Hsin Kuang Steel Company Limited and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2025 and 2024 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Hsin Kuang Steel Company Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Hsin Kuang Steel Company Limited and its subsidiaries (collectively, the "Group") as of June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audits resulting in this independent auditors' review report are Szu-Lan Chu and Cheng-Guan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 5, 2025

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

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 1,236,573	4	$ 1,212,459	4	$ 992,749	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,000,923	13	3,574,337	12	4,569,735	15
Financial assets at amortized cost - current (Notes 4, 9 and 31)	164,788	1	173,342	1	142,873	-
Contract assets - current (Note 23)	190,922	1	103,178	-	249,610	1
Notes receivable from unrelated parties (Notes 4, 5, 10 and 31)	2,214,504	7	1,738,707	6	2,096,027	7
Notes receivable from related parties (Notes 4, 5, 10, 23, 30 and 31)	-	-	-	-	3,721	-
Trade receivables from unrelated parties (Notes 4 and 10)	3,502,494	11	2,635,929	9	2,459,816	8
Trade receivables from related parties (Notes 4, 10 and 30)	-	-	-	-	1,131	-
Current tax assets (Notes 4 and 26)	4,720	-	45,773	-	6,918	-
Inventories (Notes 4, 5 and 11)	5,597,745	18	6,262,056	21	6,665,847	21
Prepayments	156,991	-	213,827	1	182,497	1
Other current assets (Notes 17 and 25)	18,363	-	7,537	-	14,419	-
Total current assets	17,088,023	55	15,967,145	54	17,385,343	56
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	722,439	2	733,739	3	929,668	3
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	2,803,531	9	2,439,102	8	3,375,873	11
Investments accounted for using the equity method (Notes 4, 13 and 31)	998,445	3	987,497	3	963,298	3
Property, plant and equipment (Notes 4, 14 and 31)	5,412,787	18	5,472,271	19	4,182,326	14
Right-of-use assets (Note 4)	4,363	-	5,320	-	530	-
Investment properties (Notes 4, 15 and 31)	3,447,115	11	3,474,668	12	3,512,086	11
Intangible assets (Notes 4 and 16)	38,787	-	39,775	-	38,948	-
Deferred tax assets (Notes 4 and 25)	111,552	1	92,438	-	100,522	-
Other non-current assets (Notes 10 and 17)	323,212	1	339,462	1	589,756	2
Total non-current assets	13,862,231	45	13,584,272	46	13,693,007	44
TOTAL	$ 30,950,254	100	$ 29,551,417	100	$ 31,078,350	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 4 and 18)	$ 7,687,207	25	$ 7,587,454	26	$ 6,961,294	22
Short-term bills payable (Notes 4 and 18)	549,368	2	609,226	2	429,393	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	151,411	1	-	-	-	-
Contract liabilities - current (Note 23)	636,193	2	709,928	2	1,491,022	5
Notes payable to unrelated parties (Notes 4 and 19)	437,983	1	331,236	1	270,173	1
Notes payable to related parties (Notes 4, 19 and 30)	-	-	-	-	2,457	-
Trade payables to unrelated parties (Notes 4 and 19)	227,166	1	189,603	1	268,808	1
Other payables (Note 20)	1,320,239	4	448,274	2	1,571,489	5
Current tax liabilities (Notes 4 and 25)	83,575	-	58,285	-	61,976	-
Current portion of long-term liabilities (Notes 4 and 18)	86,288	-	107,121	-	228,648	1
Other current liabilities	14,298	-	9,796	-	14,014	-
Total current liabilities	11,193,728	36	10,050,923	34	11,299,274	36
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 4 and 18)	6,945,415	22	6,945,084	24	5,652,734	18
Provisions - non-current (Note 4)	27,654	-	14,507	-	7,117	-
Deferred tax liabilities (Notes 4 and 25)	167,203	1	130,498	-	116,681	1
Net defined benefit liabilities - non-current (Notes 4 and 21)	13,536	-	15,205	-	21,222	-
Other non-current liabilities	45,461	-	46,418	-	44,339	-
Total non-current liabilities	7,199,269	23	7,151,712	24	5,842,093	19
Total liabilities	18,392,997	59	17,202,635	58	17,141,367	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 22)						
Share capital	3,211,463	11	3,211,463	11	3,211,463	10
Capital surplus	943,445	3	943,445	3	943,445	3
Retained earnings						
Legal reserve	1,611,942	5	1,456,003	5	1,456,003	5
Unappropriated earnings	4,862,878	16	5,157,256	18	5,800,487	19
Total retained earnings	6,474,820	21	6,613,259	23	7,256,490	24
Other equity	1,246,113	4	881,404	3	1,820,504	6
Total equity attributable to owners of the Company	11,875,841	39	11,649,571	40	13,231,902	43
NON-CONTROLLING INTERESTS	681,416	2	699,211	2	705,081	2
Total equity	12,557,257	41	12,348,782	42	13,936,983	45
TOTAL	$ 30,950,254	100	$ 29,551,417	100	$ 31,078,350	100

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 30)								
Sales	$ 3,960,560	86	$ 3,412,765	93	$ 8,063,430	84	$ 6,582,160	92
Other operating revenue	643,211	14	257,227	7	1,581,182	16	553,999	8
Total operating revenue	4,603,771	100	3,669,992	100	9,644,612	100	7,136,159	100
OPERATING COSTS								
Cost of goods sold (Notes 4, 11 and 24)	(3,751,720)	(81)	(3,183,715)	(87)	(7,681,012)	(80)	(6,126,511)	(86)
Other operating costs	(445,692)	(10)	(197,525)	(5)	(1,218,041)	(12)	(361,610)	(5)
Total operating costs	(4,197,412)	(91)	(3,381,240)	(92)	(8,899,053)	(92)	(6,488,121)	(91)
GROSS PROFIT	406,359	9	288,752	8	745,559	8	648,038	9
OPERATING EXPENSES								
Selling and marketing expenses (Note 24)	(92,803)	(2)	(101,252)	(3)	(164,838)	(2)	(191,774)	(3)
General and administrative expenses (Notes 24 and 30)	(86,519)	(2)	(112,149)	(3)	(128,720)	(1)	(203,414)	(3)
Expected credit (loss)/gain (Note 10)	13,266	-	164	-	12,786	-	(5,106)	-
Total operating expenses	(166,056)	(4)	(213,237)	(6)	(280,772)	(3)	(400,294)	(6)
PROFIT FROM OPERATIONS	240,303	5	75,515	2	464,787	5	247,744	3
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 24)								
Interest income	2,307	-	2,320	-	2,661	-	2,676	-
Other income	62,860	1	16,848	-	82,868	1	31,335	1
Other gains and losses	899,275	20	1,436,449	39	479,914	5	2,145,438	30
Finance costs	(114,889)	(2)	(87,322)	(2)	(217,652)	(2)	(171,077)	(2)
Share of profit or loss of associates and joint ventures accounted for using the equity method	17,686	-	25,913	1	17,124	-	27,365	-
Total non-operating income and expenses	867,239	19	1,394,208	38	364,915	4	2,035,737	29
PROFIT BEFORE INCOME TAX	1,107,542	24	1,469,723	40	829,702	9	2,283,481	32
INCOME TAX (EXPENSE)/BENEFIT (Note 25)	(75,281)	(2)	1,481	-	(135,285)	(2)	(50,342)	-
NET PROFIT FOR THE PERIOD	1,032,261	22	1,471,204	40	694,417	7	2,233,139	32

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HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME/(LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	$ 462,040	10	$ (97,570)	(3)	$ 368,765	4	$ 658,489	9
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 22)	(4,541)	-	(645)	-	(4,056)	-	3,591	-
Other comprehensive income/(loss) for the period, net of income tax	457,499	10	(98,215)	(3)	364,709	4	662,080	9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 1,489,760	32	$ 1,372,989	37	$ 1,059,126	11	$ 2,895,219	41
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 1,003,514	22	$ 1,454,117	40	$ 664,427	7	$ 2,194,709	32
Non-controlling interests	28,747	-	17,087	-	29,990	-	38,430	-
	$ 1,032,261	22	$ 1,471,204	40	$ 694,417	7	$ 2,233,139	32
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 1,461,013	32	$ 1,355,897	37	$ 1,029,136	11	$ 2,856,776	40
Non-controlling interests	28,747	-	17,092	-	29,990	-	38,443	1
	$ 1,489,760	32	$ 1,372,989	37	$ 1,059,126	11	$ 2,895,219	41
EARNINGS PER SHARE (Note 26)								
From continuing operations								
Basic	$ 3.12		$ 4.53		$ 2.07		$ 6.83	
Diluted	$ 3.12		$ 4.52		$ 2.06		$ 6.81	

