employees	<u>299</u>	<u>3, 529</u>	<u>—</u>	<u>3, 828</u>

The Group had no treasury shares as of June 30, 2025.

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company’s issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) For the six-month periods ended June 30, 2026 and 2025, the Company acquired treasury shares amounting to \$74,072 (3,529 thousand shares) and \$—, respectively.

(e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company’s credit rating and the stockholders’ equity should be retired within six months of acquisition.

(f) As of June 30, 2026, December 31, 2025 and June 30, 2025, the balance after repurchase and transfer of the Company’s treasury shares amounted to \$80,407, \$6,335 and \$—, respectively.

C. As of June 30, 2026, the Company's authorised capital was \$1,500,000, and the paid-in capital was \$999,561, consisting of 99,956 thousand shares of ordinary stock, with a par value of \$10 (in dollars) per share, which were issued in several installments. All proceeds from shares issued have been collected.

(17) Capital surplus

	For the six-month period ended June 30, 2026		
	Share premium	Others	Total
Beginning and ending balance	\$ 908,169	\$ 1,865	\$ 910,034
	For the six-month period ended June 30, 2025		
	Share premium	Others	Total
Beginning and ending balance	\$ 908,169	\$ 1,865	\$ 910,034

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

- A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve equals to the paid-in capital, the appropriation is not required. After that, a special reserve shall be set aside or reversed in accordance with Article 41 of the Securities and Exchange Act. The remaining earnings plus the accumulated unappropriated earnings shall be proposed by the Board of Directors to be resolved at the shareholders' meeting as dividends to shareholders.

In accordance with Paragraph 5 of Article 240 of the Company Act, the Board of Directors is authorised by the Company to resolve the distribution of dividends and bonuses, in whole or in part, in the form of cash by the resolution adopted by the majority vote at their meeting attended by two-thirds of the total number of directors, and then reported it to the shareholders.

The Company's dividend policy is in line with current and future development plans, and takes into consideration investment environment, capital requirements, domestic and overseas competition, and shareholders' interest, etc. At least 30% of the Company's distributable earnings of the year shall be appropriated as dividends and bonuses each year. However, the distribution is not required if the accumulated distributable earnings is lower than 1% of paid-in capital. Dividends and bonuses may be distributed in the form of cash or shares, and cash dividends shall account for at least 10% of the total dividends distributed. However, the type and payout ratio of dividend may be adjusted by the resolution of the shareholders during their meeting according to the actual profit and capital position of the year.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. On May 25, 2026 and May 26, 2025, the stockholders during their meeting resolved the distribution of cash dividends from the 2025 and 2024 earnings in the amount of \$116,944 (\$1.17 (in dollars) per share) and \$179,921 (\$1.8 (in dollars) per share), respectively. As of the report date, the cash dividends for earnings distribution of the year 2025 have not yet been distributed (listed as "Other payables").

(19) Other equity interest

	For the six-month periods ended June 30,	
	2026	2025
	Unrealized valuation gains and losses	Unrealized valuation gains and losses
At January 1	\$ 4,335	\$ 12,040
Fair value change recognised in other comprehensive income	(23,932)	(46,870)
At June 30	<u>(\$ 19,597)</u>	<u>(\$ 34,830)</u>

(20) Operating revenue

	For the three-month periods ended June 30,	
	2026	2025
Rebar revenue	\$ 1,581,312	\$ 1,828,343
Billet revenue	15,510	276,259
	<u>\$ 1,596,822</u>	<u>\$ 2,104,602</u>
	For the six-month periods ended June 30,	
	2026	2025
Rebar revenue	\$ 3,094,960	\$ 3,729,276
Billet revenue	15,510	315,221
	<u>\$ 3,110,470</u>	<u>\$ 4,044,497</u>

A. The Group derives sales revenue from the transfer of goods at a point in time.

B. The Group has recognised the following revenue-related contract liabilities:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>	<u>January 1, 2025</u>
Contract liabilities				
- current				
Advance sales				
receipts	<u>\$ 189,484</u>	<u>\$ 180,097</u>	<u>\$ 239,615</u>	<u>\$ 266,715</u>

Revenue recognised for the three-month and six-month periods ended June 30, 2026 and 2025, that was included in the contract liability balance as of January 1, 2026 and 2025 amounted to \$ —, \$46,224, \$56,523 and \$130,012, respectively.

