

Stock Code: 2020

Mayer Steel Pipe Corporation and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
Q1 in 2024 and 2023

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Mayer Steel Pipe Corporation and Subsidiaries
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CPA's Report

To Mayer Steel Pipe Works Co., Ltd.:

Foreword

We have audited the accompanying consolidated financial statements of Mayer Steel Pipe Corporation (the “Company”) and its subsidiaries, which comprise the consolidated balance sheets as of March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is accountable 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 the International Accounting Standard No. 34 "Interim Financial Reporting" that have been recognized and issued by the Financial Supervisory Commission. Based on the examination of these consolidated financial statements, the accountants are obligated to render a conclusion.

Scope

Except as stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with the "Audit Review of Financial Statements" of the "TWSRE 2410". The procedures to be executed in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is significantly smaller than the scope of an audit. We therefore are unable to express an opinion on the significant matters that can be identified by an audit.

Basis for Qualified Conclusion

As stated in Notes 4(3) and 6(12) to the consolidated financial statements, the financial statements of some non-material subsidiaries and investee companies under the equity method included in the above consolidated financial statements have not been reviewed by the CPAs. The net investments under the equity method as of March 31, 2024 and 2023 were NTD 571,592 thousand and NTD 587,598 thousand, respectively, representing 7% and 8% of the consolidated total assets, respectively. The loan balance of investments under the equity method were NTD 61,272 thousand and NTD 58,303 thousand, respectively, representing 1% of consolidated total assets.

The recognized profit or loss and other comprehensive income of affiliated companies amounted to NTD 22,690 thousand and NTD 22,078 thousand, respectively, representing 5% and 13% of the consolidated total comprehensive income. The information on investees as described in Note 13 to the consolidated financial statements is based on the financial statements of the investees for the same period that have not been reviewed by a Certified Public Accountant.

Qualified Conclusion

According to the results of our review, if the financial statements and related information of some non-material subsidiaries and investee companies using the equity method described in the Basis for the Conclusion paragraph are qualified, if the financial statements and related information are reviewed by the accountants, the consolidated financial statements may be adjusted. In addition, the consolidated financial statements referred to above were not found to have been prepared in any material respects in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. As a result, the consolidated financial position of Mayer Steel Pipe Corporation and Subsidiaries as of March 31, 2024 and 2023, as well as its consolidated financial performance from January 1 to March 31, 2024 and 2023, are not a fair presentation of Financial performance and consolidated cash flow.

Crowe (TW) CPAs

Certified Public Accountant: Chun-Chih Lin

Certified Public Accountant: Meng-Ta Wu

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1050001113

May 10, 2024

Mayer Steel Pipe Corporation and Subsidiaries
Consolidated Balance Sheets
March 31, 2024, December 31, 2023, and March 31, 2023

Code	Assets	2024.03.31		2023.12.31		Unit: NT\$ thousands 2023.03.31	
		Amount	%	Amount	%	Amount	%
	Current assets:						
1100	Cash and cash equivalents (Note 6)	\$ 651,741	8	\$ 659,456	9	\$ 510,889	7
1110	Financial assets at fair value through profit or loss - current (Note 6)	86,172	1	124,048	2	22,801	-
1120	Financial assets at fair value through other comprehensive income - current (Note 6)	70,397	1	27,722	-	12,195	-
1136	Financial assets at amortized cost - current (Note 6)	333,314	4	370,085	5	66,830	1
1150	Notes receivable, net (Note 6)	21,676	-	27,564	-	45,949	1
1170	Net accounts receivable (Note 6)	494,336	6	490,753	7	531,900	7
1180	Accounts receivable - related parties, net (Note 6 and 7)	12,663	-	9,369	-	18,870	-
1197	Finance lease receivable, net (Note 6 and 8)	1,895	-	1,218	-	1,418	-
1200	Other receivables (Note 6)	36,277	-	21,305	-	156,059	2
1210	Other receivables - Related parties, net (Note 7)	68	-	98	-	38,811	-
1220	Current income tax assets	103	-	84	-	57	-
1310	Inventories - Manufacturing (Note 6)	1,238,196	15	1,093,858	15	1,178,285	16
1320	Inventories - Construction (Note 6, 7 and 8)	1,473,240	18	1,181,454	16	981,623	13
1410	Prepayments (Note 6)	56,035	1	23,662	-	146,941	2
1470	Other current assets (Note 6 and 8)	553,237	7	447,188	6	506,350	7
11XX	Total current assets	<u>5,029,350</u>	<u>61</u>	<u>4,477,864</u>	<u>60</u>	<u>4,218,978</u>	<u>56</u>
	Non-current assets:						
1510	Financial assets at fair value through profit or loss - non-current (Note 6)	273,741	3	266,402	3	319,020	4
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6)	133,522	2	136,198	2	140,665	2
1550	Net investment under equity method (Note 6 and 7)	571,592	7	601,972	8	587,598	8
1600	Property, plant and equipment (Note 6 and 8)	1,087,921	13	1,063,611	14	1,040,043	14
1755	Right-of-use assets (Note 6)	486,670	6	502,447	7	547,850	7
1760	Investment property (Note 6 and 8)	141,035	2	141,768	2	143,968	2
1780	Intangible assets	2,587	-	2,637	-	7,652	-
1840	Deferred income tax assets (Note 6)	11,381	-	13,003	-	16,929	-
1975	Net defined benefit assets - non-current (Note 6)	1,090	-	874	-	-	-
1900	Other non-current assets (Note 6, 7 and 8)	452,259	6	273,323	4	486,510	7
15XX	Total non-current assets	<u>3,161,798</u>	<u>39</u>	<u>3,002,235</u>	<u>40</u>	<u>3,290,235</u>	<u>44</u>
1XXX	Total assets	<u>\$ 8,191,148</u>	<u>100</u>	<u>\$ 7,480,099</u>	<u>100</u>	<u>\$ 7,509,213</u>	<u>100</u>

Mayer Steel Pipe Corporation and Subsidiaries
Consolidated Balance Sheets
March 31, 2024, December 31, 2023, and March 31, 2023

Unit: NT\$ thousands

Liabilities and equity							
Current liabilities:							
2100	Short-term loans (Note 6 and 8)	\$ 1,983,169	24	\$ 1,691,943	23	\$ 2,559,936	34
2110	Short-term notes payable (Note 6 and 8)	59,979	1	-	-	-	-
2130	Contract liabilities - current (Note 6 and 7)	17,919	-	6,199	-	77,775	1
2150	Payable notes	35,811	1	145,750	2	246,726	3
2170	Accounts payable	117,674	2	84,283	1	58,885	1
2180	Accounts payable - Related parties (Note 7)	140	-	105	-	120	-
2200	Other payables	576,168	7	202,418	3	304,149	4
2220	Other payables - Related parties (Note 7)	10	-	13	-	7	-
2230	Current income tax liabilities	359,179	4	286,368	4	148,752	2
2280	Lease liabilities - current (Note 6)	54,294	1	55,444	1	56,832	1
2320	Long-term liabilities due within one year or one operating cycle (Note 6 and 8)	2,808	-	2,793	-	2,759	-
2399	Other current liabilities - Other	29,458	-	31,944	-	8,360	-
21XX	Total of current liabilities	3,236,609	40	2,507,260	34	3,464,301	46
Non-current liabilities:							
2540	Long-term loans (Note 6 and 8)	13,933	-	14,641	-	16,732	-
2550	Provision - non-current (Note 6)	80,913	1	81,371	1	33,393	-
2560	Current income tax liabilities - non-current (Note 6)	36,882	1	50,488	1	41,287	1
2570	Deferred income tax liabilities (Note 6)	176,779	2	179,741	3	178,373	3
2580	Lease liabilities - non-current (Note 6)	464,268	5	477,521	6	516,527	7
2640	Net defined benefit liabilities - non-current (Note 6)	-	-	-	-	301	-
2670	Other non-current liabilities - others (Note 6)	89,350	1	96,714	1	101,981	1
25XX	Total non-current liabilities	862,125	10	900,476	12	888,594	12
2XXX	Total liabilities	4,098,734	50	3,407,736	46	4,352,895	58
Equity attributable to owners of the parent company							
3100	Share capital (Note 6)	2,225,261	27	2,225,261	30	2,225,261	30
3200	Capital reserve (Note 6)	281,622	4	281,622	4	281,622	4
Retained earnings (Note 6)							
3310	Legal reserve	435,767	5	328,919	4	328,919	4
3320	Special reserves	102,504	1	102,504	1	102,504	1
3350	Undistributed earnings	936,673	12	1,101,819	15	200,877	3
3300	Total retained earnings	1,474,944	18	1,533,242	20	632,300	8
3400	Other equity (Note 6)	105,018	1	26,838	-	13,275	-
31XX	Total equity attributable to owners of the parent company	4,086,845	50	4,066,963	54	3,152,458	42
36XX	Non-controlling interests (Note 6)	5,569	-	5,400	-	3,860	-
3XXX	Total equity	4,092,414	50	4,072,363	54	3,156,318	42
3X2X	Total liabilities and equity	\$ 8,191,148	100	\$ 7,480,099	100	\$ 7,509,213	100

(Please refer to the accompanying notes to the consolidated financial statements)

Chairman: Chun-Fa Huang

Manager: Min-Chi Hsiao

Accounting Supervisor: Hui-Wen Li

Mayer Steel Pipe Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2024 and 2023

Code	Item	Unit: NT\$ thousands (Earnings per share: NTD)			
		January to March 2024		January to March 2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6, 7 and 14)	\$ 1,421,401	100	\$ 1,651,278	100
5000	Operating cost (Note 6 and 7)	(1,202,565)	(85)	(1,432,875)	(87)
5900	Operating gross profit	218,836	15	218,403	13
5910	Unrealized gains (losses) from sales	(5,193)	-	(3,482)	-
5920	Realized profit (loss) from sales	5,494	-	2,337	-
5950	Gross operating profit, net	219,137	15	217,258	13
	Operating expenses (Note 6 and 7)				
6100	Sales promotion expenses	(24,291)	(2)	(25,429)	(2)
6200	Administrative expenses	(73,894)	(4)	(45,619)	(2)
6450	Expected credit impairment (loss) benefit	(29)	-	1,667	-
6000	Total operating expenses	(98,214)	(6)	(69,381)	(4)
6900	Operating profit	120,923	9	147,877	9
	Non-operating income and expenses				
7100	Interest revenue (Note 6)	5,294	-	7,812	-
7010	Other income (Note 6 and 7)	258,143	18	4,139	-
7020	Other gains and losses, net (Note 6)	64,413	5	27,268	2
7050	Net finance cost (Note 6)	(10,391)	(1)	(16,194)	(1)
7060	Net share of profit or loss of affiliated companies and joint ventures under equity method (Note 6 and 14)	25,017	2	21,304	1
7000	Total non-operating income and expenses	342,476	24	44,329	2
7900	Profit (loss) before tax from continuing operations	463,399	33	192,206	11
7950	Income tax (expense) gains (Note 6 and 14)	(79,700)	(6)	(24,433)	(1)
8200	Net income (loss)	383,699	27	167,773	10
	Other comprehensive income				
8316	Unrealized profit or loss on investments in equity instruments at fair value through other comprehensive income (Note 6)	76,293	5	4,866	-
8310	Total of items not reclassified to profit or loss	76,293	5	4,866	-
8361	Exchange differences on translation of financial statements of foreign operations (Note 6)	5,609	-	(1,104)	-
8370	Share of other comprehensive income of affiliates and joint ventures under equity method	(3,011)	-	656	-
	- Items that may be reclassified into profit or loss (Note 6)				
8399	Income tax related to items that may be reclassified (Note 6)	(491)	-	87	-
8360	Total of items that may be reclassified subsequently to profit or loss	2,107	-	(361)	-
8300	Other comprehensive income, net	78,400	5	4,505	-
8500	Total comprehensive income for the period	\$ 462,099	32	\$ 172,278	10
	Net income (loss) attributable to:				
8610	Owners of the parent company (net profit/loss)	\$ 383,674	27	\$ 167,539	10
8620	Non-controlling interests (net income/loss)	25	-	234	-
		\$ 383,699	27	\$ 167,773	10
	Total comprehensive income attributable to:				
8710	Shareholders of the parent company (comprehensive profit or loss)	\$ 461,930	32	\$ 172,057	10
8720	Non-controlling interests (comprehensive income or loss)	169	-	221	-
9750	Basic earnings per share (Note 6)	\$ 1.72	32	\$ 0.75	10

(Please refer to the accompanying notes to the consolidated financial statements)

Chairman: Chun-Fa Huang

Manager: Min-Chi Hsiao

Accounting Supervisor: Hui-Wen Li

Mayer Steel Pipe Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to March 31, 2024 and 2023