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
	Share Capital			Retained Earnings		Other Equity				
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2024	321,146	$ 3,211,463	$ 943,445	$ 1,275,497	$ 4,741,810	$ 1,943	$ 1,164,407	$ 11,338,565	$ 724,788	$ 12,063,353
Appropriation of 2023 earnings										
Legal reserve	-	-	-	180,506	(180,506)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(963,439)	-	-	(963,439)	-	(963,439)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(56,776)	(56,776)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	7,913	-	(7,913)	-	-	-
Net profit for the six months ended June 30, 2024	-	-	-	-	2,194,709	-	-	2,194,709	38,430	2,233,139
Other comprehensive income/(loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	3,578	658,489	662,067	13	662,080
Total comprehensive income/(loss) for the six months ended June 30, 2024	-	-	-	-	2,194,709	3,578	658,489	2,856,776	38,443	2,895,219
Changes of non-controlling interests	-	-	-	-	-	-	-	-	(1,374)	(1,374)
BALANCE ON JUNE 30, 2024	321,146	$ 3,211,463	$ 943,445	$ 1,456,003	$ 5,800,487	$ 5,521	$ 1,814,983	$ 13,231,902	$ 705,081	$ 13,936,983
BALANCE ON JANUARY 1, 2025	321,146	$ 3,211,463	$ 943,445	$ 1,456,003	$ 5,157,256	$ 5,557	$ 875,847	$ 11,649,571	$ 699,211	$ 12,348,782
Appropriation of 2024 earnings										
Legal reserve	-	-	-	155,939	(155,939)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(802,866)	-	-	(802,866)	-	(802,866)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(47,805)	(47,805)
Net profit for the six months ended June 30, 2025	-	-	-	-	664,427	-	-	664,427	29,990	694,417
Other comprehensive income/(loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	(4,056)	368,765	364,709	-	364,709
Total comprehensive income/(loss) for the six months ended June 30, 2025	-	-	-	-	664,427	(4,056)	368,765	1,029,136	29,990	1,059,126
Changes of non-controlling interests	-	-	-	-	-	-	-	-	20	20
BALANCE ON JUNE 30, 2025	321,146	$ 3,211,463	$ 943,445	$ 1,611,942	$ 4,862,878	$ 1,501	$ 1,244,612	$ 11,875,841	$ 681,416	$ 12,557,257

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 829,702	$ 2,283,481
Adjustments for:		
Depreciation expense	132,190	121,744
Amortization expense	4,494	5,918
Expected credit loss (reversed)/recognized on trade receivables	(12,786)	5,106
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(156,675)	(2,186,298)
Finance costs	217,652	171,077
Interest income	(2,661)	(2,676)
Dividend income	(63,421)	(23,589)
Share of profit of associates	(17,124)	(27,365)
Write-downs of/(reversal of write-downs of) inventories	33,074	(33,117)
Net (gain)/loss on foreign currency exchange	(306,288)	71,249
Provision for liabilities	13,147	4,416
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(107,200)	66,127
Contract assets	(87,744)	(9,250)
Notes receivable	(478,074)	68,311
Trade receivables	(847,615)	717,152
Other receivables	611	350
Inventories	631,238	(475,250)
Prepayments	76,275	(112,277)
Other current assets	(576)	(8,587)
Notes payable	106,747	(15,525)
Trade payables	37,661	30,359
Other payables	41,826	175,138
Contract liabilities	(73,736)	74,740
Other current liabilities	(401)	2,239
Net defined benefit liabilities	(1,669)	(12,405)
Cash (used in)/generated from operations	(31,353)	891,068
Interest received	2,661	2,676
Dividends received	52,560	18,568
Income tax paid	(50,335)	(164,853)
Net cash (used in)/generated from operating activities	(26,467)	747,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	-	(93,969)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	63,722
Proceeds from sale of financial assets at amortized cost	8,553	8,627

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HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
Payments for property, plant and equipment	$ (6,713)	$ (66,614)
Increase in other non-current assets	(619)	(753)
Increase in prepayments for equipment	(50,289)	(68,834)
Dividends received from investees	6,176	7,982
Increase in refundable deposits	(183)	-
Decrease in refundable deposits	-	3,213
Net cash used in investing activities	(43,075)	(146,626)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	13,302,233	9,919,873
Decrease in short-term borrowings	(12,894,078)	(9,712,167)
Decrease in short-term bills payable	(60,000)	(370,000)
Proceeds from long-term borrowings	207,150	98,070
Repayments of long-term borrowings	(229,130)	(298,554)
Increase in guarantee deposits received	-	7,173
Interest paid	(184,000)	(150,069)
Dividends paid to non-controlling interests	(47,805)	(56,776)
Change in non-controlling interests	20	(1,374)
Net cash generated from/(used in) financing activities	94,390	(563,824)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(734)	2,161
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,114	39,170
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,212,459	953,579
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,236,573	$ 992,749

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Hsin Kuang Steel Company Limited (the "Company") was incorporated in January 1967. The original paid-in-capital was NT$200 thousand, and ordinary shares were issued subsequently for promoting business expansion and a sound financial structure. The Company's share was approved to be listed on the Taipei Exchange (TPEx) in April 1997 and was approved to transfer to the Taiwan Stock Exchange (TWSE) in August 2000. The Company's shares have been listed on the TWSE since September 2000 under the approval of the Financial Supervisory Commission (FSC) of the Republic of China. The Company and its subsidiaries (collectively referred to as the "Group") mainly engages in the cutting, stamping and sale of various steel products, including steel coils, steel plates, round steel bar, stainless steel, alloy steel, special steel and SuperDyma. For the principal operating activities of the Company's subsidiaries, please refer to Note 12.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on August 5, 2025.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023

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

   a) The amendments to the application guidance of classification of financial assets

      The amendments mainly amend the requirements for the classification of financial assets, including:

      i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

         - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

         - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

      ii. To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

      iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

   b) The amendments to the application guidance of classification of financial liabilities

      The amendment primarily clarifies that a financial liability shall be derecognized on the settlement date. However, if an entity uses an electronic payment system to settle a financial liability in cash, and the following conditions are met, the entity may elect to derecognize the financial liability prior to the settlement date:

      - The entity has no practical ability to withdraw, stop, or cancel the payment instruction;

      - The entity no longer has the practical ability to access the cash that will be used for settlement as a result of the payment instruction; and

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

   An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

2) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Group enters into contracts to buy nature-dependent electricity, which exposes the Group to the risk that it would be required to buy electricity during a delivery interval in which the Group cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Group’s expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Group entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Group has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Group is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Group shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Group shall apply prospectively.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

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

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

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

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

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

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

2) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

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

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

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

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

d. Presentation reclassification

The Group's management determines that the construction is in progress, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities. Therefore, the contract liabilities presented in the consolidated balance sheet as of June 30, 2024, were reclassified based on their liquidity to conform with the presentation adopted in the consolidated balance sheet as of June 30, 2025.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of financial assets at fair value through other comprehensive income or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

See Note 12 and Table 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations, inflation and interest rate fluctuations, volatility in financial markets, US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The same material accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 1,614	$ 1,560	$ 1,439
Checking accounts and demand deposits	1,234,959	1,210,899	991,310
	$ 1,236,573	$ 1,212,459	$ 992,749

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Bank balance	0.002%-0.8%	0.002%-1.28%	0.001%-1.45%

As of June 30, 2025, December 31, 2024 and June 30, 2024, pledged time deposits and restricted demand deposits were NT$164,788 thousand, NT$173,342 thousand and NT$142,873 thousand, respectively, and were classified as financial assets at amortized cost (refer to Note 9).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic and foreign listed shares	$ 3,879,769	$ 3,383,290	$ 4,334,306
Mutual funds	121,154	89,329	202,768
Derivative instruments (not under hedge accounting)			
Foreign exchange forward contracts*	-	101,718	32,661
	$ 4,000,923	$ 3,574,337	$ 4,569,735
Financial assets - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic emerging market shares	$ 567,825	$ 579,125	$ 743,454
Domestic unlisted shares	154,614	154,614	186,214
	$ 722,439	$ 733,739	$ 929,668
Financial liabilities - current			
Held for trading			
Derivative instruments (not under hedge accounting)			
Foreign exchange forward contracts*	$ 151,411	$ -	$ -