(21) Interest income

	<u>For the three-month periods ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Interest income from bank deposits	\$ 1,110	\$ 844
Other interest income	389	326
	<u>\$ 1,499</u>	<u>\$ 1,170</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Interest income from bank deposits	\$ 1,319	\$ 972
Other interest income	589	654
	<u>\$ 1,908</u>	<u>\$ 1,626</u>

(22) Other income

	<u>For the three-month periods ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Rental income	\$ 422	\$ 115
Other income	217	403
	<u>\$ 639</u>	<u>\$ 518</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Rental income	\$ 699	\$ 195
Other income	832	20,735
	<u>\$ 1,531</u>	<u>\$ 20,930</u>

(23) Other gains and losses

		For the three-month periods ended June 30,	
		2026	2025
Net loss on financial assets and liabilities at fair value through profit or loss	(\$	16,738)	(\$ 5,087)
Net currency exchange gain (loss)		95 (	73)
Net loss on disposal of property, plant and equipment		- (	12)
Gain from lease modification		8	-
Loss from compensation		- (	447)
	(\$	<u>16,635</u>)	(\$ <u>5,619</u>)
		For the six-month periods ended June 30,	
		2026	2025
Net (loss) gain on financial assets and liabilities at fair value through profit or loss	(\$	9,028)	\$ 777
Net currency exchange gain (loss)		286 (	204)
Net loss on disposal of property, plant and equipment		- (	12)
Gain from lease modification		22	-
Loss from compensation		- (	447)
Other losses	(	<u>1)</u>	(<u>1)</u>
	(\$	<u>8,721</u>)	\$ <u>113</u>

(24) Finance costs

		For the three-month periods ended June 30,	
		2026	2025
Interest expense:			
Bank borrowings	\$	4,006	\$ 5,253
Lease liabilities		2,310	2,505
Others		-	26
		<u>6,316</u>	<u>7,784</u>
Less: Capitalization of qualifying assets	(	<u>206)</u>	(<u>1,586)</u>
	\$	<u>6,110</u>	\$ <u>6,198</u>

	For the six-month periods ended June 30,	
	2026	2025
Interest expense:		
Bank borrowings	\$ 8,335	\$ 9,229
Lease liabilities	4,791	5,328
Others	—	30
	13,126	14,587
Less: Capitalization of qualifying assets	(418)	(2,814)
	<u>\$ 12,708</u>	<u>\$ 11,773</u>

(25) Expenses by nature

	For the three-month period ended June 30, 2026		
	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 23,440	\$ 13,476	\$ 36,916
Depreciation	18,888	5,884	24,772
Amortisation	142	786	928
	<u>\$ 42,470</u>	<u>\$ 20,146</u>	<u>\$ 62,616</u>

	For the three-month period ended June 30, 2025		
	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 25,614	\$ 17,593	\$ 43,207
Depreciation	18,293	6,072	24,365
Amortisation	176	38	214
	<u>\$ 44,083</u>	<u>\$ 23,703</u>	<u>\$ 67,786</u>

	For the six-month period ended June 30, 2026		
	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 49,867	\$ 28,055	\$ 77,922
Depreciation	37,651	11,844	49,495
Amortisation	285	1,573	1,858
	<u>\$ 87,803</u>	<u>\$ 41,472</u>	<u>\$ 129,275</u>

	For the six-month period ended June 30, 2025		
	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 49,474	\$ 36,036	\$ 85,510
Depreciation	35,795	12,205	48,000
Amortisation	221	86	307
	<u>\$ 85,490</u>	<u>\$ 48,327</u>	<u>\$ 133,817</u>