Item Code	Item	Common stock capital	Additional paid-in capital	Retained earnings				Other equity			Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
				Legal reserve	Special reserves	Undistributed earnings	Total retained earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total of other equity items			
A1	Balance on January 1, 2024	\$ 2,225,261	\$ 281,622	\$ 328,919	\$ 102,504	\$ 1,101,819	\$ 1,533,242	\$ (26,497)	\$ 53,335	\$ 26,838	\$ 4,066,963	\$ 5,400	\$ 4,072,363
B1	Appropriation of legal reserve	-	-	106,848	-	(106,848)	-	-	-	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	(445,052)	(445,052)	-	-	-	(445,052)	-	(445,052)
D1	Net income (loss) from January to March 2024	-	-	-	-	383,674	383,674	-	-	-	383,674	25	383,699
D3	Other comprehensive income from January to March 2024	-	-	-	-	-	-	1,963	76,293	78,256	78,256	144	78,400
D5	Total comprehensive income from January to March 2024	-	-	-	-	383,674	383,674	1,963	76,293	78,256	461,930	169	462,099
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	3,080	3,080	-	(76)	(76)	3,004	-	3,004
Z1	Balance on March 31, 2024	\$ 2,225,261	\$ 281,622	\$ 435,767	\$ 102,504	\$ 936,673	\$ 1,474,944	\$ (24,534)	\$ 129,552	\$ 105,018	\$ 4,086,845	\$ 5,569	\$ 4,092,414
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A1	Balance on January 1, 2023	\$ 2,225,261	\$ 281,622	\$ 311,875	\$ 102,504	\$ 272,908	\$ 687,287	\$ (17,640)	\$ 26,397	\$ 8,757	\$ 3,202,927	\$ 3,639	\$ 3,206,566
B1	Appropriation of legal reserve	-	-	17,044	-	(17,044)	-	-	-	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	(222,526)	(222,526)	-	-	-	(222,526)	-	(222,526)
D1	Net income (loss) from January to March 2023	-	-	-	-	167,539	167,539	-	-	-	167,539	234	167,773
D3	Other comprehensive income from January to March 2023	-	-	-	-	-	-	(348)	4,866	4,518	4,518	(13)	4,505
D5	Total comprehensive income from January to March 2023	-	-	-	-	167,539	167,539	(348)	4,866	4,518	172,057	221	172,278
Z1	Balance on March 31, 2023	<u>\$ 2,225,261</u>	<u>\$ 281,622</u>	<u>\$ 328,919</u>	<u>\$ 102,504</u>	<u>\$ 200,877</u>	<u>\$ 632,300</u>	<u>\$ (17,988)</u>	<u>\$ 31,263</u>	<u>\$ 13,275</u>	<u>\$ 3,152,458</u>	<u>\$ 3,860</u>	<u>\$ 3,156,318</u>
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Chairman: Chun-Fa Huang				(Please refer to the accompanying notes to the consolidated financial statements)				Manager: Min-Chi Hsiao					
								Accounting Supervisor: Hui-Wen Li					

Mayer Steel Pipe Corporation and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

Code	Item	January to March 2024	January to March 2023
	Cash flow from operating activities:		
A10000	Profit (loss) before tax	\$ 463,399	\$ 192,206
	Adjustments:		
	Income and expenses		
A20100	Depreciation expense	34,887	35,864
A20200	Amortization expense	2,350	2,674
A20300	Expected credit impairment loss (gain)	29	(1,667)
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(45,068)	(28,193)
A20900	Interest expense	10,391	16,194
A21200	Interest income	(5,294)	(7,812)
A22300	Share of loss (gain) on affiliates and joint ventures under equity method	(25,017)	(21,304)
A22500	Losses (gains) from the disposal and scrapping of property, plant and equipment	91	(31)
A23100	Disposal of investment losses (gains)	(16,392)	471
A29900	Other items	119	-
A20010	Total income and expense	(43,904)	(3,804)
	Changes in assets/liabilities related to operating activities		
A31115	Decrease (increase) of financial assets mandatorily measured at fair value through profit or loss	49,364	10,992
A31130	Decrease (increase) of notes receivable	5,888	22,468
A31150	Decrease (increase) of accounts receivable	(3,612)	(60,804)
A31160	Decrease (increase) of accounts receivable - related parties	(3,294)	(3,767)
A31180	Decrease (increase) of other receivables	(14,733)	(6,543)
A31190	Decrease (increase) of other receivables - related parties	30	13
A31200	Decrease (increase) in inventory	(436,124)	(137,154)
A31230	Decrease (increase) of prepayments	(32,373)	(2,348)
A31240	Decrease (increase) of other current assets	(14,781)	27,415
A31000	Total net changes in assets related to operating activities	(449,635)	(149,728)
A32125	Increase (decrease) of contract liabilities	11,720	2,636
A32130	Increase (decrease) of notes payable	(109,939)	(10,946)
A32150	Increase (decrease) of accounts payable	33,391	25,063
A32160	Increase (decrease) of accounts payable - related parties	35	-
A32180	Increase (decrease) of other payables	(71,529)	(39,756)
A32190	Other payables - increase (decrease) of related parties	(3)	(275)
A32200	Increase (decrease) in liability reserve	(458)	(798)
A32230	Increase (decrease) of other current liabilities	(2,486)	1,058
A32240	Increase (decrease) of net defined benefit liabilities	(216)	(291)
A32000	Total net changes in liabilities related to operating activities	(139,485)	(23,309)
A30000	Total net changes in assets and liabilities related to operating activities	(589,120)	(173,037)
A20000	Total adjustment items	(633,024)	(176,841)
A33000	Cash inflow (outflow) from operations	(169,625)	15,365
A33100	Interest received	5,055	2,121
A33200	Dividends received	55,822	-
A33300	Interest paid	(6,808)	(14,036)
A33500	Income tax refunded (paid)	(22,363)	(19,871)
AAAA	Net cash inflows (outflows) from operating activities	(137,919)	(16,421)

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(Continued from previous page)				
Code	Item	January to March 2024		January to March 2023
	Cash flow from investing activities:			
B00010	Financial assets at fair value through other comprehensive income	(	26,160)	(2,423)
B00020	Disposal of financial assets at fair value through other comprehensive income		5,893	-
B00030	Capital reduction refund of financial assets measured at fair value through other comprehensive income		10,930	-
B00040	Acquisition of financial assets at amortized cost	(	82,837)	(66,470)
B00060	Repayment at maturity of financial assets measured at cost after amortization		121,947	19,385
B02700	Acquisition of property, plant and equipment	(	42,155)	(42,471)
B02800	Disposal of property, plant and equipment		-	57
B03700	Increase in refundable deposits	(	206,001)	-
B03800	Decrease in refundable deposits		-	79
B04500	Acquisition of intangible assets		-	(160)
B06000	Increase in long-term lease receivables	(	13,883)	(10)
B06700	Increase of other non-current assets	(	2,312)	(565)
B07200	Decrease in prepayment for equipment		40,268	18,081
B09900	Other investment activities	(	301)	1,145
BBBB	Net cash inflows (outflows) from investing activities	(	194,611)	(73,352)
	Cash flow from financing activities:			
C00100	Increase in short-term loans		291,226	24,957
C00500	Increase in short-term notes payable		59,979	-
C00600	Decrease in short-term notes payable		-	(36,985)
C01700	Repayment of long-term loans	(	693)	(681)
C03000	Increase in refundable deposits received		-	3,500
C03100	Decrease in refundable deposits received	(	10,500)	-
C04020	Lease principal repayment	(	17,760)	(18,045)
CCCC	Net cash inflows (outflows) from financing activities		322,252	(27,254)
DDDD	Effect of exchange rate changes on cash and cash equivalents		2,563	(1,010)
EEEE	Increase (decrease) in cash and cash equivalents in the current period	(	7,715)	(118,037)
E00100	Opening balance of cash and cash equivalents		659,456	628,926
E00200	Closing balance of cash and cash equivalents	\$	651,741	\$ 510,889

(Please refer to the accompanying notes to the consolidated financial statements)

Chairman: Chun-Fa Huang

Manager: Min-Chi Hsiao

Accounting Supervisor: Hui-Wen Li

Mayer Steel Pipe Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
January 1 to March 31, 2024 and 2023
(In NTD thousand, Unless Stated Otherwise)

I. History of the Company

Mayer Steel Pipe Corporation (hereinafter referred to as the "Company") was established in September 1959 in accordance with the Company Act of the Republic of China and was registered in Taipei City. As the first professional steel pipe manufacturer in Taiwan, the Company and the entity controlled by the Company mainly engage in the production and sale of black steel pipes, galvanized steel pipes and stainless steel coils for piping. The Company has obtained the following awards: Certificate for the lettering of the "Low-pressure seamed black steel pipe, low-pressure seamed galvanized steel pipe, carbon steel pipe for general structural use, carbon steel pipe for mechanical structural use, and steel pipe for electric wires." In order to expand diversified operations since 2003, the Company established a construction department, and purchased construction land for self-construction on its own land or for the construction of public housing by means of joint construction and separate sales. For the main operating activities of the Company and its subsidiaries (hereinafter referred to as the "Group"), please refer to the descriptions in Note 4(3).

The Company's shares were approved for public offering by the Securities and Futures Commission of the Ministry of Finance (now renamed as the Securities and Futures Bureau, Financial Supervisory Commission of the Executive Yuan) in August 1990, and was approved for listing on February 4, 1993. The Company was officially listed for trading on April 27, 1993.

II. Date and procedure of financial report approval

This consolidated financial statement was announced after being submitted to the Board of Directors on May 10, 2024.

III. Applicability of newly issued and revised accounting standards and interpretations

- (I) Impacts of the International Financial Reporting Standards(hereinafter referred to as "IFRSs"), International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former

Standing Interpretations Committee (SIC). endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC"):

The following table summarizes the standards and interpretations of new releases, amendments, and revisions of the IFRSs applicable in 2024 as approved by the FSC:

New/amended/revised standards and interpretations	Effective date issued by IASB
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note)
Amendments to IAS 1 "Current or Non-current Classification of Liabilities"	January 1, 2024 (Note)
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024 (Note)

Note: The amendments apply to the annual reporting periods beginning on or after January 1, 2024.

1. Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"

The amendments clarify that, for a sale and leaseback transaction, if the transfer of assets is treated as a sale in accordance with IFRS 15, the liability of the seller-lessee arising from the leaseback should be treated in accordance with IFRS 16 regarding lease liabilities; However, if it involves variable lease payments that do not depend on the index or rate, the seller and lessee should still recognize the lease liabilities arising from such variable payments in a manner that does not recognize gains and losses related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

2. Amendments to IAS 1 "Current or Non-current Classification of Liabilities"

The amendments clarify that when judging whether a liability is classified as non-current, it shall assess whether the enterprise has the right to defer the settlement period for at least 12 months after the reporting period at the end of the reporting period. If the enterprise has the right at the end of the reporting period, regardless of whether the enterprise is expected to exercise the right, the liability should be classified as non-current. If an enterprise must comply with specific conditions in order to have the right to defer settlement, it must have complied with

the specific conditions at the end of the reporting period in order to be able to classify the liability as non-current, even if the creditor Such conditions.

In addition, the amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to the transfer of cash, other economic resources, or the Company's equity instruments to the counterparty to result in disappearance of liabilities. However, if the terms of a liability may, at the option of the counterparty, result in its settlement by the transfer of the Company's equity instruments, and if the option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation," The aforementioned provisions do not affect the classification of liabilities.

3. Amendments to IAS 1 "Non-current Liabilities with Covenants"

The amendment further clarifies that only the contractual terms before the end of the reporting period affect the classification of a liability on that date. The terms of the contract to be complied with within 12 months after the reporting period do not affect the classification of the liability, except for those classified as non-current at the end of the reporting period if they are unable to comply with the contractual terms and must be settled within 12 months after the reporting period, the relevant facts and circumstances should be disclosed in the notes.

4. Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"

A supplier financing arrangement is one or more financing providers that pay the supplier on behalf of the enterprise, and the enterprise agrees to pay the financing provider on the payment date agreed with the supplier or on a later date. The amendments to IAS 7 are to require enterprises to disclose information about their supplier financing arrangements, so that users of financial statements can assess the impact of such arrangements on an enterprise's liabilities, cash flows and liquidity risk exposure. The amendments to IFRS 7 include in its application guidance that when disclosing how to manage the liquidity risk of financial liabilities, enterprises may also consider whether they have obtained or can obtain financing risk concentration.

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

- (II) Impact of the adoption of the new and amended IFRSs approved by the FSC: None.
- (III) The impact of the IFRSs issued by the IASB but not yet endorsed by the FSC:

The table below summarizes the new, amended, and revised standards and interpretations that have been published by the IASB but have not yet been endorsed by the Financial Supervisory Commission (FSC):

New/amended/revised standards and interpretations	Effective date issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on the Group's financial position and financial performance.

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

This amendment resolves the existing inconsistency between IFRS 10 and IAS 28. When an investor sells (invests) assets with its affiliates or joint ventures, all or part of it will be recognized as disposition gain or loss depending on the nature of the assets sold (invested):

- (1) When the assets sold (invested) meet the criteria of "business," all gains and losses on disposal are recognized;
- (2) When the sold (invested) assets do not qualify as "business," only part of the gain or loss on disposal of the equity in affiliates or joint ventures with non-affiliate investors can be recognized.

2. IFRS 18 "Presentation and Disclosures of Financial Statements"

IFRS 18 "Presentation and Disclosures of Financial Statements" replaces IAS 1 and updates the structure of the Comprehensive Income Statement, adds

management performance measurement disclosures, and strengthens the principle of aggregation and disaggregation applied to key financial statements and notes.

3. Amendments to IAS 21 "Lack of Convertibility"

These amendments define convertibility and provide guidance on how to determine the spot exchange rate on the measurement date when a currency lacks convertibility. In addition, this amendment requires an enterprise to provide more useful information in its financial statements when a certain currency is not convertible into another currency.