* At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amounts (In Thousands)
June 30, 2025			
Buy	NTD/USD	2025.07-2026.06	NTD3,287,022/USD110,920
December 31, 2024			
Buy	NTD/USD	2025.01-2025.11	NTD2,086,688/USD67,688
June 30, 2024			
Buy	NTD/USD	2024.11-2025.01	NTD447,724/USD15,000
Sell	USD/NTD	2025.03	NTD61,007/USD1,984

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
Non-current			
Investments in equity instruments	$ 2,803,531	$ 2,439,102	$ 3,375,873

Investments in equity instruments at FVTOCI

	June 30, 2025	December 31, 2024	June 30, 2024
Non-current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - China Steel Corporation	$ 577,176	$ 603,272	$ 829,310
Ordinary shares - Century Wind Power Co., Ltd.	1,979,235	1,580,130	2,191,040
Unlisted shares			
Ordinary shares - Envirolink Corporation	19,250	19,250	56,525
Ordinary shares - Linkou Entertainment Corporation	4,224	4,224	4,518
Ordinary shares - Shin Ji Technology Corporation	4,761	4,761	4,761
Ordinary shares - Hua Mian Corporation	1,045	1,045	1,073
	2,585,691	2,212,682	3,087,227
Foreign investments			
Unlisted shares			
Ordinary shares - China Steel and Nippon Steel Vietnam Stock Company	181,386	185,630	246,523
Ordinary shares - Century International Co., Ltd.	36,454	40,790	42,123
	217,840	226,420	288,646
	$ 2,803,531	$ 2,439,102	$ 3,375,873

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Domestic investments			
Pledged time deposits (a)	$ 39,204	$ 48,391	$ 58,370
Restricted demand deposits (a)	116,384	124,951	84,503
Time deposits with original expiry date of more than 3 months (b)	9,200	-	-
	$ 164,788	$ 173,342	$ 142,873

a. The ranges of interest rates for pledged time deposits and restricted demand deposits were 0.20%-1.44%, 0.20%-1.44% and 0.20%-1.31% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

b. The interest rates for times deposits with original expiry date of more than 3 months were 1.39% as of June 30, 2025.

c. Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable			
Operating - unrelated parties	$ 2,216,781	$ 1,738,707	$ 2,096,027
Operating - related parties	-	-	3,721
Less: Allowance for impairment loss	(2,277)	-	-
	$ 2,214,504	$ 1,738,707	$ 2,099,748
Trade receivables			
At amortized cost - unrelated parties	$ 3,506,990	$ 2,643,165	$ 2,465,964
At amortized cost - related parties	-	-	1,131
Less: Allowance for impairment loss	(4,496)	(7,236)	(6,148)
	$ 3,502,494	$ 2,635,929	$ 2,460,947
Overdue receivables (presented under other non-current assets)			
Overdue receivables	$ 62,709	$ 86,547	$ 103,055
Less: Allowance for impairment loss	(4,592)	(21,517)	(38,690)
	$ 58,117	$ 65,030	$ 64,365

a. Notes receivable and trade receivables

The average credit period for sales of goods is 90-150 days. No interest was charged on trade receivables. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from other publicly available financial source or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix considering the past default records of the debtor, an analysis of the debtor's current financial position, any credit insurance and recoverable amount as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix.

June 30, 2025

	Not Past Due	1 to 30 Days Past Due	31 Days to 1 Year Past Due	1 to 2 Years Past Due	Over 2 Years Past Due	Total
Expected credit loss rate	0.08%	17.14%	13.72%	0.00%	0.00%	
Gross carrying amount	$ 5,708,580	$ 9,608	$ 5,583	$ -	$ -	$ 5,723,771
Loss allowance (Lifetime ECLs)	(4,360)	(1,647)	(766)	-	-	(6,773)
Amortized cost	$ 5,704,220	$ 7,961	$ 4,817	$ -	$ -	$ 5,716,998

December 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 Days to 1 Year Past Due	1 to 2 Years Past Due	Over 2 Years Past Due	Total
Expected credit loss rate	0.03%	15.59%	55.48%	0.00%	0.00%	
Gross carrying amount	$ 4,362,872	$ 11,411	$ 7,589	$ -	$ -	$ 4,381,872
Loss allowance (Lifetime ECLs)	(1,247)	(1,779)	(4,210)	-	-	(7,236)
Amortized cost	$ 4,361,625	$ 9,632	$ 3,379	$ -	$ -	$ 4,374,636

June 30, 2024

	Not Past Due	1 to 30 Days Past Due	31 Days to 1 Year Past Due	1 to 2 Years Past Due	Over 2 Years Past Due	Total
Expected credit loss rate	0.02%	0.00%	100.00%	0.00%	0.00%	
Gross carrying amount	$ 4,538,585	$ 22,864	$ 5,394	$ -	$ -	$ 4,566,843
Loss allowance (Lifetime ECLs)	(754)	-	(5,394)	-	-	(6,148)
Amortized cost	$ 4,537,831	$ 22,864	$ -	$ -	$ -	$ 4,560,695

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	$ 7,236	$ 36,575
Add: Net remeasurement of loss allowance	6,773	7,262
Less: Net remeasurement of loss allowance	(7,236)	(155)
Less: Reclassification	-	(37,534)
Balance at June 30	$ 6,773	$ 6,148

Compared to January 1, 2025 and 2024, loss allowance decrease of NT$463 thousand and decrease of NT$30,427 thousand at June 30, 2025 and 2024, respectively, resulted from the changes in the gross carrying amounts of notes receivable and trade receivables, which increased by NT$1,341,899 thousand and decreased by NT$881,904 thousand, respectively.

Refer to Note 31 for information relating to notes receivable pledged as security for borrowings.

b. Overdue receivables

Overdue receivable balances that were past due but for which no allowance for impairment loss was recognized were NT$58,117 thousand, NT$65,030 thousand and NT$64,365 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively, which are disclosed in the aging analysis below. The Group did not recognize an allowance for impairment loss, because there was no significant change in the credit quality and the amounts were still considered recoverable. The Group holds collateral or other credit enhancements for these balances. In addition, the Group did not have the legal right to offset the overdue receivables with trade payables from the same counterparty.

The aging of overdue receivables that were past due but not impaired was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Over 1 year	$ 58,117	$ 65,030	$ 64,365

The above aging schedule was based on the number of days from the invoice date.

The movements of the loss allowance of overdue receivables were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	$ 21,517	$ 7,903
Less: Net remeasurement of loss allowance	(12,323)	(2,001)
Less: Amounts written off	(714)	(4,746)
Add: Reclassification	(3,888)	37,534
Balance at June 30	$ 4,592	$ 38,690

The Group recognized a loss allowance on overdue receivables amounting to NT$4,592 thousand, NT$21,517 thousand and NT$38,690 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively. These amounts were mainly related to the customers for whom the Group was pursuing legal claims. The net remeasurement amount was calculated as the difference between the overdue receivables' carrying amount and the present value of expected recoverable amount.

11. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	$ 4,903,890	$ 5,497,388	$ 5,534,248
Finished goods	639,360	555,135	591,760
Work in process	9,716	21,582	422,889
Raw materials in transit	44,779	187,951	116,950
	$ 5,597,745	$ 6,262,056	$ 6,665,847

The nature of the cost of goods sold is as follows:

	For the Six Months Ended June 30	
	2025	2024
Cost of inventories sold	$ 7,647,938	$ 6,159,628
(Reversal of) inventory write-downs	33,074	(33,117)
	$ 7,681,012	$ 6,126,511

As of June 30, 2025, December 31, 2024 and June 30, 2024, the allowance for inventory write-downs were NT$107,828 thousand, NT$74,754 thousand and NT$70,355 thousand, respectively.

Inventory write-downs were reversed as a result of the fluctuation in the market price of the steel market.