(26) Employee benefit expense

For the three-month period ended June 30, 2026			
	Classified as Operating costs	Classified as Operating expenses	Total
Wages and salaries	\$ 18,783	\$ 11,467	\$ 30,250
Labour and health insurance expenses	2,153	923	3,076
Pension costs	860	441	1,301
Other personnel expenses	1,644	645	2,289
	<u>\$ 23,440</u>	<u>\$ 13,476</u>	<u>\$ 36,916</u>
For the three-month period ended June 30, 2025			
	Classified as Operating costs	Classified as Operating expenses	Total
Wages and salaries	\$ 20,819	\$ 14,423	\$ 35,242
Labour and health insurance expenses	2,216	1,516	3,732
Pension costs	731	687	1,418
Other personnel expenses	1,848	967	2,815
	<u>\$ 25,614</u>	<u>\$ 17,593</u>	<u>\$ 43,207</u>
For the six-month period ended June 30, 2026			
	Operating costs	Operating expenses	Total
Wages and salaries	\$ 40,270	\$ 23,795	\$ 64,065
Labour and health insurance expenses	4,536	2,082	6,618
Pension costs	1,757	892	2,649
Other personnel expenses	3,304	1,286	4,590
	<u>\$ 49,867</u>	<u>\$ 28,055</u>	<u>\$ 77,922</u>
For the six-month period ended June 30, 2025			
	Operating costs	Operating expenses	Total
Wages and salaries	\$ 40,337	\$ 29,770	\$ 70,107
Labour and health insurance expenses	4,254	3,146	7,400
Pension costs	1,382	1,233	2,615
Other personnel expenses	3,501	1,887	5,388
	<u>\$ 49,474</u>	<u>\$ 36,036</u>	<u>\$ 85,510</u>

- A. The Company's distributable profit of the year (the distributable profit refers to profit before deducting tax and the employees' compensation and directors' and supervisors' remuneration below), if any, shall be used to cover accumulated deficit, and the remainder, if any, is distributed as follows: (a) 1% ~ 10% for employees' compensation, at least 10% of the amount allocated for employees' compensation shall be distributed to non-managerial employees, and (b) No higher

than 4% for directors' and supervisors' remuneration. The aforementioned employees' compensation can be distributed in the form of stocks or cash. The employees include the employees of the Company's subsidiaries who meet the requirements stipulated by the Board of Directors. The aforementioned directors' and supervisors' remuneration can only be distributed in the form of cash. Both distributions shall be proposed by the Remuneration Committee to the Board of Directors. The Board of Directors shall resolve the distributions by approval of more than half of directors present at a meeting where more than two-thirds of the directors are in attendance, and report the resolution at the shareholders' meeting.

- B. For the three-month and six-month periods ended June 30, 2026 and 2025, employees' compensation were accrued at \$402, \$407, \$735 and \$985, respectively; while directors' remuneration were accrued at \$322, \$325, \$588 and \$788, respectively. The aforementioned amounts were recognised in salary expenses, and were estimated and accrued based on the percentage prescribed by the Company's Articles of Incorporation, depending on distributable profit for the year. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors on March 6, 2026 were \$2,200 and \$1,710, respectively, and the employees' compensation will be distributed in the form of cash. The employees' compensation and directors' remuneration as resolved by the Board of Directors for 2025 were the same as the estimated amounts recognised in the 2025 financial statements. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Components of income tax expense:

	For the three-month periods ended June 30,	
	2026	2025
Current income tax:		
Current tax on profit for the period	\$ 11,344	\$ 9,054
Over provision of prior year's income tax payable	(1,230)	(1,130)
Total current income tax	<u>10,114</u>	<u>7,924</u>
Deferred tax:		
Origination and reversal of temporary differences	(62)	(23)
Income tax expense	<u>\$ 10,052</u>	<u>\$ 7,901</u>

	For the six-month periods ended June 30,	
	2026	2025
Current income tax:		
Current tax on profit for the year	\$ 16,338	\$ 19,238
Over provision of prior year's income tax payable	(1,394)	(1,130)
Total current income tax	<u>14,944</u>	<u>18,108</u>
Deferred tax:		
Origination and reversal of temporary differences	(88)	(23)
Income tax expense	<u>\$ 14,856</u>	<u>\$ 18,085</u>

B. The Company's income tax returns through 2024 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of August 7, 2026.

(28) Earnings per share

	For the three-month period ended June 30, 2026		
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>	<u>Amount after tax</u>		
Profit attributable to ordinary shareholders	\$ 29,412	96,359	\$ 0.31
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 29,412	96,359	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	50	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 29,412	96,409	\$ 0.31