As of the date of release of these consolidated financial statements, the Group continues to evaluate the impact of the above standards and interpretations on the Group's financial position and financial performance, and the relevant impact will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

Significant accounting policies are same as Note 4 to the 2023 consolidated financial statements, except for the declaration of compliance, basis of preparation, basis of consolidation and additions are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Statement of Compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS No. 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. This consolidated financial statement should be read in conjunction with the 2023 consolidated financial statement.

(II) Basis of Preparation

1. These consolidated financial statements have been prepared using a historical cost basis, with the exception of financial instruments measured at fair value and defined benefit liabilities recognized as the net amount of the present value of defined benefit obligations minus the fair value of plan assets. Historical cost is typically determined by the fair value of the consideration received in exchange for the assets.

2. The preparation of financial reports in conformity with IFRSs recognized by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.
3. The items listed in the financial statements of each entity in the Group are measured in accordance with the functional currency of the entity. The consolidated financial statements are prepared in accordance with the functional currency of the Company, NTD.

(III) Basis of Consolidation

1. Principles for the preparation of consolidated financial statements

- (1) The Group included all subsidiaries in the consolidated financial statements. A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group acquires the control, and the consolidation is terminated from the date of loss of control.
- (2) Inter-company transactions, unrealized gains and losses have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.
- (3) The components of profit or loss and other comprehensive income are attributed to the owners and non-controlling interests of the parent company; the total amount of comprehensive income is also attributed to the owners and non-controlling interests of the parent company, even if the resulting non-controlling interests incur balance.
- (4) If the change in the shareholding of the subsidiary does not result in the loss of control (transaction with non-controlling interests) , it is treated as an equity transaction, which is deemed to be a transaction with owners. The difference

between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

- (5) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value, and treated as the fair value of the initially recognized financial assets or the cost of the investment in affiliates or joint ventures initially. The difference between the fair value and the carrying amount and recognized in profit or loss. For all amounts previously recognized in other comprehensive income related to the subsidiary, the accounting treatment is the same as if the Group had directly disposed of the related assets or liabilities. That is, if the gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss upon disposal of the related assets or liabilities, then the Group reclassifies that gain or loss from equity to profit or loss upon the loss of control of the subsidiary.

2. Subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

Name of investment company	Name of subsidiary	Nature of business	Percentage of equity held		
			2024.03.31	2023.12.31	2023.03.31
Mayer Steel Pipe Corporation	VIETNAM MAYER CORP., LTD	Processing and sale of steel pipes, steel sheets and other metal products	100.00%	100.00%	100.00%
	Mei Kong Development Co., Ltd.	Various investments and real estate development	100.00%	100.00%	100.00%
	MIRAMAR DEVELOPMENT (HK) CO.,LTD.	Various investments	90.00%	90.00%	90.00%
	MAYER INN CORPORATION	Regular Hotel and International Trade	100.00%	100.00%	100.00%
	Meiyi Construction Co., Ltd.	Real estate investment and development business	90.00%	90.00%	90.00%

3. Subsidiaries not included in the consolidated financial statements: None.

4. Information on subsidiaries with significant non-controlling equity: None.

(IV) Employee benefits

Post-employment benefits

Defined benefit plan

The pension cost in the interim period is calculated using the actuarially determined pension cost rate at the end of the previous fiscal year from the beginning of the year to the end of the current period, and is subject to significant market fluctuations and material one-time events are adjusted accordingly.

(V) Income taxes

Income tax expense represents the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis, with the tax rate applicable to the expected total earnings for the year, on the interim income before tax. The impact of changes in tax rates due to amendments to the tax law in the interim period is consistent with the accounting treatment principles of the transactions that give rise to tax consequences, and is recognized in a lump sum in the period in which they occur.

V. Significant accounting judgments, estimates and sources of assumption uncertainty

When the Group prepared the consolidated financial statements, the major judgments made, significant accounting estimates and assumptions about the main sources of uncertainty are consistent with Note 5 to the 2023 consolidated financial statements.

VI. Description of significant accounting items

(I) Cash and cash equivalents

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Cash on hand and revolving funds	\$ 454	\$ 477	\$ 331
Bank deposits	426,300	511,543	434,577
Cash equivalents	<u>224,987</u>	<u>147,436</u>	<u>75,981</u>
	<u>\$ 651,741</u>	<u>\$ 659,456</u>	<u>\$ 510,889</u>

1. The credit quality of the financial institutions with which the Group interacts is good, and the Group interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
2. Please refer to Note 8 for the Group's bank deposits and cash equivalents on March 31, 2024 and December 31, 2023 and March 31, 2023, which were provided to financial institutions as bank loan pledges due to restrictions.

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

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
<u>Financial assets - current</u>			
Mandatorily at fair value through profit or loss			
Non-derivative financial assets			
Domestic listed (OTC) stock	\$ 84,174	\$ 124,048	\$ 14,381
Fund beneficiary certificates	1,998	—	8,420
	<u>\$ 86,172</u>	<u>\$ 124,048</u>	<u>\$ 22,801</u>
<u>Financial assets - noncurrent</u>			
Mandatorily at fair value through profit or loss			
Non-derivative financial assets			
Domestic unlisted stocks	\$ 273,741	\$ 266,402	\$ 288,517
Foreign unlisted stocks	—	—	30,503
	<u>\$ 273,741</u>	<u>\$ 266,402</u>	<u>\$ 319,020</u>

1. The Group's investment in the above-mentioned investment targets is not for strategic investment. The Group's management believes that the short-term fluctuation of the fair value of these investments should be included in profit or loss, and chose to designate these investments as mandatory investments at fair value through profit and loss.
2. Please refer to Note 8 for the financial assets at fair value through profit or loss as of March 31, 2024 and December 31, 2023 and March 31, 2023, which are pledged for bank borrowings.

(III) Financial assets at fair value through other comprehensive income

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
<u>Current</u>			
Equity instruments			
Domestic listed (OTC) stock	\$ 36,654	\$ 19,041	\$ 9,289
Evaluation adjustment	33,743	8,681	2,906
	<u>\$ 70,397</u>	<u>\$ 27,722</u>	<u>\$ 12,195</u>
<u>Non-current</u>			
Equity instruments			
Domestic unlisted stocks	\$ 7,660	\$ 7,660	\$ 7,660
Foreign unlisted stocks	101,076	112,006	112,006
Evaluation adjustment	24,786	16,532	20,999
	<u>\$ 133,522</u>	<u>\$ 136,198</u>	<u>\$ 140,665</u>

1. The Group invests in the above-mentioned investment targets in accordance with medium and long-term strategic purposes, and expects to make profits through long-term investment. The Group's management believes that including the short-term fluctuation of fair value of these investments in profit or loss is not consistent

with the aforementioned long-term investment plan, and therefore chooses to designate these investments as measured at fair value through other comprehensive income.

2. During the period from January to March 2024, the Group adjusted its investment portfolio to diversify risk and sold a portion of its domestic listed (OTC) stocks at a fair value of NTD 5,893 thousand. The related amount of "Other equity - unrealized gains and losses on financial assets measured at fair value through other comprehensive income" of NTD 3,080 thousand was reclassified to "Retained earnings."
3. Please refer to Note 8 for the financial assets at fair value through profit or loss as through other comprehensive income of March 31, 2024 and December 31, 2023 and March 31, 2023, which are pledged for bank borrowings.

(IV) Financial assets measured at amortized cost

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
<u>Current</u>			
Bank time deposits with original maturity date of more than 3 months	\$ 333,314	\$ 370,085	\$ 66,830
Interest rate range	<u>1.40% - 7.90%</u>	<u>0.80% - 8.40%</u>	<u>5 . 8 0 % - 8 . 7 0 %</u>

As of March 31, 2024 and December 31, 2023 and March 31, 2023, the above financial assets measured at amortized cost had no restricted uses and no provision as collateral guarantees.

(V) Net notes receivable

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Notes receivable	\$ 22,158	\$ 28,083	\$ 46,556
Less: Loss allowance	(482)	(519)	(607)
	<u>\$ 21,676</u>	<u>\$ 27,564</u>	<u>\$ 45,949</u>

1. Please refer to the following accounts receivable for the relevant disclosure of the loss allowance for notes receivable.
2. As of March 31, 2024 and December 31, 2023 and March 31, 2023, the above notes receivable were not restricted in use and provided as collateral guarantees.

(VI) Net accounts receivable

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Accounts receivable	\$ 498,837	\$ 495,188	\$ 536,839
Less: Loss allowance	(4,501)	(4,435)	(4,939)
Accounts receivable - non-related parties, net	<u>494,336</u>	<u>490,753</u>	<u>531,900</u>

	2024.03.31	2023.12.31	2023.03.31
Accounts receivable - related parties	12,663	9,369	18,870
	<u>\$ 506,999</u>	<u>\$ 500,122</u>	<u>\$ 550,770</u>

The Group's average credit period for sales of goods is 30 to 120 days. For the allowance loss, the uncollectible amount is estimated with reference to the aging analysis, historical experience and analysis of the customer's current financial condition.

The Group adopts a simplified method to recognize the loss allowance for accounts receivable based on the expected credit loss during the period. The lifetime expected credit losses are based on customers' past payments. As the Group's historical credit loss experience shows that there is no significant difference in the loss patterns of different customer groups, the expected credit loss rate is set based on the number of days past due on accounts receivable.

The Group measures the allowance for losses of notes receivable and accounts receivable (excluding related parties) based on the provision matrix as follows:

	Expected credit loss rate	Gross carrying amount	Allowance for losses (expected credit loss during the duration)	Amortized cost
2024.03.31				
Not past due	0%-1%	<u>\$ 520,995</u>	<u>\$ (4,983)</u>	<u>\$ 516,012</u>

	Expected credit loss rate	Gross carrying amount	Allowance for losses (expected credit loss during the duration)	Amortized cost
2023.12.31				
Not past due	0%-1%	<u>\$ 523,271</u>	<u>\$ (4,954)</u>	<u>\$ 518,317</u>

	Expected credit loss rate	Gross carrying amount	Allowance for losses (expected credit loss during the duration)	Amortized cost
2023.03.31				
Not past due	0%-1%	<u>\$ 583,395</u>	<u>\$ (5,546)</u>	<u>\$ 577,849</u>

The changes in the allowance for losses on notes and accounts receivable were as follows:

	January to March 2024	January to March 2023
Opening balance	\$ 4,954	\$ 5,023
Add: Impairment loss (Note)	29	523
Closing balance	<u>\$ 4,983</u>	<u>\$ 5,546</u>

The changes in allowance for losses on other notes and accounts receivable (excluding related parties) were as follows:

	January to March 2024	January to March 2023
Opening balance	\$ 16,314	\$ 32,945
Less: Amount recovered this year (Note)	—	(2,190)
Foreign exchange difference	680	(283)
Closing balance	<u>\$ 16,994</u>	<u>\$ 30,472</u>

Note: Indicated as "expected credit impairment loss (gain)."

For related credit risk management and assessment methods, please refer to Note 12 (3).

As of March 31, 2024 and December 31, 2023 and March 31, 2023, the above accounts receivable were not restricted in use and provided as collateral guarantees.

(VII) Financing lease receivables

	2024.03.31	2023.12.31	2023.03.31
Undiscounted lease payments			
Year 1	\$ 7,156	\$ 5,797	\$ 5,986
Year 2	6,531	5,477	5,403
Year 3	6,531	5,477	5,403
Year 4	6,531	5,477	5,403
Year 5	6,531	5,477	5,403
Over 5 years	70,470	56,139	59,435
	103,750	83,844	87,033
Less: Unearned financing income	(51,643)	(45,621)	(48,004)
Net investment in leases	<u>\$ 52,107</u>	<u>\$ 38,223</u>	<u>\$ 39,029</u>
Current	\$ 1,895	\$ 1,218	\$ 1,418
Non-current	50,212	37,005	37,611
	<u>\$ 52,107</u>	<u>\$ 38,223</u>	<u>\$ 39,029</u>

In the power supply contract signed with respect to the Company's solar power generation equipment, it is agreed that all the electricity generated will be sold to Taipower from the date of the commercial transfer, and its accounting treatment is treated as a financial lease with an average financing period of 20 years.

The Company measures the loss allowance for the finance lease receivable based on the lifetime expected credit. As of the end of the reporting period, there were no overdue finance lease receivables. Considering the counterparties' past default records, the future development of the related industries of the lease targets, and the value of collateral, the Group believes that there is no impairment of the aforementioned finance lease receivables.

Please refer to Note 8 for the information on the provision of solar power generation equipment to financial institutions as collateral for bank loans by the Company on March 31, 2024 and December 31, 2023 and March 31, 2023.

(VIII) Inventories - Manufacturing

	2024.03.31	2023.12.31	2023.03.31
Finished goods	\$ 304,299	\$ 267,599	\$ 272,705
Work in process	31,311	28,850	46,976
Semi-finished product	178,691	148,408	139,941
Raw materials and supplies	566,442	607,850	675,659
Commodities	155,764	41,151	41,575
Others	1,689	—	1,429
Total	<u>\$ 1,238,196</u>	<u>\$ 1,093,858</u>	<u>\$ 1,178,285</u>
Mortgage status	<u>None</u>	<u>None</u>	<u>None</u>

1. Gains (losses) related to inventories recognized as cost of goods sold in the current period are as follows:

	January to March 2024	January to March 2023
Cost of inventories sold	\$ 1,183,392	\$ 1,443,597
Loss on decline in net realizable value of inventories (gain on recovery)	(3,876)	(34,194)
Loss of inventory idle capacity (gain on recovery)	(1,773)	408
	<u>\$ 1,177,743</u>	<u>\$ 1,409,811</u>

2. As of March 31, 2024 and December 31, 2023 and March 31, 2023, the above inventories have not been provided with restrictions in use and as collateral guarantees.