12. SUBSIDIARIES

Investor	Investee	Nature of Business	Proportion of Ownership (%) June 30, 2025	December 31, 2024	June 30, 2024
Hsin Kuang Steel Corporation	Hsin Yuan Investment Co., Ltd.	Investment	100.00	100.00	100.00
Hsin Kuang Steel Corporation	Hsin Ho Fa Metal Co., Ltd.	Sale of metal products for architecture	83.37	83.37	83.37
Hsin Kuang Steel Corporation	Sinpao Investment Co., Ltd.	Investment	100.00	100.00	99.42
Hsin Kuang Steel Corporation	APEX Wind Power Equipment Manufacturing Company Limited	Manufacturing of metal structures, architectural components and energy related equipment	66.14	66.14	66.14
Hsin Kuang Steel Corporation	Hsin Ching International Co., Ltd.	Leasing and warehousing	60.00	60.00	60.00
Hsin Kuang Steel Corporation	Hsin Cheng Logistics Development Co., Ltd.	Leasing and warehousing	100.00	100.00	100.00
Hsin Kuang Steel Corporation	Mason Metal Industry Co., Ltd.	Cutting and processing of automobile steel plate	80.00	80.00	80.00
Hsin Yuan Investment Co., Ltd.	APEX Wind Power Equipment Manufacturing Company Limited	Manufacturing of metal structures, architectural components and energy related equipment	1.00	1.00	1.00
Hsin Yuan Investment Co., Ltd.	Hsin Hua Steel Industry Co., Ltd.	Processing and manufacturing of metal structures, architectural components and steel products	100.00	100.00	100.00
Hsin Yuan Investment Co., Ltd.	Hsin Yuan Hsin Industrial Co., Ltd.	Processing and manufacturing of steel products	100.00	100.00	-
Hsin Ho Fa Metal Co., Ltd.	APEX Wind Power Equipment Manufacturing Company Limited	Manufacturing of metal structures, architectural components and energy related equipment	2.73	2.73	2.73
Sinpao Investment Co., Ltd.	Mason Metal Industry Co., Ltd.	Cutting and processing of automobile steel plate	1.00	1.00	1.00

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in associates	$ 998,445	$ 987,497	$ 963,298

a. Investments in associates

	June 30, 2025	December 31, 2024	June 30, 2024
Material associate	$ 890,652	$ 877,684	$ 857,080
Associates that are not individually material	107,793	109,813	106,218
	$ 998,445	$ 987,497	$ 963,298

1) Material associate

Name of Associate	Nature of Business	Proportion of Ownership and Voting Rights June 30, 2025	December 31, 2024	June 30, 2024
SunnyRich Multifunction Solar Power Co., Ltd.	Renewable energy private power generation equipment	20.00%	20.00%	20.00%

The Company pledged 86,000 thousand shares of SunnyRich Multifunction Solar Power Co., Ltd. as collateral for bank borrowings (refer to Note 31 and Table 1).

SunnyRich Multifunction Solar Power Corporation

	June 30	
	2025	2024
Current assets	$ 2,400,713	$ 1,427,593
Non-current assets	14,821,320	12,017,225
Current liabilities	(950,300)	(1,068,493)
Non-current liabilities	(11,815,667)	(8,079,799)
Equity	$ 4,456,066	$ 4,296,526
Proportion of the Group's ownership	20%	20%
Equity attributable to the Group	$ 891,213	$ 859,305
Carrying amount	$ 890,652	$ 857,080

	For the Six Months Ended June 30	
	2025	2024
Operating revenue	$ 531,470	$ 512,573
Net income	$ 75,258	$ 160,984
Total comprehensive income	$ 75,258	$ 160,984

2) Aggregate information of associates that are not individually material is as follows:

	For the Six Months Ended June 30	
	2025	2024
The Group's share of:		
Net income	$ 4,155	$ 3,581
Total comprehensive income	$ 4,155	$ 3,581

14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2025	December 31, 2024	June 30, 2024
Assets used by the Group	$ 5,412,787	$ 5,472,271	$ 4,182,326
Carrying amount per category			
Freehold land	$ 3,702,717	$ 3,702,717	$ 2,503,072
Buildings	919,035	937,726	921,873
Equipment	588,115	610,429	584,010
Transportation equipment	56,235	63,275	67,868

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Miscellaneous equipment	$ 106,405	$ 121,495	$ 57,798
Leasehold improvements	30,046	32,098	34,186
Property under construction and equipment awaiting inspection	10,234	4,531	13,519
	$ 5,412,787	$ 5,472,271	$ 4,182,326

(Concluded)

Except for depreciation recognized, the Group did not have significant addition, disposal, or impairment for the six months ended June 30, 2025. The decrease for the six months ended June 30, 2024 was mainly due to the reclassification of leased factory to investment properties. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
Main buildings	10-55 years
Building construction	3-20 years
Equipment	
Main equipment	5-20 years
Equipment maintenance	3-8 years
Transportation equipment	
Trucks and automotive	5-8 years
Stackers	5-9 years
Automotive accessories	3-5 years
Miscellaneous equipment	
Computer equipment	3-10 years
Office equipment and construction	3-10 years
Leasehold improvements	3-15 years

The Group purchased land located in Guanyin and Taibao for operational use from 2005 to 2020. As of June 30, 2025, the total land space purchased was 50,004.07 square meters, with a carrying amount of NT$227,268 thousand. The law stipulates that an entity may not have ownership of land which is registered for agricultural purposes. Therefore, the Group held the land through the signing of the real estate trust agreement with an individual. As a protective measure, the Group signed a contract with the landowner who held the land ownership certificate and registered the ownership certificate, which stated that all the rights and obligations of the land belong to the Group.

Property, plant and equipment pledged as collateral for bank borrowings is set out in Note 31.

15. INVESTMENT PROPERTIES

	June 30, 2025	December 31, 2024	June 30, 2024
Completed investment properties	$ 3,447,115	$ 3,474,668	$ 3,512,086

The investment properties were leased out for 2 to 10 years, without an option to extend. The lease contracts contain market review clauses to adjust the lease expense in the event that the lessees exercise their options to renew the lease. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

In addition to the fixed lease payments, the lease contracts also indicate that the lease payments should be adjusted every 2 or 3 years on the basis of the increase in Price Index.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Year 1	$ 356,857	$ 364,125	$ 373,813
Year 2	309,243	326,880	363,760
Year 3	289,788	301,131	318,260
Year 4	237,407	267,397	298,866
Year 5	210,480	218,667	248,448
Year 6 onwards	144,096	249,594	364,088
	$ 1,547,871	$ 1,727,794	$ 1,967,235

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	25-55 years
Building construction	6-15 years
Leasehold improvements	5-15 years

The determination of fair value was performed by independent qualified professional appraisers at the end of each reporting period. The fair value was measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value	$ 7,854,689	$ 7,856,053	$ 7,167,507

The investment properties pledged as collateral for bank borrowings are set out in Note 31.

16. OTHER INTANGIBLE ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Computer software	$ 38,787	$ 39,775	$ 38,948

The additions in intangible assets of the Group for the six months ended June 30, 2025 and 2024 were mainly due to the external purchase of information systems. Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years

17. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Other receivables	$ 16,411	$ 6,160	$ 12,694
Payment on behalf of others	1,419	1,377	1,688
Prepaid income tax	33	-	37
Temporary payments	500	-	-
	$ 18,363	$ 7,537	$ 14,419
Non-current			
Refundable deposits	$ 106,157	$ 105,974	$ 5,571
Prepayments for equipment	144,572	134,824	426,146
Overdue receivables	58,117	65,030	64,365
Prepayments	13,781	33,221	-
Others	585	413	93,674
	$ 323,212	$ 339,462	$ 589,756

18. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings (Notes 29 and 31)			
Bank loans	$ 82,000	$ 72,000	$ 60,000
Letter of credit borrowings	1,120,072	980,250	957,903
	1,202,072	1,052,250	1,017,903
Unsecured borrowings			
Line of credit borrowings (Note 29)	1,895,000	1,368,244	1,547,000
Letter of credit borrowings	4,590,135	5,166,960	4,396,391
	6,485,135	6,535,204	5,943,391
	$ 7,687,207	$ 7,587,454	$ 6,961,294

The range of weighted average effective interest rates on bank loans was 1.90%-5.53%, 1.90%-6.71% and 1.78%-6.70% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

b. Short-term bills payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper (Notes 29 and 31)	$ 550,000	$ 610,000	$ 430,000
Less: Discount on short-term bills payable	(632)	(774)	(607)
	$ 549,368	$ 609,226	$ 429,393

Outstanding short-term bills payable were as follows:

June 30, 2025

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
Company A	$ 100,000	$ 175	$ 99,825	2.17%	-	$ -
Company B	170,000	305	169,695	2.17%-2.25%	-	-
Company C	130,000	39	129,961	2.18%-2.24%	-	-
Company D	150,000	113	149,887	2.18%	-	
	$ 550,000	$ 632	$ 549,368			

December 31, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
Company A	$ 100,000	$ 185	$ 99,815	2.17%	Head office	$ 18,328
Company B	210,000	349	209,651	2.19%-2.24%	-	-
Company C	150,000	98	149,902	2.13%-2.23%	-	-
Company D	150,000	142	149,858	2.17%	-	-
	$ 610,000	$ 774	$ 609,226			