For the three-month period ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 32,084</u>	<u>99,956</u>	<u>\$ 0.32</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 32,084	99,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>35</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 32,084</u>	<u>99,991</u>	<u>\$ 0.32</u>
For the six-month period ended June 30, 2026			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 57,290</u>	<u>97,382</u>	<u>\$ 0.59</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 57,290	97,382	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>79</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 57,290</u>	<u>97,461</u>	<u>\$ 0.59</u>

	For the six-month period ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 78,687	99,956	\$ 0.79
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 78,687	99,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	66	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 78,687	100,022	\$ 0.79

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the six-month periods ended June 30,	
	2026	2025
Acquisition of property, plant and equipment	\$ 6,198	\$ 95,771
Add: Beginning balance of equipment payable	168	3,214
Less: Ending balance of equipment payable	(1,016)	(2,065)
Capitalized interest	(418)	(2,814)
Cash paid for acquisition of property, plant and equipment	\$ 4,932	\$ 94,106

B. Operating, investing and financing activities with no cash flow effects:

	For the six-month periods ended June 30,	
	2026	2025
(1) Inventory transferred to property, plant and equipment	\$ —	\$ 24
(2) Prepayments for equipment transferred to property, plant and equipment	\$ 37	\$ 39,321
(3) Property, plant and equipment transferred to intangible assets	\$ —	\$ 2,642
(4) Cash dividends declared but not yet paid (listed as 'Other payables')	\$ 116,944	\$ 179,921

(30) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2026	\$ 440,000	\$ 79,908	\$ 473,318	\$ 486,959	\$ 1,480,185
Changes in cash flow from financing activities	(133,053)	(79,908)	(10,615)	(33,349)	(256,925)
Changes in other non-cash items	—	—	2,101	—	2,101
At June 30, 2026	<u>\$ 306,947</u>	<u>\$ —</u>	<u>\$ 464,804</u>	<u>\$ 453,610</u>	<u>\$ 1,225,361</u>

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2025	\$ 316,932	\$ —	\$ 516,168	\$ 403,868	\$ 1,236,968
Changes in cash flow from financing activities	198,068	130,000	(13,708)	57,355	371,715
Changes in other non-cash items	—	(126)	7,414	—	7,288
At June 30, 2025	<u>\$ 515,000</u>	<u>\$ 129,874</u>	<u>\$ 509,874</u>	<u>\$ 461,223</u>	<u>\$ 1,615,971</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
E-Top Metal Co., Ltd. (E-Top Metal)	Significant influence to the Company
E-Sheng Steel Co., Ltd. (E-Sheng Steel)	Other related party
TSG Transport Corp. (TSG Transport)	Other related party
TSG Environmental Technology Corp. (TSG Environmental)	Other related party
TSG Power Corp. (TSG Power)	Other related party
TSG Sports Marketing Corp. (TSG Sports)	Other related party
TSG Hawks Baseball Co., Ltd. (TSG Hawks)	Other related party
TSG Mechatronic Corp. (TSG Mechatronic)	Other related party
TSG Engineering Co., Ltd. (TSG Engineering)	Other related party
Te Chang Construction Co., Ltd. (Te Chang)	Other related party
KUEI TIEN International Entertainment Co., Ltd. (KUEI TIEN)	Other related party
CHUN YU WORKS & CO., LTD. (CHUN YU)	Other related party

(2) Significant related party transactions

A. Sales of goods

	For the three-month periods ended June 30,	
	2026	2025
Te Chang	\$ 92,727	\$ 26,304
E-Top Metal	17,129	201,111
Other related parties	9,947	8,891
	<u>\$ 119,803</u>	<u>\$ 236,306</u>
	For the six-month periods ended June 30,	
	2026	2025
Te Chang	\$ 202,784	\$ 26,304
E-Top Metal	17,689	240,073
Other related parties	11,164	24,217
	<u>\$ 231,637</u>	<u>\$ 290,594</u>

Prices of goods sold to related parties and non-related parties are determined based on mutual agreement at each time, and the credit term is 14 to 60 days after monthly-closing, T/T. For third parties, the credit terms ranged from 30 to 90 days after monthly-closing.