(IX) Inventories - Construction

Name of construction site	2024.03.31	2023.12.31	2023.03.31
Land held for sale	\$ 1,161	\$ 1,161	\$ 1,161
Construction site	855,681	585,061	585,057
Real estate under construction	581,707	529,241	329,670
Prepayment for land	34,691	65,991	65,735
	<u>\$ 1,473,240</u>	<u>\$ 1,181,454</u>	<u>\$ 981,623</u>

1. On March 7, 2008, the Company entered into an agreement with Ching-Huei Chien and three others to purchase land No.800 located in Guoguang Section, Banqiao District, New Taipei City, with a total price of NTD 1,930,800 thousand. In the same year, the Company paid NTD 89,110 thousand according to the agreement. The land readjustment project for the Guoguang Section in Banqiao District was completed on November 26, 2015, and the land was subsequently registered in the Yongcui Section, Banqiao District. However, the Company discovered that Ching-Huei Chien and the others had engaged in detrimental actions such as gifting and selling parts of the subject land. As a result, the Company applied for provisional attachment and provisional disposition. A settlement record was signed on September 14, 2023. Please refer to Note 9(I).
2. On April 24, 2019, the Company's Board of Directors resolved to participate in the "Urban Renewal Business Plan and Rights Transformation Plan for 34 parcels of land, including land No. 310 in Subsection 4 of Hulin Section, Xinyi District, Taipei City," as approved by the Taipei City Urban Renewal Office. On April 25, 2019, the Company signed a joint venture agreement with Ding Bang Development Co., Ltd. to jointly invest in the construction project, with both parties contributing equally on a 1:1 ratio. The above construction projects have been fully transferred in 2023.
3. On December 8, 2023, the Company purchased the land of land No.1216, Datong Section, Zhunan Town, Miaoli County from a non-related party, and signed a land transaction contract with an area of approximately 618.68 pings for a total contract price of NTD 198,000 thousand. As of March 31, 2024, the above amounts have been paid in full.
4. For the Xingnan project at Nanshi Section, Zhonghe District, New Taipei City, on January 29, 2024, the Company purchased 6 pieces of land from non-related parties including the road land for capacity transfer, and signed a land transaction contract with a land area of about 145.64 pings. The total contractual sum amounted to NTD 70,424 thousand, which had been paid in full as of March 31, 2024.
5. On March 22, 2024, the Company purchased the land of Land No. 1791 at the Puzi Section in Taoyuan District from a non-related party and signed a land purchase and sale contract with an area of about 130.38 pings of land for a total contract price of NTD 83,000 thousand. As of December 31, NTD 8,300 thousand has been paid.

6. Please refer to Note 8 for the "inventories - construction industry" provided by the group as collateral for bank loans as of March 31, 2024 and December 31, 2023 and March 31, 2023.

(X) Other current assets

	2024.03.31	2023.12.31	2023.03.31
Other financial assets	\$ 553,227	\$ 447,178	\$ 506,340
Payment on behalf of others	10	10	10
	<u>\$ 553,237</u>	<u>\$ 447,188</u>	<u>\$ 506,350</u>

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group had repatriated overseas funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act, and had provided financial assets as collateral for bank loans. Please refer to Note 8 for details.

(XI) Investments accounted for under the equity method

1. The Group's investments under equity method are listed as follows:

	Original investment cost	2024.03.31	2023.12.31	2023.03.31
<u>Subsidiaries</u>				
Mayer Corporation Development International Limited (BVI)	\$ 390,881	\$ 15,287	\$ 15,287	\$ 15,287
Glory World Development Ltd.(BVI)	259,121	—	—	—
Subtotal		<u>15,287</u>	<u>15,287</u>	<u>15,287</u>
Less: Accumulated impairment - Investments accounted for using equity method		<u>(15,287)</u>	<u>(15,287)</u>	<u>(15,287)</u>
		<u>—</u>	<u>—</u>	<u>—</u>
<u>Associated companies that are not individually material</u>				
GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED	179,688	233,432	227,561	229,309
Diamond Precision Steel Corp.	106,248	186,885	223,102	201,838
LUEN JIN ENTERPRISE CO., LTD.	156,600	151,275	151,309	156,451
		<u>571,592</u>	<u>601,972</u>	<u>587,598</u>
		<u>\$ 571,592</u>	<u>\$ 601,972</u>	<u>\$ 587,598</u>

2. The Group's ownership interest and percentage of voting rights in the subsidiaries and associates at the end of the reporting period are as follows:

	2024.03.31	2023.12.31	2023.03.31
Mayer Corporation Development International Limited (BVI)	100.00%	100.00%	100.00%
	(Note 1)	(Note 1)	(Note 1)
Glory World Development Ltd.(BVI)	50.21%	50.21%	50.21%
	(Note 2)	(Note 2)	(Note 2)
GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED	45.01%	45.01%	45.01%
Diamond Precision Steel Corp.	42.50%	42.50%	42.50%
LUEN JIN ENTERPRISE CO., LTD.	30.00%	30.00%	30.00%

Note 1: Mayer Corporation Development International Limited (BVI) was approved by the Court of the British Virgin Islands (BVI) on March 27, 2017 to enter the liquidation procedure and appointed a liquidator. As a result, the Company lost control and excluded from the consolidated financial statements.

Note 2: Glory World Development Ltd.(BVI) was ruled to be struck off status by the local government on November 3, 2020, and thus was not included as an entity in the consolidated report as of November 3, 2020.

Please refer to Table 5 for information on the business nature and principal place of business of the above subsidiaries and affiliated companies.

3. Information on subsidiaries:

	January to March 2024	January to March 2023
The Group's share		
Net income from continuing operations	\$ (213)	\$ (205)
Other comprehensive income in the current period	(2,923)	585
Total comprehensive income for the period	<u>\$ (3,136)</u>	<u>\$ 380</u>

4. The market price of the equity investment of listed companies under the equity method on the balance sheet date is calculated as follows: None.
5. The aggregate financial information of material affiliates is as follows: None.
6. Aggregate information on individually immaterial associates:

	January to March 2024	January to March 2023
The Group's share		

Net income from continuing operations	\$	25,230	\$	21,509
Other comprehensive income in the current period	(	88	)	71
Total comprehensive income for the period	\$	<u>25,142</u>	\$	<u>21,580</u>

7. As of March 31, 2024 and December 31, 2023 and March 31, 2023, the above investments under the equity method were not restricted in use and provided as collateral guarantees.
8. The Group conducted assessment and impairment testing on the investment in affiliates in 2024 and January to March, 2023. After assessment, there was no impairment loss that should be recognized.

(XII) Property, plant and equipment

January to March 2024							
	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Other equipment	Leasehold improvements	Total
Cost:							
Opening balance	\$ 557,911	\$ 259,824	\$ 1,645,161	\$ 66,982	\$ 181,497	\$ 143,061	\$ 2,854,436
Increase	—	198	5,295	1,758	34,904	—	42,155
Decrease	—	(105)	—	(1,111)	(200)	—	(1,416)
Effect of foreign currency exchange differences	—	456	1,424	40	393	—	2,313
Closing balance	<u>\$ 557,911</u>	<u>\$ 260,373</u>	<u>\$ 1,651,880</u>	<u>\$ 67,669</u>	<u>\$ 216,594</u>	<u>\$ 143,061</u>	<u>\$ 2,897,488</u>
Accumulated depreciation:							
Opening balance	\$ —	\$ 224,693	\$ 1,333,240	\$ 57,040	\$ 129,628	\$ 46,224	\$ 1,790,825
Increase	—	965	9,696	588	4,469	2,503	18,221
Decrease	—	(79)	—	(1,085)	(161)	—	(1,325)
Effect of foreign currency exchange differences	—	175	1,265	28	378	—	1,846
Closing balance	<u>\$ —</u>	<u>\$ 225,754</u>	<u>\$ 1,344,201</u>	<u>\$ 56,571</u>	<u>\$ 134,314</u>	<u>\$ 48,727</u>	<u>\$ 1,809,567</u>
Closing net amount	<u>\$ 557,911</u>	<u>\$ 34,619</u>	<u>\$ 307,679</u>	<u>\$ 11,098</u>	<u>\$ 82,280</u>	<u>\$ 94,334</u>	<u>\$ 1,087,921</u>

January to March 2023							
	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Other equipment	Leasehold improvements	Total
Cost:							
Opening balance	\$ 557,911	\$ 253,391	\$ 1,544,811	\$ 66,120	\$ 178,760	\$ 142,855	\$ 2,743,848
Increase	—	130	40,469	660	1,092	120	42,471
Decrease	—	—	—	(616)	—	—	(616)
Effect of foreign currency exchange differences	—	(131)	(407)	(7)	(113)	—	(658)
Closing balance	<u>\$ 557,911</u>	<u>\$ 253,390</u>	<u>\$ 1,584,873</u>	<u>\$ 66,157</u>	<u>\$ 179,739</u>	<u>\$ 142,975</u>	<u>\$ 2,785,045</u>
Accumulated depreciation:							
Opening balance	\$ —	\$ 220,988	\$ 1,301,582	\$ 55,495	\$ 112,870	\$ 36,218	\$ 1,727,153
Increase	—	1,057	10,374	531	4,471	2,496	18,929
Decrease	—	—	—	(590)	—	—	(590)
Effect of foreign currency exchange differences	—	(46)	(329)	(8)	(107)	—	(490)
Closing balance	<u>\$ —</u>	<u>\$ 221,999</u>	<u>\$ 1,311,627</u>	<u>\$ 55,428</u>	<u>\$ 117,234</u>	<u>\$ 38,714</u>	<u>\$ 1,745,002</u>
Closing net amount	<u>\$ 557,911</u>	<u>\$ 31,391</u>	<u>\$ 273,246</u>	<u>\$ 10,729</u>	<u>\$ 62,505</u>	<u>\$ 104,261</u>	<u>\$ 1,040,043</u>

1. Please refer to Note 8 for the property, plant and equipment provided as guarantees or pledges by the Group on March 31, 2024 and December 31, 2023 and March 31, 2023.
2. The Group's property, plant and equipment had no impairment loss recognized in 2024 and from January to March 2023.

(XIII) Lease agreement

1. Right of use assets

January to March 2024						
	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost:						
Opening balance	\$ 16,980	\$ 730,016	\$ 693	\$ 2,098	\$ 517	\$ 750,304
Effect of foreign currency exchange differences	187	—	—	—	—	187
Closing balance	<u>\$ 17,167</u>	<u>\$ 730,016</u>	<u>\$ 693</u>	<u>\$ 2,098</u>	<u>\$ 517</u>	<u>\$ 750,491</u>
Accumulated depreciation:						
Opening balance	\$ 3,131	\$ 243,558	\$ 382	\$ 664	\$ 122	\$ 247,857
Increase	569	15,057	35	242	30	15,933
Effect of foreign currency exchange differences	31	—	—	—	—	31
Closing balance	<u>\$ 3,731</u>	<u>\$ 258,615</u>	<u>\$ 417</u>	<u>\$ 906</u>	<u>\$ 152</u>	<u>\$ 263,821</u>
Closing net amount	<u>\$ 13,436</u>	<u>\$ 471,401</u>	<u>\$ 276</u>	<u>\$ 1,192</u>	<u>\$ 365</u>	<u>\$ 486,670</u>
January to March 2023						
	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost:						
Opening balance	\$ 19,673	\$ 738,541	\$ 693	\$ 6,135	\$ 646	\$ 765,688
Effect of foreign currency exchange differences	(53)	—	—	—	—	(53)
Closing balance	<u>\$ 19,620</u>	<u>\$ 738,541</u>	<u>\$ 693</u>	<u>\$ 6,135</u>	<u>\$ 646</u>	<u>\$ 765,635</u>
Accumulated depreciation:						
Opening balance	\$ 3,603	\$ 192,700	\$ 243	\$ 4,831	\$ 213	\$ 201,590
Increase	569	15,047	34	512	39	16,201
Effect of foreign currency exchange differences	(6)	—	—	—	—	(6)
Closing balance	<u>\$ 4,166</u>	<u>\$ 207,747</u>	<u>\$ 277</u>	<u>\$ 5,343</u>	<u>\$ 252</u>	<u>\$ 217,785</u>
Closing net amount	<u>\$ 15,454</u>	<u>\$ 530,794</u>	<u>\$ 416</u>	<u>\$ 792</u>	<u>\$ 394</u>	<u>\$ 547,850</u>

The Group's income from sublease of right-of-use assets in January to March, 2024 and 2023 was NTD 45 thousand.

2. Lease liabilities

	2024.03.31	2023.12.31	2023.03.31
Book value of lease liabilities			
Current	\$ 54,294	\$ 55,444	\$ 56,832
Non-current	464,268	477,521	516,527
	<u>\$ 518,562</u>	<u>\$ 532,965</u>	<u>\$ 573,359</u>

Range of discount rate for lease liabilities:

	2024.03.31	2023.12.31	2023.03.31
Land	2.65%	2.65%	1.90%
	2.20%-	2.20%-	1.95%-
Houses and buildings	2.75%	2.75%	2.75%
Machinery and equipment	1.53%	1.53%	1.53%
	1.68%-	1.68%-	1.47%-
Transportation equipment	2.35%	2.35%	1.68%
	1.80%-	1.80%-	1.52%-
Other equipment	2.27%	2.27%	1.80%

3. Important lease-in activities and terms and conditions

The Group leases land, buildings and equipment as plant, office, general hotel business premises and operating equipment. The lease term is 1 to 14 years, with renewal option upon expiry of the lease term. In addition, according to the contract, without the consent of the lessor, the Group shall not sublease the underlying assets of the lease to others. As of March 31, 2024, right-of-use assets have no indication of impairment and hence no impairment assessment.