June 30, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
Company A	$ 100,000	$ 142	$ 99,858	2.14%	Head office	$ 18,688
Company B	180,000	277	179,723	2.16%-2.20%	-	-
Company C	150,000	188	149,812	2.14%-2.19%	-	-
	$ 430,000	$ 607	$ 429,393			

c. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings (Note 31)			
Syndicated bank loans - Mega International Commercial Bank (1)	$ 6,000,000	$ 6,000,000	$ 5,200,000
Bank loans - Banking Division of Mega International Commercial Bank (2)	-	-	81,579
Bank loans - Chang Hwa Bank Sanchungpu Branch (3)	187,500	197,917	208,333
Bank loans - Land Bank of Taiwan (4)	-	-	86,000
Bank loans - Land Bank of Taiwan (5)	537,700	537,700	-
Bank loans - Mega International Commercial Bank (6)	130,909	163,636	196,364
Bank loans - Banking Division of Far Eastern International Bank (7)	-	20,833	45,833
Bank loans - First Commercial Bank (8)	182,438	140,442	72,923
	7,038,547	7,060,528	5,891,032
Less: Current portions	(86,288)	(107,121)	(228,648)
Syndicated loan fees	(6,844)	(8,323)	(9,650)
	(93,132)	(115,444)	(238,298)
Long-term borrowings	$ 6,945,415	$ 6,945,084	$ 5,652,734

1) The Company signed a joint credit line contract with Mega International Commercial Bank, and such syndicated loan was collateralized by the Company's freehold land and plant (refer to Note 31). The credit line of loan item A-1 is NT$3,500,000 thousand, A-2 is NT$4,500,000 thousand, B is NT$5,000,000 thousand and the total credit line of loan items A and B shall be not more than NT$8,000,000 thousand, which is a revolving credit line within 5 years from the date of first use. When the credit line of the loan is used for the first time, the entire outstanding balance of the syndicated bank loan - Yushan Bank, which was signed in 2018, will be paid off in advance. The first period is 36 months after the date of first use. Thereafter, every 12 months is considered one period, and the total credit line will decrease within 3 periods. The revolving credit line will be reduced by 10% at the end of the first period, reduced by 20% at the end of the second period, and the remaining credit line will be totally cancelled upon the expiry of the credit period.

   During the loan period, the current ratio, debt ratio and interest earned ratio, which are calculated based on the audited annual consolidated financial report, should comply with the criteria in the credit line contract. If the financial ratio do not comply with the criteria in the contract, the Group should remedy it from the date of submission of the annual consolidated financial statements to the next review date. It will not be considered a breach of the contract if the financial ratios are remedied and comply with the contract within the remediation period. The weighted average effective interest rates were 2.20%-2.25%, 2.14%-2.22% and 2.01%-2.06% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

2) In January 2017, the Company acquired NT$150,000 thousand of bank loans from the Banking Division of Mega International Commercial Bank, secured by the Company's freehold land (refer to Note 31), which will mature in January 2032. Starting from January 2018, the repayment of principal is divided into 56 installments of every 3 months, with NT$2,632 thousand per installment. The loan was repaid in advance in one lump sum in August 2024. The weighted average effective interest rate was 2.36% per annum as of June 30, 2024.

3) In April 2019, Hsin Ho Fa Metal Co., Ltd. acquired NT$250,000 thousand of bank loans from Chang Hwa Bank Sanchungpu Branch, secured by the freehold land (refer to Note 31), which mature in April 2034. The grace period is 3 years, during which interest shall be paid by the 26th of each month. Starting from April 26, 2022, the repayment of principal is divided into 48 equal installments of every 3 months, and the principal as well as interest calculated on the outstanding balance principal shall be paid by the 26th of each month. The weighted average effective interest rates were 2.19%, 2.19% and 2.06% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

4) In September 2021, APEX Wind Power Equipment Manufacturing Company Limited acquired NT$86,000 thousand of bank loans from the Land Bank of Taiwan, secured by machinery and equipment (refer to Note 31), which will mature in September 2024. Starting from the borrowing date, interest will be paid once a month, and the principal should be repaid on the maturity date. The principal of the loan was repaid in advance in one lump sum in July 2024. The weighted average effective interest rate was 2.15% per annum as of June 30, 2024.

5) In July 2024, APEX Wind Power Equipment Manufacturing Company Limited acquired NT$537,700 thousand of bank loans from the Land Bank of Taiwan, with land (refer to Note 31) as the collateral, which will mature in July 2027. The principal of the loan is repayable in one lump sum upon maturity, where interest is repayable on a monthly basis starting from the date of the initial drawdown. The weighted average effective interest rates were both 2.13% per annum as of June 30, 2025 and December 31, 2024.

6) In June 2022, Mason Metal Industry Co., Ltd. acquired NT$300,000 thousand of bank loans from Mega International Commercial Bank, secured by the freehold land and buildings (refer to Note 31), which will mature in June 2027. Starting from the borrowing date, interest will be paid once a month, and the principal will be repaid in installments. The weighted average effective interest rates were all 2.36% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024.

7) In May 2023, Hsin Ching International Co., Ltd. acquired NT$100,000 thousand of unsecured bank loans from Far Eastern International Bank, which will mature in May 2025. The principal shall be repaid in 24 equal installments on the 5th of each month, and interest is calculated on the outstanding principle which shall be paid on the 5th of each month. The principal of the loan was repaid in advance in one lump sum in May 2025. The weighted average effective interest rates were both 2.42% per annum as of December 31, 2024 and June 30, 2024.

8) Xinhua Steel Company entered into an unsecured medium-term loan agreement with First Commercial Bank, and borrowed in installments from March 2023. The principal of the loan is repayable over a period of 2 years starting from the date of the initial drawdown and will mature in September 2027. The weighted average effective interest rates were all 2.23% as of June 30, 2025, December 31, 2024 and June 30, 2024.

19. NOTES PAYABLE AND TRADE PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Notes payable			
Operating - unrelated parties	$ 437,983	$ 331,236	$ 270,173
Operating - related parties	$ -	$ -	$ 2,457
Trade payables			
Operating - unrelated parties	$ 227,166	$ 189,603	$ 268,808

20. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payables for salaries and bonuses	$ 238,183	$ 210,185	$ 359,328
Other accrued expenses	95,011	128,609	70,942
Other payables	91,374	87,766	94,330
Dividends payable	846,684	-	1,001,328
Interest payable	48,987	21,714	45,561
	$ 1,320,239	$ 448,274	$ 1,571,489

21. RETIREMENT BENEFIT PLANS

For the six months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were NT$263 thousand and NT$365 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

22. EQUITY

a. Share capital

Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	360,000	360,000	360,000
Shares authorized	$ 3,600,000	$ 3,600,000	$ 3,600,000
Number of shares issued and fully paid (in thousands)	321,146	321,146	321,146
Shares issued	$ 3,211,463	$ 3,211,463	$ 3,211,463

The shares issued had a par value of NT$10. Each share entitles the rights to dividends and to vote.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Share premiums	$ 906,797	$ 906,797	$ 906,797
May not be used for any purpose (2)			
Employee share options	36,648	36,648	36,648
	$ 943,445	$ 943,445	$ 943,445

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

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. If the aforementioned dividends, legal reserve and capital surplus are to be distributed in cash, the board of directors may be authorized to pass the resolution with more than two-thirds of the directors' attendance and more than half of the votes of attending directors, which shall be reported in the board of directors. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors in Note 24-g.

To ensure the interests of shareholders and the Company's sustainable development, the Company adopts a balanced dividends policy. The dividends payment principle shall be determined on the basis of the current and forthcoming development plan, considering the investing environment, demanding for funds, domestic and foreign competition, and shareholders' interests. The Company shall, in accordance with the capital budget plan for the following year, determine the most appropriate dividend policy. After the board of directors resolve the distribution plan, such plan will be subject to the resolution in the shareholders' meeting.

Dividends may be distributed in cash or shares. Among the dividends payment, no less than 30% shall be distributed in cash.