B. Purchases of goods

	For the three-month periods ended June 30,	
	2026	2025
E-Top Metal	\$ 989,485	\$ 1,100,327
E-Sheng Steel	374,893	580,514
Other related parties	11,662	15,038
	<u>\$ 1,376,040</u>	<u>\$ 1,695,879</u>
	For the six-month periods ended June 30,	
	2026	2025
E-Top Metal	\$ 1,885,100	\$ 2,230,078
E-Sheng Steel	781,140	1,262,050
Other related parties	25,108	30,028
	<u>\$ 2,691,348</u>	<u>\$ 3,522,156</u>

Purchase prices from related parties were the same with third parties. Payment terms of some purchases from related parties were 10 to 20 days or 60 days after monthly-closing, T/T. For third parties, the payment terms were full prepayment, by issuance of letter of credit or the credit terms ranged from 30 to 90 days after monthly-closing.

C. Other expenses

	For the three-month periods ended June 30,	
	2026	2025
TSG Transport	\$ 14,802	\$ 40,286
TSG Hawks	4,495	1,349
E-Top Metal	1,500	1,917
E-Sheng Steel	–	1,629
Other related parties	1,009	781
	<u>\$ 21,806</u>	<u>\$ 45,962</u>
	For the six-month periods ended June 30,	
	2026	2025
TSG Transport	\$ 46,196	\$ 76,160
TSG Hawks	7,397	2,375
E-Top Metal	3,659	3,619
E-Sheng Steel	769	4,511
Other related parties	2,019	1,060
	<u>\$ 60,040</u>	<u>\$ 87,725</u>

D. Rental income (listed as ‘Other income’)

	For the three-month periods ended June 30,	
	2026	2025
Other related parties	\$ –	\$ 115
	For the six-month periods ended June 30,	
	2026	2025
Other related parties	\$ 6	\$ 195

E. Ending balance of goods sold

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable:			
Te Chang	\$ 55,161	\$ 35,856	\$ 37,285
E-Top Metal	1,712	79,038	211,167
Other related parties	4,101	7,001	9,680
	<u>\$ 60,974</u>	<u>\$ 121,895</u>	<u>\$ 258,132</u>

F. Other receivables

	June 30, 2026	December 31, 2025	June 30, 2025
TSG Environmental	\$ 251	\$ 568	\$ 290
E-Top Metal	139	20	139
Other related parties	–	107	52
	<u>\$ 390</u>	<u>\$ 695</u>	<u>\$ 481</u>

G. Prepayments

	June 30, 2026	December 31, 2025	June 30, 2025
TSG Hawks	\$ 2,318	\$ –	\$ 5,597
KUEI TIEN	1,250	2,750	–
TSG Transport	366	654	4,156
Other related parties	260	779	29
	<u>\$ 4,194</u>	<u>\$ 4,183</u>	<u>\$ 9,782</u>

H. Ending balance of goods purchased

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable:			
E-Top Metal	\$ 121,247	\$ 71,170	\$ 85,742
E-Sheng Steel	68,541	32,728	78,574
Other related parties	10,425	10,625	12,723
	<u>\$ 200,213</u>	<u>\$ 114,523</u>	<u>\$ 177,039</u>

I. Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
TSG Transport	\$ 9,512	\$ 30,352	\$ 27,594
E-Top Metal	525	833	675
Other related parties	619	691	1,465
	<u>\$ 10,656</u>	<u>\$ 31,876</u>	<u>\$ 29,734</u>

J. Property transaction

(a) Acquisition of property, plant and equipment:

		For the three-month periods ended June 30,	
	Item	2026	2025
E-Top Metal	Construction in progress and equipment	\$ 300	\$ –
Other related parties	Construction in progress and equipment	378	10,400
		<u>\$ 678</u>	<u>\$ 10,400</u>

		For the six-month periods ended June 30,	
		2026	2025
E-Top Metal	Construction in progress and equipment	\$ 300	\$ 499
Other related parties	Construction in progress and equipment	378	10,400
Other related parties	Machinery and equipment	–	3,999
Other related parties	Leasehold improvements	–	1,400
		<u>\$ 678</u>	<u>\$ 16,298</u>

(b) Disposal of property, plant and equipment:

		For the three-month period ended June 30, 2025	
		Disposal proceeds	Gain (Loss) on disposal
E-Top Metal	Machinery and equipment	<u>\$ 132</u>	<u>\$ –</u>
		For the six-month period ended June 30, 2025	
		Disposal proceeds	Gain (Loss) on disposal
E-Top Metal	Machinery and equipment	<u>\$ 132</u>	<u>\$ –</u>

There was no such situation for the three-month and six-month periods ended June 30, 2026.