4. Subletting

The Group subleases the right-of-use of buildings under an operating lease over a lease term of 5 years. The total amount of lease payments to be received in the future for the operating lease sublease is as follows:

	2024.03.31	2023.12.31	2023.03.31
Year 1	\$ 67	\$ 112	\$ 180
Over 1 year but no more than 5 years	—	—	67
	<u>\$ 67</u>	<u>\$ 112</u>	<u>\$ 247</u>

5. Other lease information

The Group chose the recognition exemption for short-term leases and leases of low-value assets in 2024 and from January to March 2023, and did not recognize right-of-use assets and lease liabilities for these leases. The related expenses are as follows:

	January to March 2024	January to March 2023
Short-term lease expense	\$ 180	\$ 352
Low-value asset lease expense	52	39
Variable lease payments not included in the measurement of lease liabilities	75	62
	<u>\$ 307</u>	<u>\$ 453</u>
Total cash outflow for leases	<u>\$ (18,067)</u>	<u>\$ (18,498)</u>

(XIV) Investment property

1. The Company's investment property is listed as follows:

	January to March 2024		
	Land	Buildings	Total
Cost:			
Opening balance	\$ 82,543	\$ 104,963	\$ 187,506
Closing balance	\$ 82,543	\$ 104,963	\$ 187,506
Accumulated depreciation:			
Opening balance	\$ —	\$ 45,738	\$ 45,738
Increase	—	733	733
Closing balance	\$ —	\$ 46,471	\$ 46,471
Closing net amount	\$ 82,543	\$ 58,492	\$ 141,035

	January to March 2023		
	Land	Buildings	Total
Cost:			
Opening balance	\$ 82,543	\$ 104,963	\$ 187,506
Closing balance	\$ 82,543	\$ 104,963	\$ 187,506
Accumulated depreciation:			
Opening balance	\$ —	\$ 42,804	\$ 42,804
Increase	—	734	734
Closing balance	\$ —	\$ 43,538	\$ 43,538
Closing net amount	\$ 82,543	\$ 61,425	\$ 143,968

2. Rental income and direct operating expenses of investment property:

	January to March 2024	January to March 2023
Rent income from investment property	\$ 2,714	\$ 2,629
Direct operating expenses of investment property that generates rental income	(733)	(734)
	\$ 1,981	\$ 1,895

3. On March 31, 2024 and December 31 and March 31, 2023, the total lease payments to be received in the future for the investment properties leased out under operating leases are as follows:

	2024.03.31	2023.12.31	2023.03.31
Within 1 year	\$ 10,857	\$ 10,857	\$ 10,600
Over 1 year but no more than 5 years	8,143	10,857	19,000
	\$ 19,000	\$ 21,714	\$ 29,600

4. The Company's investment property is depreciated on a straight-line basis over 35 years.
5. The fair value of the investment property held by the Company as of 2023 and December 31, 2020 was NTD 285,803 thousand and NTD 272,992 thousand,

respectively, which was based on the evaluation results of independent evaluation experts. The valuation on March 31, 2024 and on December 31, 2023 and March 31, 2023 is based on market evidence of similar real estate transaction prices, and there is no significant change in the basic assumptions as of December 31, 2023 and 2020.

6. Please refer to Note 8 for the Company's investment property as collateral for bank borrowings on March 31, 2024 and December 31, 2023 and March 31, 2023.

(XV) Other non-current assets

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Guarantee	\$ —	\$ —	\$ 287,654
Performance bond	350,000	144,000	92,048
Prepaid equipment payment	10,526	50,794	27,611
Long-term financing lease receivable	50,212	37,005	37,611
Others	41,521	41,524	41,586
	<u>\$ 452,259</u>	<u>\$ 273,323</u>	<u>\$ 486,510</u>

Please refer to Note 8 for the information on the provision of solar power generation equipment to financial institutions as collateral for bank loans by the Company on March 31, 2024 and December 31, 2023 and March 31, 2023.

(XVI) Short-term loans

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
<u>Guaranteed loans</u>			
Bank borrowings	\$ 1,611,678	\$ 1,412,783	\$ 1,641,943
<u>Unsecured borrowings</u>			
Credit limit borrowings	124,000	129,500	540,726
Letter of credit borrowing for purchase of materials	247,491	149,660	377,267
	<u>371,491</u>	<u>279,160</u>	<u>917,993</u>
	<u>\$ 1,983,169</u>	<u>\$ 1,691,943</u>	<u>\$ 2,559,936</u>
Interest rate range	1.98%~4.00%	1.95%~4.00%	1.93%~2.95%
Undrawn limit	<u>\$ 1,990,996</u>	<u>\$ 2,113,870</u>	<u>\$ 1,225,965</u>
Secured borrowings	<u>Note 8</u>	<u>Note 8</u>	<u>Note 8</u>

(XVII) Short-term notes payable

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Commercial paper payable	\$ 60,000	\$ —	\$ —
Less: Discounts on short-term bills payable	(21)	—	—
Net Amount	<u>\$ 59,979</u>	<u>\$ —</u>	<u>\$ —</u>
Interest rate range	<u>1.80%</u>	<u>—</u>	<u>—</u>
Undrawn limit	<u>\$ —</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>
Secured borrowings	<u>Note 8</u>	<u>Note 8</u>	<u>Note 8</u>

(XVIII) Long-term loans

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
<u>Guaranteed loans</u>			
Bank borrowings	\$ 16,741	\$ 17,434	\$ 19,491
Less: Due within one year	(2,808)	(2,793)	(2,759)
	<u>\$ 13,933</u>	<u>\$ 14,641</u>	<u>\$ 16,732</u>
Interest rate range	<u>2.15%</u>	<u>2.15%</u>	<u>2.03%</u>
Undrawn limit	\$ —	\$ —	\$ —
Secured borrowings	<u>Note 8</u>	<u>Note 8</u>	<u>Note 8</u>

(XIX) Provision for liabilities

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Employee benefits	\$ 2,110	\$ 1,733	\$ 1,733
Cost of decommissioning, restoration and restoration	29,628	30,463	31,660
Others	49,175	49,175	—
	<u>\$ 80,913</u>	<u>\$ 81,371</u>	<u>\$ 33,393</u>

(XX) Post-employment benefit plan

1. Defined contribution plan

- (1) The pension system under the "Labor Pension Act" applicable to the Company and its subsidiaries in the Republic of China is a government-managed defined contribution plan. A pension contribution of 6% of employees' monthly salary is made to their personal accounts at the Bureau of Labor Insurance. The subsidiaries outside the Republic of China have participated in the defined contribution plan managed by the local government and make monthly contributions to the local government as pension funds.
- (2) The pension expenses recognized by the Group in 2024 and from January to March 2023 were NTD 2,414 thousand and NTD 2,256 thousand, respectively.

2. Defined benefit plan

The Group recognized pension expenses related to defined benefit plans of NTD 276 thousand and NTD 316 thousand for the periods from January to March 2024 and 2023, respectively. These amounts were calculated using the pension cost rates determined by actuarial valuation as of December 31, 2023, and 2022, respectively.

(XXI) Equity

1. Common stock capital

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Rated shares (thousand shares)	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>
Authorized share capital	<u>\$ 3,200,000</u>	<u>\$ 3,200,000</u>	<u>\$ 3,200,000</u>
Issued and paid shares (thousand shares)	<u>222,526</u>	<u>222,526</u>	<u>222,526</u>
Issued share capital	<u>\$ 2,225,261</u>	<u>\$ 2,225,261</u>	<u>\$ 2,225,261</u>

2. Additional paid-in capital

	<u>2024.03.31</u>	<u>2023.12.31</u>	<u>2023.03.31</u>
Convertible corporate bond conversion premium	\$ 232,709	\$ 232,709	\$ 232,709
Difference between the equity price and book value of the subsidiary acquired for disposal	36,010	36,010	36,010
Changes in net equity of affiliated companies and joint ventures under equity method	6,828	6,828	6,828
Interest compensation payable for convertible corporate bonds	6,075	6,075	6,075
	<u>\$ 281,622</u>	<u>\$ 281,622</u>	<u>\$ 281,622</u>

According to the Company's Articles of Incorporation, if there is a surplus after the annual final accounts, it shall be used to offset accumulated losses from previous years. Additionally, the surplus from issuing shares above par value (including premiums from issuing common stock above par value, capital surpluses from stock issuance due to mergers, conversion premiums from convertible bonds, and gains from treasury stock transactions) and received donations can also be used to offset losses. Furthermore, if there are no losses, these amounts can be used to distribute cash dividends or to increase capital. However, the annual capital increase is limited to a certain percentage of the paid-in capital.

The capital reserves arising from investments under the equity method, employee share options and share options shall not be used for any purpose.

3. Retained earnings and dividend policy

According to the Company's profit distribution policy specified in the Articles of Incorporation, if the Company has a profit for the year, 1% to 5% of the profit should be allocated as employee compensation, and no more than 3% should be allocated as director compensation. However, if the Company still has accumulated

losses, the amount should be reserved to offset the losses before calculating and allocating the remaining profit.

Employees' remuneration may be paid in the form of shares or cash, and the remuneration may be paid to the employees of the Company and the subsidiaries of the Company who meet certain criteria. Remuneration to directors shall be in the form of cash only.

Matters concerning the distribution of employees' remuneration and directors' remuneration shall be resolved by a board of directors meeting attended by at least two-thirds of the directors and approved by more than half of the attending directors, and shall be reported at a shareholders' meeting.

If the board of directors has resolved to pay employees' remuneration in the form of shares, the board of directors may, at the same time, resolve to issue new shares or repurchase its own shares.

The Company's dividend policy takes into account the Company's capital needs and long-term financial planning, in line with current and future development plans, the investment environment and domestic and international competition, and the interests of shareholders, in order to determine the amount and type of earnings distribution. If the Company has earnings in the annual final accounting, it shall first pay income tax and make up for the losses of the previous years, and then set aside 10% of the balance as a legal reserve, unless the legal reserve amounts to the total paid-in capital. and special reserve shall be appropriated or reversed in accordance with the regulations of the competent authority. However, if a special reserve is appropriated for the net deduction of other equity accumulated in the previous period, the same amount of special reserve shall be appropriated from the undistributed earnings of the previous period. If there is still insufficient, after adding the current after-tax net profit and the item other than the current period's net profit and including in the amount of undistributed earnings of the current period, together with the accumulated undistributed earnings, It shall be proposed to the shareholders' meeting for resolution.

The Company may distribute earnings in the form of cash dividends or stock dividends. If distribution is made, shareholders' dividends shall be set aside based on the distributable earnings in the year of final accounting for no less than 50%

each year. The percentage of stock dividends shall not exceed 50% of the total dividends.

The proceeding shareholders' dividends in this proposal are distributed in the form of cash and shall be attended by at least two-thirds of the directors of the authorized board of directors; resolutions must be passed by more than half of the directors present at the meeting, and shall be reported to the shareholders' meeting.

When distributing earnings, the Company must deduct the net amount of other shareholders' equity (such as the exchange difference on the translation of the financial statements of foreign operations and the accumulated balance of unrealized gain or loss on financial assets at fair value through other comprehensive income), set aside as special reserve before distribution. When the amount of other deductions in other equity is reversed, the reversed amount can be included in the income available for distribution.

The Company's 2023 and 2022 earnings distribution proposals resolved by the Board of Directors on March 13, 2024 and March 13, 2023, respectively, are as follows:

	2023	2022	2023	2022
Appropriation of legal reserve	\$ 106,848	\$ 17,044		
Common stock cash dividends	445,052	222,526	<u>\$ 2.00</u>	<u>\$ 1.00</u>
Common stock dividends	445,052	—	<u>\$ 2.00</u>	<u>\$ —</u>

The cash dividend of the 2023 earnings appropriation has been resolved by the board of directors, and the rest is yet to be resolved by the shareholders' meeting on June 7, 2024.

4. Special reserves

	2024.03.31	2023.12.31	2023.03.31
Adopted IFRSs to provide special reserve for the first time	<u>\$ 102,504</u>	<u>\$ 102,504</u>	<u>\$ 102,504</u>

The company, in accordance with the letter Jin-Guan-Zheng-Fa No. 1010012865 and Jin-Guan-Zheng-Fa No. 1010047490 issued by the Financial Supervisory Commission and the "Q&A on the Appropriateness of Special Reserve under IFRSs," has appropriated and reversed special reserves. If the balance of the deduction of other shareholders' equity is reversed subsequently, the special reserve

may be reversed in accordance with the requirements for distribution of earnings and reversal of the reversal.