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

The appropriation of earnings for the years ended December 31, 2024 and 2023, which was approved in shareholder's meeting on May 29, 2025 and June 14, 2024, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	**2023**
Legal reserve	$ 155,939	$ 180,506
Cash dividends	$ 802,866	$ 963,439
Cash dividends per share (NT$)	$ 2.50	$ 3.0

d. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	$ 5,557	$ 1,943
Exchange differences on translating the financial statements of foreign operations	(4,056)	3,578
Balance at June 30	$ 1,501	$ 5,521

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	$ 875,847	$ 1,164,407
Recognized for the period		
Unrealized gain (loss) - equity instruments	368,765	658,489
Reclassification adjustments		
Disposals of investments in equity instruments designated as at FVTOCI	-	(7,913)
Balance at June 30	$ 1,244,612	$ 1,814,983

e. Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	$ 699,211	$ 724,788
Share of profit for the period	29,990	38,430
Dividends distributed by subsidiaries	(47,805)	(56,776)
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign operations	-	13
Non-controlling interests	20	(1,374)
Balance at June 30	$ 681,416	$ 705,081

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue from contracts with customers				
Revenue from sales of goods	$ 3,960,560	$ 3,412,765	$ 8,063,430	$ 6,582,160
Revenue from processing	114,155	22,877	156,052	105,004
Construction contract revenue	438,700	149,284	1,244,644	285,120
Rental income	90,356	85,066	180,486	163,875
	$ 4,603,771	$ 3,669,992	$ 9,644,612	$ 7,136,159

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables (Note 10)	$ 3,502,494	$ 2,635,929	$ 2,460,947
Contract assets - current			
Sales of goods	$ 151,888	$ 102,229	$ 233,361
Construction of properties	39,034	949	16,249
	$ 190,922	$ 103,178	$ 249,610
Contract liabilities - current			
Sales of goods	$ 404,000	$ 206,338	$ 454,570
Construction of properties	232,193	503,590	1,036,452
	$ 636,193	$ 709,928	$ 1,491,022

b. Refer to Note 35 for details of revenue.

24. NET PROFIT FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Dividend income				
Financial assets at FVTPL	$ 20,821	$ 10,996	$ 30,608	$ 21,257
Financial assets at FVTOCI	32,580	2,332	32,813	2,332
Others	9,459	3,520	19,447	7,746
	$ 62,860	$ 16,848	$ 82,868	$ 31,335

b. Other gains (losses)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net (losses) gains on financial assets and financial liabilities				
Net gains (losses) on financial assets mandatorily measured at FVTPL	$ 813,574	$ 1,466,647	$ 409,804	$ 2,186,298
Financial liabilities held for trading	(253,129)	-	(253,129)	-
Net foreign exchange gains (losses)	338,830	(30,198)	323,239	(40,860)
	$ 899,275	$ 1,436,449	$ 479,914	$ 2,145,438

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	$ 114,995	$ 87,882	$ 217,802	$ 173,259
Interest on lease liabilities	27	4	58	9
Less: Amounts included in the cost of qualifying assets	(133)	(564)	(208)	(2,191)
	$ 114,889	$ 87,322	$ 217,652	$ 171,077

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Capitalized interest	$ 133	$ 564	$ 208	$ 2,191
Capitalization rate	2.5%	2.5%	2.5%	2.5%

d. Operating expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Direct operating expenses of investment properties generating rental income	$ 22,581	$ 44,424	$ 49,284	$ 66,983

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Property, plant and equipment	$ 51,377	$ 44,608	$ 103,596	$ 90,331
Investment properties	13,815	16,559	27,637	30,457
Right-of-use assets	478	478	957	956
Intangible assets	2,008	2,255	4,047	4,588
Long-term prepayments	218	689	447	1,330
	$ 67,896	$ 64,589	$ 136,684	$ 127,662
An analysis of depreciation by function				
Operating costs	$ 60,671	$ 55,802	$ 121,762	$ 109,719
Operating expenses	4,999	5,843	10,428	12,025
	$ 65,670	$ 61,645	$ 132,190	$ 121,744
An analysis of amortization by function				
Operating costs	$ 827	$ 1,573	$ 1,697	$ 3,207
Operating expenses	1,399	1,371	2,797	2,711
	$ 2,226	$ 2,944	$ 4,494	$ 5,918

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 188,420	$ 224,871	$ 306,909	$ 403,442
Post-employment benefits (Note 21)				
Defined contribution plans	3,516	3,360	7,056	6,692
Defined benefit plans	131	182	263	365
	$ 192,067	$ 228,413	$ 314,228	$ 410,499
An analysis of employee benefits expense by function				
Operating costs	$ 74,645	$ 69,274	$ 148,061	$ 138,501
Operating expenses	117,422	159,139	166,167	271,998
	$ 192,067	$ 228,413	$ 314,228	$ 410,499

g. Compensation of employees and remuneration of directors and supervisors

The Company accrued compensation of employees and remuneration of directors and supervisors at the rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees and remuneration of directors and supervisors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved to approve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 40% of the compensation of employees as compensation distributions for non-executive employees. The compensation of employees and remuneration of directors and supervisors for the six months ended June 30, 2025 and 2024 were as follows:

Accrual rate

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Compensation of employees	3%	3%	3%	3%
Remuneration of directors	3%	3%	3%	3%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Compensation of employees	$ 24,162	$ 46,052	$ 24,162	$ 71,074
Remuneration of directors	$ 24,162	$ 46,052	$ 24,162	$ 71,074

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

The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 11, 2025 and March 12, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	**2023**
	Cash	**Cash**
Compensation of employees	$ 47,801	$ 55,254
Remuneration of directors	$ 47,801	$ 55,254

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

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gains	$ 381,670	$ 11,010	$ 403,015	$ 51,341
Foreign exchange losses	(42,840)	(41,208)	(79,776)	(92,201)
Net gains (losses)	$ 338,830	$ (30,198)	$ 323,239	$ (40,860)

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	$ 25,805	$ 6,130	$ 53,010	$ 26,937
Income tax on unappropriated earnings	847	1,615	30,772	34,771
Adjustments for prior years	32,843	(4,116)	32,898	(6,700)
	59,495	3,629	116,680	55,008
Deferred tax				
In respect of the current period	15,786	(5,110)	18,605	(4,666)
Income tax expense (benefit) recognized in profit or loss	$ 75,281	$ (1,481)	$ 135,285	$ 50,342

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Deferred tax				
In respect of the current period:				
Translation of foreign operations	$ (1,135)	$ (162)	$ (1,014)	$ 895
Total income tax (benefit) expense recognized in other comprehensive income	$ (1,135)	$ (162)	$ (1,014)	$ 895

c. Income tax assessments

The income tax returns through 2023 and income tax returns on unappropriated earnings through 2022 of the Company and its subsidiaries have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Basic earnings per share				
From continuing operations	$ 3.12	$ 4.53	$ 2.07	$ 6.83
Diluted earnings per share				
From continuing operations	$ 3.12	$ 4.52	$ 2.06	$ 6.81

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations are as follows:

Net profit for the period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Earnings used in the computation of basic earnings per share	$ 1,003,514	$ 1,454,117	$ 664,427	$ 2,194,709
Earnings used in the computation of diluted earnings per share	$ 1,003,514	$ 1,454,117	$ 664,427	$ 2,194,709

Weighted average number of ordinary shares outstanding (in thousand shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Weighted average number of ordinary shares used in the computation of basic earnings per share	321,146	321,146	321,146	321,146
Effect of potentially dilutive ordinary shares:				
Compensation of employees	616	724	616	1,111
Weighted average number of ordinary shares used in the computation of diluted earnings per share	321,762	321,850	321,762	322,257

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

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group's proportion of ownership in Sinpao Investment Co., Ltd., increased from 99.42% to 100% in 2024.

The above transactions were accounted for as equity transactions since there was no impact on the Group's control over the subsidiary.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged over the past 5 years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, capital surplus, retained earnings, other equity and non-controlling interests).