(3) Key management compensation

		For the three-month periods ended June 30,	
		2026	2025
Salaries and other short-term employee benefits		\$ 3,235	\$ 3,337
Post-employment benefits		70	70
		<u>\$ 3,305</u>	<u>\$ 3,407</u>
		For the six-month periods ended June 30,	
		2026	2025
Salaries and other short-term employee benefits		\$ 6,543	\$ 6,563
Post-employment benefits		140	140
		<u>\$ 6,683</u>	<u>\$ 6,703</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	June 30, 2026	December 31, 2025	June 30, 2025	Purpose
Demand deposits (Note 1)	\$ 46, 000	\$ 80, 500	\$ 99, 000	Short-term borrowings and letters of credit
Land (Note 2)	103, 606	103, 606	103, 606	Long-term borrowings
Buildings and structures (Note 2)	127, 596	128, 294	129, 439	Long-term borrowings
	<u>\$ 277, 202</u>	<u>\$ 312, 400</u>	<u>\$ 332, 045</u>	

(Note 1) Listed as 'Financial assets at amortised cost - current'.

(Note 2) Listed as 'Property, plant and equipment'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of June 30, 2026, December 31, 2025 and June 30, 2025, the unused letters of credit for the purchase of raw materials amounted to \$ —, \$33,567 and \$71,228, respectively.

(2) As of June 30, 2026, December 31, 2025 and June 30, 2025, the balances for contracts that the Group entered into but not yet incurred for the purchase of property, plant and equipment are \$131,055, \$94,320 and \$ —, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

Details of the Group's financial instruments by category are provided in Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments are used to hedge certain risk.

- (b) Risk management is carried out by a treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group has certain purchases denominated in USD. Changes in market exchange rates would affect the fair value. However, the payment and collection periods of assets and liability positions in foreign currencies are close, thus market risk can be offset. The Group does not expect significant foreign exchange risk.
- ii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

		June 30, 2025	
		Foreign currency amount (In thousands)	Carrying amount (NTD)
		Exchange rate	
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$	200	29.30 \$ 5,860

As of June 30, 2026 and December 31, 2025, the Group has no foreign currency assets and liabilities.

With regard to sensitivity analysis of foreign currency exchange rate risk, if exchange rate of NTD had appreciated/depreciated by 1% against USD with all other variables held constant, the Group's post-tax profit after tax for the three-month period and six-month period ended June 30, 2025 would have increased / decreased by \$47.

- iii. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group amounted to \$95, (\$73), \$286 and (\$204) for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2026 and 2025 would have increased/decreased by \$2,146 and \$2,059, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity, before-tax profit would have increased/decreased by \$1,792 and \$1,640, respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest risk. For the six-month periods ended June 30, 2026 and 2025, the Group's borrowings at variable rate were denominated in NTD.
- ii. With regard to sensitivity analysis of interest rate risk, if interest rate on borrowings increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2026 and 2025 would have increased/decreased by \$144 and \$170, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes and accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire Group's concern. According to the Group's credit policy, the Group is responsible for managing and analysing the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. In line with credit risk management, if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default has occurred when past due over a certain time.
- iv. The Group applies the simplified approach using the provision matrix to estimate expected credit loss, and uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of June 30, 2026, December 31, 2025 and June 30, 2025, the provision matrix is as follows:

June 30, 2026	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	\$ 998,135	\$ 18,821	\$ 59	\$ 91
Expected credit rate	0.02%	1.66%	73.63%	82.05%
Loss allowance	\$ 588	\$ 312	\$ 43	\$ 75
			Individually assessed impairment loss	Total
June 30, 2026	Overdue 271~365 days	Over 365 days overdue		
Total book value	\$ 134	\$ 153	\$ 21,655	\$ 1,039,048
Expected credit rate	86.36%	100%	100%	
Loss allowance	\$ 116	\$ 153	\$ 21,655	\$ 22,942
December 31, 2025	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	\$ 1,089,689	\$ 93,980	\$ 134	\$ 43
Expected credit rate	0.02%	1.75%	71%	80.26%
Loss allowance	\$ -	\$ 1,058	\$ 95	\$ 35
			Individually assessed impairment loss	Total
December 31, 2025	Overdue 271~365 days	Over 365 days overdue		
Total book value	\$ 73	\$ 37	\$ 21,655	\$ 1,205,611
Expected credit rate	85.71%	100%	100%	
Loss allowance	\$ 62	\$ 37	\$ 21,655	\$ 22,942
June 30, 2025	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	\$ 1,277,229	\$ 36,894	\$ 80	\$ 16
Expected credit rate	0.02%	1.92%	67.77%	78.07%
Loss allowance	\$ 107	\$ 708	\$ 54	\$ 12

June 30, 2025	Overdue 271~365 days	Over 365 days overdue	Individually assessed impairment loss	Total
Total book value	\$ 57	\$ 229	\$ 21,824	\$ 1,336,329
Expected credit rate	83.33%	100%	100%	
Loss allowance	\$ 47	\$ 229	\$ 21,824	\$ 22,981

- v. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the six-month period ended June 30, 2026		
	Notes receivable	Accounts receivable	Total
Beginning and ending balance	\$ 13	\$ 22,929	\$ 22,942

	For the six-month period ended June 30, 2025		
	Notes receivable	Accounts receivable	Total
Beginning balance	\$ 13	\$ 23,053	\$ 23,066
Reversal of impairment loss	–	(85)	(85)
Ending balance	\$ 13	\$ 22,968	\$ 22,981

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants.
- ii. The Group has the following undrawn borrowing facilities:

	June 30, 2026	December 31, 2025	June 30, 2025
Floating rate:			
Expiring within one year	\$ 143,053	\$ 460,000	\$ 225,000
Expiring in more than one year	401,100	401,100	298,700
	\$ 544,153	\$ 861,100	\$ 523,700

- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>June 30, 2026</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 308,115	\$ –	\$ –	\$ –
Notes payable	3,264	–	–	–
Accounts payable (including current portion)	204,528	–	–	–
Other payables	202,529	–	–	–
Lease liabilities	45,448	31,897	92,252	377,798
Long-term borrowings (including current portion)	75,102	74,454	217,072	121,440
<u>December 31, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 444,250	\$ –	\$ –	\$ –
Short-term notes and bills payable	80,000	–	–	–
Notes payable	4,752	–	–	–
Accounts payable (including current portion)	115,925	–	–	–
Other payables	112,051	–	–	–
Lease liabilities	44,750	31,998	92,314	390,971
Long-term borrowings (including current portion)	75,667	74,747	218,807	156,821
<u>June 30, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 517,579	\$ –	\$ –	\$ –
Short-term notes and bills payable	130,000	–	–	–
Notes payable	3,779	–	–	–
Accounts payable	177,752	–	–	–
Other payables	291,011	–	–	–
Lease liabilities	42,589	46,995	106,295	406,214
Long-term borrowings (including current portion)	69,616	68,572	201,915	159,518

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in listed stocks through private placement (the discount on liquidity of 14.62% and 5.52%, respectively) are included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

- B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost-current, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables and long-term borrowings (including current portion)) are approximate to their fair values.

- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets as of June 30, 2026, December 31, 2025 and June 30, 2025 is as follows:

<u>June 30, 2026</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 32,041</u>	<u>\$ 236,200</u>	<u>\$ –</u>	<u>\$ 268,241</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 106,933</u>	<u>\$ 72,310</u>	<u>\$ –</u>	<u>\$ 179,243</u>

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 30,589</u>	<u>\$ 247,800</u>	<u>\$ –</u>	<u>\$ 278,389</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 119,175</u>	<u>\$ 84,000</u>	<u>\$ –</u>	<u>\$ 203,175</u>
<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 34,005</u>	<u>\$ 223,350</u>	<u>\$ –</u>	<u>\$ 257,355</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 94,150</u>	<u>\$ 69,860</u>	<u>\$ –</u>	<u>\$ 164,010</u>

The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed and emerging stocks</u>
Market quoted price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- (c) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. As a result, the estimate generated by valuation model will be slightly adjusted based on additional inputs, such as model risk or liquidity risk of counterparties. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- D. For the six-month periods ended June 30, 2026 and 2025, there was no transfer between Level 1 and Level 2, and there was no transfer from or to Level 3.
- E. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 2, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the six-month period ended June 30, 2026.