5. Other equity

	January to March 2024		
	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total
Opening balance	\$ (26,497)	\$ 53,335	\$ 26,838
Exchange differences arising from the translation of the financial statements of foreign operations	5,465	—	5,465
Unrealized gain or loss on financial assets at fair value through other comprehensive income	—	76,293	76,293
Portions of affiliates and joint ventures recognized under the equity method	(3,011)	—	(3,011)
Income tax related to other comprehensive income components	(491)	—	(491)
Disposal of equity instruments at fair value through other comprehensive income	—	(76)	(76)
Closing balance	<u>\$ (24,534)</u>	<u>\$ 129,552</u>	<u>\$ 105,018</u>

	January to March 2023		
	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total
Opening balance	\$ (17,640)	\$ 26,397	\$ 8,757
Exchange differences arising from the translation of the financial statements of foreign operations	(1,091)	—	(1,091)
Unrealized gain or loss on financial assets at fair value through other comprehensive income	—	4,866	4,866
Portions of affiliates and joint ventures recognized under the equity method	656	—	656
Income tax related to other comprehensive income components	87	—	87
Closing balance	<u>\$ (17,988)</u>	<u>\$ 31,263</u>	<u>\$ 13,275</u>

6. Non-controlling interests

	January to March 2024	January to March 2023
Opening balance	\$ 5,400	\$ 3,639
Share attributable to non-controlling equity:		
Net income (loss) for the year	25	234
Exchange differences arising from the translation of the financial statements of foreign operations	144	(13)
Closing balance	<u>\$ 5,569</u>	<u>\$ 3,860</u>

(XXII) Operating income

1. Revenue from contracts with customers

	January to March 2024	January to March 2023
Revenue from customer contracts		
Sales revenue	\$ 1,368,530	\$ 1,619,178
Others	52,871	32,100
	<u>\$ 1,421,401</u>	<u>\$ 1,651,278</u>

Please refer to Note 14(3) for the analysis of the revenue of each main product.

2. Contract balance

Information on the Group's revenue from contracts with customers for January to March 2024 and 2023 is as follows:

	2024.01.01	2024.03.31	Differences
Sale of goods	<u>\$ 6,199</u>	<u>\$ 17,919</u>	<u>\$ 11,720</u>
	2023.01.01	2023.03.31	Differences
Sale of goods	<u>\$ 75,139</u>	<u>\$ 77,775</u>	<u>\$ 2,636</u>

The change in contractual liabilities is mainly due to the difference between the point of meeting the repayment obligation and the time of payment by the customer.

The amounts from the contract liabilities at the beginning of the year recognized as operating revenues in 2024 and 2023 from January to March 2023 were NTD 1,822 thousand and NTD 2,350 thousand, respectively.

(XXIII) Interest income

	January to March 2024	January to March 2023
Interest on bank deposits	\$ 3,966	\$ 1,573
Other interest income	1,328	6,239
	<u>\$ 5,294</u>	<u>\$ 7,812</u>

(XXIV) Other income

	January to March 2024	January to March 2023
Rental income	\$ 2,769	\$ 2,682
Compensation income	253,798	—
Others	1,576	1,457
	<u>\$ 258,143</u>	<u>\$ 4,139</u>

The compensation income is due to the rights litigation between the Company and four parties including Ching-Huang Chien, Ching-Ming Chien, Ching-Hsing Chien, Ching-Huei Chien due to the scheduled sale and purchase contract and supplementary agreement. The reconciliation record was signed on September 14, 2023. When it is certain to be realized, it is recognized in the book, and the necessary costs and litigation expenses are deducted.

(XXV) Other gains and losses, net

	January to March 2024	January to March 2023
Gains (losses) on the disposal and scrapping of property, plant and equipment	\$ (91)	\$ 31
Gains (losses) on disposal of investment	16,392	(471)
Net foreign currency exchange gain (loss)	3,583	(356)
Gain (loss) on financial assets at fair value through profit or loss	45,068	28,193
Other losses	(539)	(129)
	<u>\$ 64,413</u>	<u>\$ 27,268</u>

(XXVI) Finance costs, net

	January to March 2024	January to March 2023
Interest expense		
Borrowing interest	\$ 10,277	\$ 14,461
Lease liabilities and expenses	3,357	3,666
Others	10	8
Less: Amount of capitalized assets that meet the criteria	(3,253)	(1,941)
	<u>\$ 10,391</u>	<u>\$ 16,194</u>

(XXVII) Additional information on the nature of the expense

	January to March 2024			January to March 2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salary expenses	\$ 48,678	\$ 16,251	\$ 64,929	\$ 46,546	\$ 19,588	\$ 66,134
Labor and national health insurance expenses	5,080	1,456	6,536	4,823	1,390	6,213
Pension expense	1,902	1,166	3,068	1,842	1,953	3,795
Other employee benefit expenses	2,459	43,600	46,059	2,073	19,626	21,699
Depreciation expense	31,412	3,475	34,887	32,115	3,749	35,864
Amortization expense	2,328	22	2,350	2,037	637	2,674
Total	<u>\$ 91,859</u>	<u>\$ 65,970</u>	<u>\$ 157,829</u>	<u>\$ 89,436</u>	<u>\$ 46,943</u>	<u>\$ 136,379</u>

1. In accordance with the Company's Articles of Incorporation, the Company shall appropriate 1% to 5% of the balance, if any, after deducting accumulated losses from the current year's profit as employees, and no more than 3% as directors' remuneration.

January to March 2024		January to March 2023	
Remuneration to employees	Remuneration of Directors	Remuneration to employees	Remuneration of Directors
<u>\$ 24,998</u>	<u>\$ 14,999</u>	<u>\$ 10,344</u>	<u>\$ 6,206</u>

The remunerations to the employees and Directors are estimated at 5% and 3% of the net income before tax, respectively. If there is still a change in the amount of the annual financial statements after the publication date, it will be treated as a change in accounting estimates and will be adjusted and accounted for in the next year.

2. The Company held the board meeting on March 13, 2024 and March 13, 2023, respectively, and resolved to approve the compensation of employees and directors for 2023 and 2022:

	2023		2022	
	Remuneration to employees	Remuneration of Directors	Remuneration to employees	Remuneration of Directors
Amount to be distributed as resolved	<u>\$ 56,384</u>	<u>\$ 42,288</u>	<u>\$ 18,000</u>	<u>\$ 10,800</u>

The remuneration to employees and directors for 2023 and 2022, as resolved by the Board of Directors, are consistent with the amounts recognized in the financial statements.

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

(XXVIII) Income taxes

1. Components of income tax expense

	January to March 2024	January to March 2023
<u>Current income tax</u>		
Occurrences in the current year	\$ 81,531	\$ 19,937
Adjusted in previous years	—	(20)
<u>Deferred income taxes</u>		
The origin and reversal of the temporary difference	(1,831)	4,516
Income tax expense (profit)	<u>\$ 79,700</u>	<u>\$ 24,433</u>

2. Income tax expenses related to other comprehensive income

	January to March 2024	January to March 2023
Difference on translation of financial statements of foreign operations	<u>\$ 491</u>	<u>\$ (87)</u>

3. The accounting income and income tax expense recognized in profit or loss for the year are adjusted as follows:

	January to March 2024	January to March 2023
Net income before tax	<u>\$ 463,399</u>	<u>\$ 192,206</u>
Tax amount on net profit before tax calculated at statutory tax rate	\$ 99,464	\$ 39,669
Tax effects of the adjusted items:		
Effects of items not included in the calculation of taxable income	(14,820)	(19,730)
Occurrence and reversal of temporary difference	(1,831)	4,516
Loss carryforwards	(3,689)	(2)
Basic tax amount	576	—
Income tax adjustment for prior years	—	(20)
Income tax expense recognized in profit or loss	<u>\$ 79,700</u>	<u>\$ 24,433</u>

The parent company only tax rate applicable to the Group under the Income Tax Act of the Republic of China is 20%. The applicable tax rate for the unappropriated earnings is 5%. Taxes arising in other jurisdictions are calculated in accordance with the tax rates applicable in the respective jurisdictions.

4. Deferred income tax assets or liabilities arising from temporary differences

January to March 2024				
	Opening balance	Recognized in profit or loss	Recognized in other Comprehensive income (loss)	Closing balance
<u>Deferred income tax assets</u>				
Temporary difference				
Unrealized inventory devaluation and obsolescence losses	\$ 11,456	\$ (1,290)	\$ —	\$ 10,166
Income tax impact of investment gains and losses recognized under the equity method	—	1	—	1
Others	1,547	(333)	—	1,214
	<u>\$ 13,003</u>	<u>\$ (1,622)</u>	<u>\$ —</u>	<u>\$ 11,381</u>
<u>Deferred income tax liabilities</u>				
Property, plant and equipment	\$ 162,405	\$ —	\$ —	\$ 162,405
Exchange differences on foreign operations	13,531	—	491	14,022
Income tax impact of investment gains and losses recognized under the equity method	3,805	(3,805)	—	—
Others	—	352	—	352
	<u>\$ 179,741</u>	<u>\$ (3,453)</u>	<u>\$ 491</u>	<u>\$ 176,779</u>
January to March 2023				
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<u>Deferred income tax assets</u>				
Temporary difference				
Unrealized inventory devaluation and obsolescence losses	\$ 16,184	\$ (6,991)	\$ —	\$ 9,193
Income tax impact of investment gains and losses recognized under the equity method	5,081	1,958	—	7,039
Others	499	198	—	697
	<u>\$ 21,764</u>	<u>\$ (4,835)</u>	<u>\$ —</u>	<u>\$ 16,929</u>
<u>Deferred income tax liabilities</u>				
Property, plant and equipment	\$ 162,405	\$ —	\$ —	\$ 162,405

	January to March 2023			
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Exchange differences on foreign operations	15,745	—	(87)	15,658
Others	629	(319)	—	310
	<u>\$ 178,779</u>	<u>\$ (319)</u>	<u>\$ (87)</u>	<u>\$ 178,373</u>

5. Due to the impact of COVID-19, the Company's 2022, 2021 and 2020 profit-seeking enterprise income tax filing Japan was approved by the National Taxation Bureau, Ministry of Finance, Taipei to make the payment in 36 instalments. The payment status as of March 31, 2024 is as follows:

	2022	2021	2020
Tax payable	<u>\$ 76,175</u>	<u>\$ 87,096</u>	<u>\$ 59,964</u>
Tax paid	<u>\$ 21,160</u>	<u>\$ 50,806</u>	<u>\$ 54,967</u>
Number of installments paid	<u>10</u>	<u>21</u>	<u>33</u>

6. Authorization of income tax

As of March 31, 2024, the Company's profit-seeking enterprise income tax returns have been approved by the tax collection authority up to the year 2021.

(XXIX) Earnings per share

	January to March 2024	January to March 2023
Basic earnings per share:		
Net income attributable to owners of parent company	\$ 383,674	\$ 167,539
Weighted average number of outstanding shares for the current period (thousand shares)	222,526	222,526
Basic earnings per share (after tax) (NTD)	<u>\$ 1.72</u>	<u>\$ 0.75</u>

(XXX) Reconciliation of liabilities arising from financing activities

	2024.01.01	Cash flow	Non-cash changes Others	2024.03.31
Short-term loans	\$ 1,691,943	\$ 291,226	\$ —	\$ 1,983,169
Short-term notes payable	—	59,979	—	59,979
Long-term borrowings (including long-term liabilities due within one year or one operating cycle)	17,434	(693)	—	16,741
Lease liabilities	532,965	(17,760)	3,357	518,562

	2024.01.01	Cash flow	Non-cash changes Others	2024.03.31
Guarantee deposits received	17,083	(10,500)	—	6,583
Total liabilities from financing activities	<u>\$ 2,259,425</u>	<u>\$ 322,252</u>	<u>\$ 3,357</u>	<u>\$ 2,585,034</u>

	2023.01.01	Cash flow	Non-cash changes Others	2023.03.31
Short-term loans	\$ 2,534,979	\$ 24,957	\$ —	\$ 2,559,936
Short-term notes payable	36,985	(36,985)	—	—
Long-term borrowings (including long-term liabilities due within one year or one operating cycle)	20,172	(681)	—	19,491
Lease liabilities	587,738	(18,045)	3,666	573,359
Guarantee deposits received	20,083	3,500	—	23,583
Total liabilities from financing activities	<u>\$ 3,199,957</u>	<u>\$ (27,254)</u>	<u>\$ 3,666</u>	<u>\$ 3,176,369</u>

VII. Related party transactions

(I) Names and relationships of related parties

Name of related party	Relationship with the Group
Mayer Corporation Development International Limited	Subsidiaries
Meiyi Construction Co., Ltd. (hereinafter referred to as Meiyi Construction)	Subsidiaries
GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED	Affiliated companies
Diamond Precision Steel Corp. (Vietnam)	Affiliated companies
Diamond Precision Steel Corp.(hereinafter referred to as KY-Diamond)	Affiliated companies
LUEN JIN ENTERPRISE CO., LTD.	Affiliated companies
De An Development Co., Ltd.	Other related party
Athena Information Systems Ltd., Co.	Other related party
TZE SHIN INTERNATIONAL CO., LTD.	Other related party
Xinlitong Co., Ltd. (formerly Xinglitong Logistics Co., Ltd.)	Other related party
All Director, Presidents, Vice Presidents, and other managers	Key management personnel

(II) Material transactions with related parties

In 2024 and from January to March 2023, the Group conducted the following business transactions with the related party of the non-consolidated company:

1. Sales revenue

	January to March 2024	January to March 2023
Affiliated companies	\$ 30,272	\$ 42,698

The Group's sale to the above-mentioned related party is based on the terms and conditions agreed by both parties.

2. Accounts receivable

	2024.03.31	2023.12.31	2023.03.31
Affiliated companies	\$ 12,663	\$ 9,369	\$ 18,870

3. Real estate under construction

From January to March 2024, the management service fees paid to other related parties due to real estate development were NTD 300 thousand and NTD 360 thousand, respectively, and were recorded in the "inventory - construction business - construction in progress" account.