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

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

29. FINANCIAL INSTRUMENTS

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

The management believes that the carrying amounts of financial assets and liabilities that are not measured at fair value approximate their fair values.

b. Financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and foreign listed shares	$ 3,879,769	$ -	$ -	$ 3,879,769
Domestic emerging market shares	567,825	-	-	567,825
Domestic unlisted shares	-	-	154,614	154,614
Mutual funds	121,154	-	-	121,154
	$ 4,568,748	$ -	$ 154,614	$ 4,723,362

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 2,556,411	$ -	$ -	$ 2,556,411
Domestic unlisted shares	-	-	29,280	29,280
Foreign unlisted shares	-	-	217,840	217,840
	$ 2,556,411	$ -	$ 247,120	$ 2,803,531
Financial liabilities at FVTPL				
Derivative instruments	$ -	$ 151,411	$ -	$ 151,411

(Concluded)

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and foreign listed shares	$ 3,383,290	$ -	$ -	$ 3,383,290
Domestic emerging market shares	579,125	-	-	579,125
Domestic unlisted shares	-	-	154,614	154,614
Mutual funds	89,329	-	-	89,329
Derivative instruments	-	101,718	-	101,718
	$ 4,051,744	$ 101,718	$ 154,614	$ 4,308,076
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 2,183,402	$ -	$ -	$ 2,183,402
Domestic unlisted shares	-	-	29,280	29,280
Foreign unlisted shares	-	-	226,420	226,420
	$ 2,183,402	$ -	$ 255,700	$ 2,439,102

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 4,334,306	$ -	$ -	$ 4,334,306
Domestic unlisted shares	-	-	186,214	186,214
Domestic emerging market shares	743,454	-	-	743,454
Mutual funds	202,768	-	-	202,768
Derivative instruments	-	32,661	-	32,661
	$ 5,280,528	$ 32,661	$ 186,214	$ 5,499,403
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 3,020,350	$ -	$ -	$ 3,020,350
Domestic unlisted shares	-	-	66,877	66,877
Foreign unlisted shares	-	-	288,646	288,646
	$ 3,020,350	$ -	$ 355,523	$ 3,375,873

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2025 and 2024.

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

For the six months ended June 30, 2025

Financial Assets	At FVTPL Equity Instruments	At FVTOCI Equity Instruments	Total
Balance at January 1	$ 154,614	$ 255,700	$ 410,314
Recognized in other comprehensive income (unrealized gain (loss) on financial assets at FVTOCI)	-	(4,244)	(4,244)
Recognized in other comprehensive income (exchange differences on translation of the financial statements of foreign operations)	-	(4,336)	(4,336)
Balance at June 30	$ 154,614	$ 247,120	$ 401,734

For the six months ended June 30, 2024

Financial Assets	At FVTPL Equity Instruments	At FVTOCI Equity Instruments	Total
Balance at January 1	$ 297,484	$ 396,796	$ 694,280
Recognized in profit or loss (gain (loss) on financial assets mandatorily classified as at FVTPL)	8,357	-	8,357
Recognized in other comprehensive income (unrealized gain (loss) on financial assets at FVTOCI)	-	(43,538)	(43,538)
Recognized in other comprehensive income (exchange differences on translation of the financial statements of foreign operations)	-	2,265	2,265
Purchases	93,969	-	93,969
Disposals	(3,444)	-	(3,444)
Reclassified	533,302	-	533,302
Balance at June 30	$ 929,668	$ 355,523	$ 1,285,191

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates discounted at a rate that reflects the credit risk of various counterparties.

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

The fair values of domestic unlisted equity instruments were determined using the market approach and invest-based approach. In this approach, the fair value is appraised based on the market selling price of similar items, such as assets, liabilities, or the groups of assets and liabilities. The significant unobservable factors used are described below, an increase in long-term revenue growth rates, long-term pre-tax operating margin, a decrease in the weighted average cost of capital, or the discount for lack of marketability used in isolation would result in increases in the fair values.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ 4,723,362	$ 4,308,076	$ 5,499,403
Financial assets at amortized cost (1)	7,282,633	5,931,441	5,766,253
Financial assets at FVTOCI			
Equity instruments	2,803,531	2,439,102	3,375,873

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities			
Financial assets at FVTPL			
Held for trading	$ 151,411	$ -	$ -
Financial liabilities at amortized cost (2)	17,253,666	16,217,998	15,384,996

(Concluded)

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, overdue receivables, refundable deposits, pledged time deposits and restricted demand deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes payable, trade payables and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, derivative financial instruments, notes receivable, trade receivables, overdue receivables, short-term bills payable, notes payable, trade payables, other payables, and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed them primarily to the financial risks of changes in foreign currency exchange rates (see "a. foreign currency risk" below) and interest rates (see "b. interest rate risk" below). The Group entered into a variety of derivative financial instruments to manage their exposure to foreign currency risk and interest rate risk, including:

a) Foreign exchange forward contracts to hedge the exchange rate risk arising on the import and export of steel plates;

b) Interest rate swaps to mitigate the risk of rising interest rates.

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

a) Foreign currency risk

Several subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets, monetary liabilities (including those eliminated on consolidation) and the derivatives exposed to foreign currency risk at the end of reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to USD, JPY, and EUR.

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

	USD Impact	
	For the Six Months Ended June 30	
	2025	2024
Profit or loss	$ 22,441 (i)	$ 27,187 (i)

	JPY Impact	
	For the Six Months Ended June 30	
	2025	2024
Profit or loss	$ (768) (ii)	$ (26) (ii)

	EUR Impact	
	For the Six Months Ended June 30	
	2025	2024
Profit or loss	$ (89) (iii)	$ (91) (iii)

i. This was mainly attributable to the exposure on outstanding USD letter of credit borrowings, trade payables, other payables, trade receivables and bank deposits, which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding JPY bank deposits, which were not hedged at the end of the reporting period.

iii. This was mainly attributable to the exposure on outstanding EUR bank deposits, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency increased during the current year mainly due to the increase in purchases which resulted in an increase in USD letter of credit borrowings.

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

b) Interest rate risk

The Group was exposed to interest rate risk because entities of the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and the defined risk appetite, ensuring that the most cost-effective hedging strategies are applied.

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

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Fair value interest rate risk			
Financial liabilities	$ 549,368	$ 609,226	$ 429,393
Cash flow interest rate risk			
Financial assets	960,781	839,585	696,550
Financial liabilities	14,718,910	14,669,245	12,842,676

<u>Sensitivity analysis</u>

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100-basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2025 and 2024 would have decreased/increased by NT$72,732 thousand and NT$60,393 thousand, respectively, which was mainly a result of the changes in the variable interest rate bank deposits and loans.

c) Other price risk

The Group was exposed to equity price risk through their investments in domestic and foreign listed equity securities. The Group have appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

<u>Sensitivity analysis</u>

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

If equity prices had been 1% higher/lower, pre-tax profit for the six months ended June 30, 2025 and 2024 would have increased/decreased by NT$47,309 thousand and NT$54,750 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2025 and 2024 would have increased/decreased by NT$118,971 thousand and NT$33,639 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

The Group's sensitivity to investments in equity securities has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which may cause a financial loss to the Group due to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Group have delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group review the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group's trade receivables are from a large number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The concentration of credit risk to any other counterparty did not exceed 10% of the gross monetary assets of the Group at any time for the six months ended June 30, 2025 and 2024.

The Group's concentration of credit risk by geographical locations was mainly in Taiwan, which accounted for 100%, 98% and 99% of the total trade receivables as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

The credit risk on derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized bank loan facilities set out in (b) below.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest cash flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

June 30, 2025

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 404,052	$ 1,238,261	$ 324,411	$ 48,394	$ -
Variable interest rate liabilities	1,349,194	2,665,967	3,758,334	6,862,082	83,333
Fixed interest rate liabilities	280,000	270,000	-	-	-
	$ 2,033,246	$ 4,174,228	$ 4,082,745	$ 6,910,476	$ 83,333

December 31, 2024

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 409,063	$ 186,538	$ 362,676	$ 46,502	$ -
Variable interest rate liabilities	1,538,586	2,113,917	4,053,525	6,869,467	93,750
Fixed interest rate liabilities	310,000	300,000	-	-	-
	$ 2,257,649	$ 2,600,455	$ 4,416,201	$ 6,915,969	$ 93,750

June 30, 2024

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,407,529	$ 165,286	$ 530,597	$ 42,427	$ 5,085
Variable interest rate liabilities	1,281,058	1,744,958	4,163,319	5,524,828	127,906
Fixed interest rate liabilities	350,000	80,000	-	-	-
	$ 3,038,587	$ 1,990,244	$ 4,693,916	$ 5,567,255	$ 132,991

b) Financing facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	$ 5,609,711	$ 5,428,310	$ 5,141,483
Amount unused	677,010	1,229,610	134,347
	$ 6,286,721	$ 6,657,920	$ 5,275,830
Unsecured bank loan facilities:			
Amount used	$ 10,987,886	$ 11,041,005	$ 9,587,361
Amount unused	8,603,503	8,330,955	11,429,420
	$ 19,591,389	$ 19,371,960	$ 21,016,781

30. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and their relationship with the Company:

Related Party	Relationship with the Company
Hsin Kuang Steel Tian-Cheng Charity Foundation	The Foundation's Chairman is the corporate director of the Company
SunnyRich Multifunction Solar Power Co., Ltd.	Associate
Hsin Yuan Hsin Industrial Co., Ltd. (formerly known as Hsin Yuan Hsin Industrial Ltd.)	Related party in substance (a wholly-owned sub-subsidiary included in the consolidated financial statements from August 20, 2024)

b. Processing cost

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	2025	2024	2025	2024
Related party in substance				
Hsin Yuan Hsin Industrial Ltd.	$ -	$ 1,547	$ -	$ 1,547

c. Logistics management expense

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Related party in substance				
Hsin Yuan Hsin Industrial Ltd.	$ -	$ 2,732	$ -	$ 2,732

d. Other revenue

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Related party in substance				
Hsin Yuan Hsin Industrial Ltd.	$ -	$ 1,077	$ -	$ 1,077

e. Receivables from related parties

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Related party in substance			
Hsin Yuan Hsin Industrial Ltd.	$ -	$ -	$ 4,852

The outstanding receivables from related parties were unsecured. As of June 30, 2024, no allowance for impairment loss was recognized for receivables from related parties.

f. Payables to related parties

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Related party in substance			
Hsin Yuan Hsin Industrial Ltd.	$ -	$ -	$ 2,457

The outstanding payables to related parties were unsecured.

g. Lease arrangements - the Group is lessor

Future lease payments receivable are as follows:

Related Party Category/Name	June 30, 2024
Related party in substance	
Hsin Yuan Hsin Industrial Ltd.	$ 65,621

Lease income was as follows:

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Related party in substance				
Hsin Yuan Hsin Industrial Ltd.	$ -	$ 1,772	$ -	$ 1,772

In May 2024, the Company rented out factories to its related party in substance, Hsin Yuan Hsin Industrial Ltd. The contract period was for 6 years. The monthly rent is NT$930 thousand, and adjustments to the monthly rent for land and buildings will be made at the end of the third year.

h. Guarantee deposits

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Related party in substance			
Hsin Yuan Hsin Industrial Co., Ltd.	$ -	$ -	$ 1,861

i. Endorsements and guarantees

Please refer to Table 1 about the endorsements/guarantees by the Company for SunnyRich Multifunction Solar Power Co., Ltd.

j. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Donations	Hsin Kuang Steel Tian-Cheng Charity Foundation	$ -	$ -	$ 12,000	$ 12,000

k. Remuneration of key management personnel

The amount of the remuneration of directors and key management personnel of the Group were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 57,416	$ 85,531	$ 65,269	$ 139,299

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, collateral for construction contracts guarantee deposits:

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	$ 380,185	$ 444,777	$ 468,479
Pledged time deposits (classified as financial assets at amortized cost)	39,204	48,391	58,370
Restricted assets (classified as financial assets at amortized cost)	116,384	124,951	84,503
Investments accounted for using the equity method	890,652	877,684	857,080
Freehold land	2,756,381	2,779,741	1,562,195
Buildings, net	648,993	682,617	702,568
Investment properties - land	147,026	147,026	135,528
Investment properties - buildings	578,320	584,846	591,371
Machinery and equipment	117,546	128,483	139,420
	$ 5,674,691	$ 5,818,516	$ 4,599,514

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group at the end of the reporting period were as follows:

Significant Commitments

a. As of June 30, 2025, December 31, 2024 and June 30, 2024, unused letters of credit for purchases of raw materials and machinery and equipment were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
NTD	$ 597,506	$ 390,469	$ 442,783
USD	26,836	30,354	34,789
JPY	-	244,681	-

b. Unrecognized commitments were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant and equipment	$ 382,497	$ 373,762	$ 1,447,960

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2025

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 3,012	29.30	(USD:NTD)	$ 88,242
EUR	262	34.35	(EUR:NTD)	9,001
JPY	225,760	0.20	(JPY:NTD)	45,920
				$ 143,163
Financial liabilities				
Monetary items				
USD	107,452	29.30	(USD:NTD)	$ 3,148,320

December 31, 2024

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 2,875	32.78	(USD:NTD)	$ 94,247
EUR	262	34.14	(EUR:NTD)	8,931
JPY	352,219	0.21	(JPY:NTD)	73,910
				$ 177,088
Financial liabilities				
Monetary items				
USD	42,725	32.78	(USD:NTD)	$ 1,400,744

June 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 3,468	32.45 (USD:NTD)	$ 112,549
EUR	261	34.69 (EUR:NTD)	9,054
JPY	16,112	0.20 (JPY:NTD)	3,250
			$ 124,853
Financial liabilities			
Monetary items			
USD	88,424	32.45 (USD:NTD)	$ 2,869,369

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

	For the Three Months Ended June 30			
	2025		2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	29.96 (USD:NTD)	$ 338,647	32.04 (USD:NTD)	$ (30,142)

	For the Six Months Ended June 30			
	2025		2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	30.23 (USD:NTD)	$ 322,212	31.55 (USD:NTD)	$ (40,953)

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: (N/A)

2) Endorsements/guarantees provided: (Table 1)

3) Significant Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

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

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

6) Other: Intercompany relationships and significant intercompany transactions (Table 3)

b. Information on investees (Table 4)

c. Information on investments in mainland China

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

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

35. SEGMENT INFORMATION

Information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group’s reportable segments were as follows:

- Steel:
  - Direct sales
  - Manufacturing sales
- Construction projects
- Leases

a. Segments revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	Steel - Direct Sales	Steel - Manufacturing Sales	Construction Projects	Leases	Total
For the six months ended June 30, 2025					
Revenue from external customers	$ 5,341,811	$ 2,877,671	$ 1,244,644	$ 180,486	$ 9,644,612
Inter-segment revenue	76,776	13,308	23,609	42,975	156,668
Segment revenue	5,418,587	2,890,980	1,268,253	223,461	9,801,280
Eliminations	(76,776)	(13,308)	(23,609)	(42,975)	(156,668)
Consolidated revenue	$ 5,341,811	$ 2,877,671	$ 1,244,644	$ 180,486	$ 9,644,612
Segment income	$ 277,845	$ 129,672	$ 206,842	$ 131,200	$ 745,559
Share of profits (losses) of associates accounted for using the equity method					$ 17,124
Interest income					2,661
Other income					19,447
Net foreign exchange gains					323,239
Gain on valuation of financial instruments					156,675
Allocation of headquarter administration costs and directors' remunerations					(280,772)
Finance costs					(217,652)
Dividend income					63,421
Profit before tax					$ 829,702
For the six months ended June 30, 2024					
Revenue from external customers	$ 3,374,381	$ 3,301,973	$ 295,930	$ 163,875	$ 7,136,159
Inter-segment revenue	81,181	11,166	124,397	35,449	252,193
Segment revenue	3,455,562	3,313,139	420,327	199,324	7,388,352
Eliminations	(81,181)	(11,166)	(124,397)	(35,449)	(252,193)
Consolidated revenue	$ 3,374,381	$ 3,301,973	$ 295,930	$ 163,875	$ 7,136,159
Segment income	$ 266,517	$ 209,758	$ 74,870	$ 96,893	$ 648,038
Share of profits (losses) of associates accounted for using the equity method					$ 27,365
Interest income					2,676
Other income					7,746
Net foreign exchange losses					(40,860)
Gain on valuation of financial instruments					2,186,298
Allocation of headquarter administration costs and directors' remunerations					(400,294)
Finance costs					(171,077)
Dividend income					23,589
Profit before tax					$ 2,283,481

Segment profit represents the profit before tax earned by each segment without allocation of headquarter administration costs and directors' remunerations, share of profits (losses) of associates accounted for using the equity method, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of investments, foreign exchange gains (losses), valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Segment assets			
From continuing operations			
Steel - direct sales	$ 9,874,560	$ 7,827,816	$ 7,501,691
Steel - manufacturing sales	7,288,444	8,886,888	9,078,947
Construction projects	439,264	280,935	406,508
Leases	3,500,470	3,509,716	3,556,527
Total segment assets	21,102,738	20,505,355	20,543,673
Unallocated	9,847,516	9,046,062	10,534,677
Consolidated total assets	$ 30,950,254	$ 29,551,417	$ 31,078,350
Segment liabilities			
From continuing operations			
Steel - direct sales	$ 5,467,377	$ 4,191,630	$ 3,712,800
Steel - manufacturing sales	4,199,106	4,985,575	5,109,547
Construction projects	323,076	824,379	115,197
Leases	2,983	6,417	4,400
Total segment liabilities	9,992,512	10,008,001	8,941,944
Unallocated	8,400,485	7,194,634	8,199,423
Consolidated total liabilities	$ 18,392,997	$ 17,202,635	$ 17,141,367