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 2.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 3.

(3) Information on investments in Mainland China

As of June 30, 2026, there are no investments in Mainland China.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The Group's chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the six-month periods ended June 30,	
	2026	2025
	The Group	The Group
Segment revenue		
Revenue from external customers, net	\$ 3, 110, 470	\$ 4, 044, 497
Depreciation and amortisation	51, 353	48, 307
Finance costs	12, 708	11, 773
Segment profit before income tax	72, 146	96, 772
Segment assets	4, 026, 108	4, 583, 040
Non-current assets capital expenditure	7, 323	102, 166
Segment liabilities	1, 841, 910	2, 347, 785

(3) Reconciliation for segment income

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The amounts provided to the chief operating decision maker with respect to segment income, total assets and total liabilities are measured in a manner consistent with that of the financial statements. Therefore, such reconciliation is not required.

TMP STEEL CORPORATION AND ITS SUBSIDIARY

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2026

Table 1

Expressed in thousands of NTD

Securities held by	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of June 30, 2026				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
TMP Steel Corporation	Chun Yu Works & Co., Ltd.	Other related party	Financial assets at fair value through profit or loss - current	456,000	\$ 7,615	0.15%	\$ 7,615	-
	Ofco Industrial Corp.	Other related party	Financial assets at fair value through profit or loss - current	496,000	12,127	0.49%	12,127	-
	Jia Jie Biomedical Co., Ltd.	Other related party	Financial assets at fair value through profit or loss - current	1,088,405	12,299	0.92%	12,299	-
	King House Co. Ltd.	Other related party	Financial assets at fair value through profit or loss - non-current	5,000,000	236,200	2.96%	236,200	-
	TSG Development Co., Ltd. (formerly Data Van International Corp.)	-	Financial assets at fair value through other comprehensive income - non-current	7,000,000	72,310	3.77%	72,310	-
	IBF Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,200,899	106,933	0.20%	106,933	-

(Note) Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

TMP STEEL CORPORATION AND ITS SUBSIDIARY

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the six months ended June 30, 2026

Table 2

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
TMP Steel Corporation	E-TOP METAL CO., LTD.	Significant influence to the Company	Purchases	\$ 1,885,100	67%	20 days after 10 days statements	\$ -	(Note 2)	(\$ 121,247)	(58%)	-	
	E-SHENG STEEL CO., LTD.	Other related party	Purchases	781,140	28%	20 days after 10 days statements	-	(Note 2)	(68,541)	(33%)	-	
	Te Chang Construction Co., Ltd.	Other related party	(Sales)	(202,784)	(7%)	35 days after 15 days statements	-	(Note 3)	55,161	5%	-	

(Note 1) The transactions between related parties are merely arising from reversed directions, therefore, they will not be disclosed separately.

(Note 2) The Company's payment terms with third parties are full prepayment, by issuance of letter of credit or the credit terms ranged from 30 to 90 days after monthly-closing. It is determined based on credit management policy of the company.

(Note 3) The Company's collection terms with third parties are 30 to 90 days after monthly statements. It is determined based on credit management policy of the company.

TMP STEEL CORPORATION AND ITS SUBSIDIARY

Names, locations and other information of investee companies (not including investees in Mainland China)

For the six months ended June 30, 2026

Table 3

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2026			Net profit (loss) of the investee for the six months ended June 30, 2026	Investment income (loss) recognised by the Company the six months ended June 30, 2026	Footnote
				Balance as at June 30, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value (Note)	June 30, 2026	June 30, 2026	
TMP Steel Corporation	Korea Peibo Electronics Co., Ltd.	Seoul, Korea	Purchase, sales and manufacturing of electronic components	\$ 1,599	\$ 1,599	-	50%	\$ -	\$ -	\$ -	-
	Taiwan Steel Material Corp.	Taiwan	Wholesale of hardware and sale	1,000	1,000	100,000	100%	1,004	4	4	Subsidiary

(Note) It is shown as amount net of accumulated impairment loss.