4. Other receivables (including loans of funds)

	2024.03.31	2023.12.31	2023.03.31
General Payment			
Subsidiaries	\$ 180	\$ 172	\$ 171
Affiliated companies	68	98	38,811
Loaning of funds			
Subsidiaries	19,491	18,712	18,547
Subtotal	19,739	18,982	57,529
Less: Loss allowance	(19,671)	(18,884)	(18,718)
	\$ 68	\$ 98	\$ 38,811

5. Refundable deposits

	2024.03.31	2023.12.31	2023.03.31
Other related party	\$ 5	\$ 5	\$ 5

6. Contractual liabilities

	2024.03.31	2023.12.31	2023.03.31
Other related party	\$ 7	\$ 7	\$ 7

7. Accounts payable

	2024.03.31	2023.12.31	2023.03.31
Other related party	\$ 140	\$ 105	\$ 120

8. Other payables

	2024.03.31	2023.12.31	2023.03.31
Other related party	\$ 10	\$ 13	\$ 7

9. Lease income

	January to March 2024	January to March 2023
Other related party	\$ 45	\$ 45

10. Dividend income (presented as an investment deduction under the equity method)

	January to March 2024	January to March 2023
KY- Diamond	\$ 55,823	\$ 38,824

11. Others

(1) Attributable operating cost

	January to March 2024	January to March 2023
Affiliated companies	\$ (204)	\$ —
Other related party	36	36
	<u>\$ (168)</u>	<u>\$ 36</u>

(2) Attributable operating expenses

	January to March 2024	January to March 2023
Other related party	<u>\$ 33</u>	<u>\$ 51</u>

(3) On August 9, 2023, the Company and Meiyi Construction signed a joint construction and separate sale agreement for the joint construction of the new building in Aixing Section, Zhubei City, Hsinchu County, with the agreed distribution ratios of 55% and 45%, respectively.

(III) Compensation to key managerial officers

	January to March 2024	January to March 2023
Salary and other short-term employee benefits	\$ 31,731	\$ 15,321
Post-employment benefits	452	422
	<u>\$ 32,183</u>	<u>\$ 15,743</u>

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

VIII. Assets pledged

On March 31, 2024, and on December 31, 2023 and March 31, 2023, the Group was restricted from providing assets to financial institutions as collateral for long-term and short-term loans, the pledge of short-term bills payable, and the repatriation of offshore funds. The book value is detailed as follows:

	2024.03.31	2023.12.31	2023.03.31
Inventories - Construction	\$ 489,191	\$ 164,689	\$ 329,670
Other financial assets - bank deposits	94,892	80,111	83,642
Other financial assets - financial assets at fair value through profit or loss - current	188,303	165,951	268,086
Other financial assets - investments in equity instruments at fair value through other comprehensive income - current	166,495	117,860	67,750
Other financial assets - Financial assets at fair value through profit or loss - non-current	103,537	83,256	86,862
Financing lease receivables	38,046	38,223	39,029
Property, plant and equipment	575,274	575,994	571,358
Investment property	141,035	141,768	143,968
	<u>\$ 1,796,773</u>	<u>\$ 1,367,852</u>	<u>\$ 1,590,365</u>

IX. Material contingent liabilities and unrecognized contractual commitments

- (I) The Company has signed a pre-sale contract and a supplementary agreement with Ching-Huang Chien, Ching-Ming Chien, Ching-Hsing Chien and Ching-Huei Chien (hereinafter Ching-Huang Chien et al.), transferred the land No. 62 to 67 in Yongcui Section, Banqiao District, New Taipei City, after reallocation, and requesting Ching-Huang Chien et al. to transfer the lands No. 49 and 38 in Yongcui Section, Banqiao District, New Taipei City, to a third party. The Company is seeking joint compensation for damages due to the inability to deliver, amounting to NTD 605,121 thousand and NTD 823,018 thousand, respectively.

The two parties reached a settlement regarding the rights arising from the above-mentioned pre-sale contract and the supplementary agreement, and a settlement was signed on September 14, 2023. The four parties including Ching-Huang Chien, and The methods are as follows (NTD 1,300,000 thousand) (1) the settlement transcript was executed on September 14, 2023 and pays NTD 400,000 thousand concurrently; (2) NTD 300,000 thousand was remitted on October 16, 2023; (3) NTD 300,000 thousand was remitted on November 30, 2023 thousand, (4) a cheque of NTD 300,000 thousand delivered on January 2, 2024. The four parties including Ching-Huang Chien have made the full payment according to the settlement record. The Company has also

made the maximum amount of mortgage before the cancellation of the content of the settlement record and the provisional disposition, seizure, and execution of the provisional disposition, seizure, and execution to secure the above-mentioned claim. The case has been closed in 2024.

- (II) In January 12, 2012, Mayer Corporation Development International Limited (hereinafter referred to as Mayer Corp.(BVI)) received notification from Computershare Hong Kong Investor Services Limited, that Aspiat Investment Limited and Bumper East Limited applied to transfer 200 million shares of "disputed stocks" held by Mayer Holdings Limited (Cayman) to their names on January 12, 2012. The Hong Kong Court of Final Appeal ruled on July 3, 2014 that Mayer Corp.(BVI) loss of ownership of Mayer Holdings Limited (Cayman), which has been assessed to have no significant impact on the Company.

In April 29, 2015, the board of directors of our company decided to file a criminal complaint with the local prosecutor's office against Lai, the responsible person from Mayer Corp.(BVI), for handling custody, disposal, and other management matters related to the aforementioned "disputed stocks" without our company's consent or authorization. Lai improperly sold these shares to a third party, preventing our company from returning them to Mayer Corp.(BVI). The case aimed to pursue legal accountability against Lai to protect the interests of our company and all shareholders. The Taiwan Taipei District Prosecutor's Office filed charges in March 19, 2021 under 2016 Zheng-Zi No. 7922 and No. 7923, which were subsequently transferred to the Taiwan Taipei District Court Criminal Division under Case 2021 Jin-Zhong-Su-Zi No. 16 for trial. On January 17, 2023, the court rendered a verdict acquitting Mr. Lai of all charges. In July 4, 2023, the Taiwan High Court, in Appeal Case 2023 Jin-Shang-Zhong-Su-Zi No. 14, upheld the acquittal of Lai, the responsible person. As the Prosecutor did not appeal to the court that made the judgment within the statutory period, the judgment has been confirmed. The Company will discuss with the lawyers the subsequent direction of treatment and related matters.

- (III) On April 5, 2017, the Securities and Futures Commission of Hong Kong's Market Misconduct Tribunal ruled that Mayer Holdings Limited (Cayman) and nine current and former senior executives failed to fulfill their disclosure obligations under the Securities and Futures Ordinance. They were collectively fined HKD 10.2 million. The

Company has appointed legal representatives, including its general manager and six others, to appeal to the Hong Kong High Court. The appeal was granted on June 14, 2017. After hearings on November 20 and 21, 2018, the tribunal instructed both parties on July 24, 2020 to submit expert reports. Closing arguments were held on August 31, 2022, awaiting the tribunal's judgment. As of March 31, 2024, the Company's accumulated attorney fees recognized as a result of the above cases amounted to HKD 6,976 thousand.

- (IV) As of March 31, 2024 and December 31 and March 31, 2023, the unused balances of the letters of credit issued by the Group were NTD 117,590 thousand, NTD 96,096 thousand, and NTD 30,619 thousand, respectively.
- (V) As of March 31, 2024, and December 31 and March 31, 2023, the balances of guaranteed notes issued by the Group for bank loans, purchase of materials, and endorsement/guarantee were NTD 3,969,920 thousand, NTD 3,809,680 thousand, and NTD 3,633,820 thousand, respectively.
- (VI) As of March 31, 2024 and December 31 and March 31, 2023, the significant contracted but unpaid amounts for the purchase of machinery and equipment, construction in progress, and land development of the Group were NTD 329,252 thousand and NTD 467,295 thousand and NTD 310,459 thousand, respectively.

X. Losses due to major disasters: None.

XI. Material events after the reporting period: None.

XII. Others:

- (I) Explanation of seasonality or periodicity of interim operations

The Group's operations are not affected by seasonal or cyclical factors.

- (II) Capital risk management

As the Group needs to maintain sufficient capital to support the needs for expansion and upgrade of plants and equipment. Therefore, the Group's capital management aims to ensure that it has the necessary financial resources and operating plans to meet the needs for working capital, capital expenditures, research and development expenses, debt repayment and dividend payments required in the next 12 months.

- (III) Financial instruments

1. Type of financial instruments

	2024.03.31	2023.12.31	2023.03.31
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 2,068,690	\$ 1,862,578	\$ 1,894,144
Measured at fair value through profit or loss	651,753	639,657	696,769
Measured at fair value through other comprehensive income	370,414	281,780	220,610
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	\$ 2,796,275	\$ 2,159,029	\$ 3,212,897

Note 1: The balance includes financial assets measured at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, refundable deposits, financing lease receivables, and other financial assets.

Note 2: The balance includes financial liabilities measured at amortized cost, including short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, guarantee deposits received and long-term borrowings.

2. Information on fair value

(1) Financial instruments not measured at fair value

The Group believes that the book value of financial assets and financial liabilities measured at amortized cost is a reasonable approximation of the fair value.

(2) Financial instruments measured at fair value

The following table provides the relevant analysis of the financial instruments measured at fair value after initial recognition, and is divided into Levels 1 to 3 based on the observability of the fair value.

A. Level 1 fair value measurement refers to the open quotation (unadjusted) of the same asset or liability from the active market.

B. Level 2 fair value measurements refer to the deriving of the fair value from the directly (i.e. price) or indirect (i.e. price-derived) observable input values of the asset or liability, in addition to the publicly quoted prices in Level 1.

C. The third level of fair value measurement refers to the evaluation technology to derive the fair value from the input value of the asset or liability not based on observable market data (unobservable input value).

2024.03.31				
Repetitive fair value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Stocks of domestic listed (OTC) companies	\$ 272,477	\$ —	\$ —	\$ 272,477
Stocks of domestic non-listed (OTC) companies	—	—	377,278	377,278
Fund beneficiary certificates	1,998	—	—	1,998
	<u>\$ 274,475</u>	<u>\$ —</u>	<u>\$ 377,278</u>	<u>\$ 651,753</u>
Financial assets at fair value through other comprehensive income				
Stocks of domestic listed (OTC) companies	\$ 236,892	\$ —	\$ —	\$ 236,892
Stocks of domestic non-listed (OTC) companies	—	—	1,585	1,585
Stocks of foreign non-listed (OTC) companies	—	—	131,937	131,937
	<u>\$ 236,892</u>	<u>\$ —</u>	<u>\$ 133,522</u>	<u>\$ 370,414</u>
2023.12.31				
Repetitive fair value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Stocks of domestic listed (OTC) companies	\$ 289,999	\$ —	\$ —	\$ 289,999
Stocks of domestic non-listed (OTC) companies	—	—	349,658	349,658
	<u>\$ 289,999</u>	<u>\$ —</u>	<u>\$ 349,658</u>	<u>\$ 639,657</u>
Financial assets at fair value through other comprehensive income				
Stocks of domestic listed (OTC) companies	\$ 145,582	\$ —	\$ —	\$ 145,582
Stocks of domestic non-listed (OTC) companies	—	—	1,303	1,303
Stocks of foreign non-listed (OTC) companies	—	—	134,895	134,895
	<u>\$ 145,582</u>	<u>\$ —</u>	<u>\$ 136,198</u>	<u>\$ 281,780</u>
2023.03.31				
Repetitive fair value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Stocks of domestic listed (OTC) companies	\$ 282,467	\$ —	\$ —	\$ 282,467
Stocks of domestic non-listed (OTC) companies	—	—	375,379	375,379
Stocks of foreign non-listed (OTC) companies	—	—	30,503	30,503
Fund beneficiary certificates	8,420	—	—	8,420
	<u>\$ 290,887</u>	<u>\$ —</u>	<u>\$ 405,882</u>	<u>\$ 696,769</u>

Repetitive fair value	2023.03.31			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Stocks of domestic listed (OTC) companies	\$ 79,945	\$ —	\$ —	\$ 79,945
Stocks of domestic non-listed (OTC) companies	—	—	1,384	1,384
Stocks of foreign non-listed (OTC) companies	—	—	139,281	139,281
	<u>\$ 79,945</u>	<u>\$ —</u>	<u>\$ 140,665</u>	<u>\$ 220,610</u>

There were no transfers between Level 1 and Level 2 fair value measurements of the Group's financial assets and liabilities measured at fair value on a recurring basis during 2024 and January 1 to March 31, 2023.

Reconciliation of financial instruments measured at Level 3 fair value

The Group's financial assets classified as Level 3 fair value are investments in equity instruments that are measured at fair value through profit or loss and that are measured at fair value through other comprehensive income.

The adjustment of financial assets measured at fair value through profit and loss is as follows:

	January to March 2024	January to March 2023
Opening balance	\$ 349,658	\$ 398,782
Unrealized profit or loss of financial assets measured at fair value through profit or loss	27,620	7,100
Closing balance	<u>\$ 377,278</u>	<u>\$ 405,882</u>

The adjustment of the investment in equity instruments measured at fair value through other comprehensive income is as follows:

	January to March 2024	January to March 2023
Opening balance	\$ 136,198	\$ 136,101
Refunds from decapitalization	(10,930)	—
Unrealized gain or loss on financial assets at fair value through other comprehensive income	8,254	4,564
Closing balance	<u>\$ 133,522</u>	<u>\$ 140,665</u>

(3) Valuation techniques and assumptions adopted for measuring fair value

The fair value of the Group's financial assets and financial liabilities is determined using the following methods and assumptions:

The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active markets is determined by reference to market quotations (including corporate bonds, government bonds, stocks of TWSE/TPEX listed companies, and government bonds).

For the stocks of unlisted companies for which there is no active market, the fair value is estimated by the market method, and the determination is based on recent fund-raising activities, evaluation of companies of the same type, the company's technology development, market conditions, and other economic indicators.

3. Financial risk management objectives and policies

The objective of the Group's financial risk management is to manage exchange rate risk, interest rate risk, credit risk and liquidity risk related to operating activities. In order to reduce related financial risks, the Company is committed to identifying, evaluating and avoiding market uncertainties to reduce the potential adverse effects of market changes on the Company's financial performance.

The Group's major financial activities are reviewed by the Board of Directors in accordance with the relevant regulations and internal control system. During the period of the financial plan, the Company must strictly abide by the relevant financial operating procedures regarding overall financial risk management and division of authority.

(1) Market risk

The Group's market risk arises from the fluctuation of fair value or cash flow due to changes in the market price of financial instruments. Market risk mainly includes exchange rate risk, interest rate risk and other price risks.

A. Exchange rate risk

The Group's operating activities and net investment in foreign operating institutions are mainly conducted in foreign currency, so the foreign currency exchange rate risk is generated. The Group's receivables and payables denoted in foreign currencies are partially denominated in the same currency.

In this case, certain positions will have a natural hedging effect; in addition, the net investment in foreign operating institutions is Hedging.

The sensitivity analysis on the calculation of foreign currency exchange rate risk from the information of foreign currency financial assets and liabilities of the Group with significant impact is as follows:

Unit: Each in thousands
of foreign currency

		2024.03.31			Impacted profit and loss (NTD)
(Foreign functional currency)	currency:	Foreign currency	Exchange rate	Range of change	
<u>Financial assets</u>					
Monetary items					
USD: NTD	\$	4,044	31.99	1%	1,294
USD: VND		237	24,808.5	1%	76
<u>Financial liabilities</u>					
USD: VND		55	24,808.5	1%	18

Unit: Each in thousands
of foreign currency

		2023.12.31			
(Foreign functional currency)	currency:				Impacted profit and loss (NTD)
		Foreign currency	Exchange rate	Range of change	
<u>Financial assets</u>					
Monetary items					
USD: NTD		\$ 1,469	30.71	1%	\$ 451
USD: VND		159	24,245	1%	49
HKD: NTD		320	3.934	1%	13
<u>Financial liabilities</u>					
USD: NTD		\$ 273	30.71	1%	\$ 84
HKD: NTD		12,500	3.934	1%	492

Unit: Each in thousands
of foreign currency

		2023.03.31			
(Foreign functional currency)	currency:				Impacted profit and loss (NTD)
		Foreign currency	Exchange rate	Range of change	
<u>Financial assets</u>					
Monetary items					
USD: NTD		\$ 3,728	30.44	1%	\$ 1,135
USD: VND		124	23,475.5	1%	38
Financial liabilities : None.					

B. Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments due to changes in market interest rates. The Company's interest rate risk is mainly from fixed income investments and fixed interest rate borrowings.

The sensitivity analysis of interest rate risk is based on the change in the fair value of the fixed income investment at the end of the reporting period. If the interest rate increases/decreases by 1 bps, and all other factors remain unchanged, the Group's net income will decrease by NTD 614 thousand and NTD 1,205 thousand in 2024 and 2023 from January to March, respectively.

C. Other price risk

The price risk of the Group's equity instruments mainly comes from financial assets measured at fair value through gains and losses and financial assets measured at fair value through other comprehensive income. All significant equity instrument investments are subject to the approval of the Company's board of directors.

The sensitivity analysis of equity instrument price risk is based on the change in fair value at the end of the reporting period. If the price of equity instruments increased/decreased by 5 percentage points (5%), the Group's net income would increase by NTD 13,790 thousand and NTD 14,587 thousand for 2024 and 2023 from January to March 2023, respectively; other comprehensive income would increase by NTD 11,819 thousand and NTD 4,012 thousand, respectively.

(2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and cause financial loss to the Group. The Group's credit risk mainly comes from receivables generated from operating activities, bank deposits, fixed income investment and other financial instruments generated from investment activities. Operation-related credit risk and financial credit risk are managed separately.

A. Operation-related credit risk

In order to maintain the quality of accounts receivable, the Group has established procedures for credit risk management related to operations.

The risk assessment of individual customer takes into account factors that may affect the customer's ability to pay, including the customer's financial position, credit rating agency ratings, the Group's internal credit rating, historical transaction records, and current economic conditions. The Group also uses certain credit enhancement instruments at appropriate times, such as prepayment for purchases and credit insurance, in order to reduce the credit risk of specific customers.

The Group has a large customer base that are not related to each other, so the concentration of credit risk is limited. As of March 31, 2024 and December 31, 2023 and March 31, 2023, the accounts receivable balances from the top ten customers as a percentage of the group's total accounts receivable balances were 52%, 37%, and 52%, respectively.

B. Financial credit risk

The credit risk of bank deposits and other financial instruments is measured and monitored by the Group's Finance Department. As the counterparties of the Group's transactions and the counterparties are banks with good credit standing and financial institutions with investment grade or above, and there is no major concern about performance, there is no significant credit risk.

(3) Liquidity risk management

The goal of the Group's liquidity risk management is to maintain the cash and cash equivalents, highly liquid securities and sufficient bank financing facilities required for maintaining operations, to ensure that the Group has sufficient financial flexibility.

The following table summarizes the analysis of the Group's financial liabilities with the agreed repayment periods by maturity date and undiscounted maturity amount:

2024.03.31					
	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 1,983,169	\$ —	\$ —	\$ —	\$ 1,983,169
Notes and accounts payable (including related parties)	153,625	—	—	—	153,625
Other payables (including related parties)	576,178	—	—	—	576,178
Lease liabilities	54,294	101,407	101,983	260,878	518,562
Long-term bank borrowings	2,808	5,801	6,056	2,076	16,741
	<u>\$ 2,770,074</u>	<u>\$ 107,208</u>	<u>\$ 108,039</u>	<u>\$ 262,954</u>	<u>\$ 3,248,275</u>
2023.12.31					
	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 1,691,943	\$ —	\$ —	\$ —	\$ 1,691,943
Notes and accounts payable (including related parties)	230,138	—	—	—	230,138
Other payables (including related parties)	202,431	—	—	—	202,431
Lease liabilities	55,444	102,648	100,747	274,126	532,965
Long-term bank borrowings	2,793	5,770	6,023	2,848	17,434
	<u>\$ 2,182,749</u>	<u>\$ 108,418</u>	<u>\$ 106,770</u>	<u>\$ 276,974</u>	<u>\$ 2,674,911</u>
2023.03.31					
	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 2,559,936	\$ —	\$ —	\$ —	\$ 2,559,936
Notes and accounts payable (including related parties)	305,731	—	—	—	305,731
Other payables (including related parties)	304,156	—	—	—	304,156
Lease liabilities	56,832	106,107	97,225	313,195	573,359
Long-term bank borrowings	2,759	5,688	5,923	5,121	19,491
	<u>\$ 3,229,414</u>	<u>\$ 111,795</u>	<u>\$ 103,148</u>	<u>\$ 318,316</u>	<u>\$ 3,762,673</u>

XIII. Disclosures in notes :

In preparing the consolidated financial statements, significant transactions between the parent company and subsidiaries and all balances thereof have been eliminated.

(I) Material transactions with related parties and (II) Information on investees:

1. Loans to others: Please refer to Table 1.

2. Endorsements/guarantees provided for others: Please refer to Table 2.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Table 3.
4. The cumulative amount of buying or selling the same securities reaches NTD 300 million or more than 20% of the paid-in capital: None.
5. Acquisition of real estate amounting to at least NTD 300 million or 20% of the paid-in capital: None.
6. Disposal of real estate for an amount over NTD 300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.
9. Derivatives traders: None.
10. Business relationships and important transactions between the parent company and subsidiaries: Please refer to Table 4.
11. The name and location of the investee company and other relevant information - does not include the investee companies in Mainland China: Please refer to Table 5.

(III) Investment information in Mainland China

1. Information on the investee company in Mainland China, including the name, principal business, paid-in capital, method of investment, inward and outward remittance of funds, shareholding, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the Mainland China area: None.
2. Significant transactions with investee companies in mainland China, either directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses: None.

(IV) Information on major shareholders (names of shareholders with a shareholding ratio

of more than 5%, number of shares held, and percentage) : Please refer to Table 6.

XIV. Department Information

(I) General information

For management purposes, the Group's operating decision-maker divides the operating units according to the business entity and divides the main reportable departments into the steel department, real estate investment department, investment department, and hotel service department.

1. Steel Department: This department produces and sells black steel pipes for piping, galvanized pipes, and stainless steel coils.
2. Real Estate Investment Department: This department engages in the development, leasing, and trading of real estate by purchasing and constructing lands for own construction or joint construction and separate selling.
3. Investment Department: This department is mainly responsible for the holding company and investment business.
4. Hotel Services Department: This department is mainly engaged in the business of hotels.

(II) Basis of measurement

The operational decision-makers of the Group supervise the operating results of each operating unit individually to make decisions on resource allocation and performance evaluation. The department's performance is evaluated based on net income (loss) before tax, which is measured in a manner consistent with the net income (loss) before tax in the consolidated financial statements. In addition, as the Group does not include the amount of assets and liabilities in the business decision-making report, the measured amount of assets and liabilities of the operating department is zero. The accounting policies of the operating segments are the same as the summary of important accounting policies described in Note 2 to the consolidated financial statements.

(III) Information on departmental profits and losses, assets and liabilities

Information on segment revenue and operating results of the Group is as follows:

Income	January to March 2024					Total
	Steel Department	Real Estate Investment Department	Investment Department	Hotel Services Department	Elimination of inter-segment write-offs	
Revenue from external customers	\$ 1,368,530	\$ —	\$ —	\$ 52,871	\$ —	\$ 1,421,401
Inter-segment revenue	—	—	—	6	(6)	—

January to March 2024						
Income	Steel Department	Real Estate Investment Department	Investment Department	Hotel Services Department	Elimination of inter-segment write-offs	Total
	\$ 1,368,530	\$ —	\$ —	\$ 52,877	\$ —	\$ 1,421,401
Operating income	\$ 99,480	\$ (151)	\$ (127)	\$ 21,635	\$ 86	\$ 120,923
Share of net profit of affiliated companies and joint ventures under the equity method	\$ 59,190	\$ —	\$ —	\$ —	\$ (34,173)	\$ 25,017
Income tax expense	\$ 78,446	\$ 614	\$ 64	\$ 576	\$ —	\$ 79,700

January to March 2023						
Income	Steel Department	Real Estate Investment Department	Investment Department	Hotel Services Department	Elimination of inter-segment write-offs	Total
Revenue from external customers	\$ 1,619,178	\$ —	\$ —	\$ 32,100	\$ —	\$ 1,651,278
Inter-segment revenue	—	—	—	—	—	—
	\$ 1,619,178	\$ —	\$ —	\$ 32,100	\$ —	\$ 1,651,278
Operating income	\$ 145,871	\$ (2,068)	\$ 2,103	\$ 1,914	\$ 57	\$ 147,877
Share of net profit of affiliated companies and joint ventures under the equity method	\$ 28,199	\$ —	\$ —	\$ —	\$ (6,895)	\$ 21,304
Income tax expense	\$ 24,391	\$ —	\$ 42	\$ —	\$ —	\$ 24,433

Mayer Steel Pipe Corporation and Subsidiaries
Loans to others
January 1 to March 31, 2024

Table 1

Unit: NT\$ thousands

Serial number (Note 1)	Lending company	Borrower	Transaction Items	Related party	Current maximum amount	Closing balance (Note 2)	The actual amount drawn down	Interest rate range	Nature of loan	Business transaction amount	Reasons for the necessity of short-term financing	Amount of Allowance for Losses	Collateral		Limit of loans to individual borrowers (Note 4)	Total limit of loans (Note 5)
													Name	Value		
0	Mayer Steel Pipe Corporation	Mayer Corporation Development International Limited	Other receivables	Yes	\$ 19,492	\$ 19,492	\$ 19,492	1.22 % (Note 6)	Note 3	—	In response to the subsidiary's short-term financing needs	\$ 19,492	—	—	\$ 408,685	\$ 1,634,738
0	Mayer Steel Pipe Corporation	Mei Kong Development Co., Ltd.	Other receivables	Yes	300,000	300,000	100,000	3%	Note 3	—	In response to the subsidiary's short-term financing needs	—	—	—	408,685	1,634,738
0	Mayer Steel Pipe Corporation	Ding Bang Development Co., Ltd.	Other receivables	No	105,650	105,650	8,700	12%-18%	Note 3	—	Meeting the need for short-term financing	—	—	—	408,685	1,634,738

Note 1: The method of filling in the number column is as follows:

1. For issuer, fill in "0".
2. The investee companies are numbered sequentially starting from 1 by each company.

Note 2: The amount of loans to others still valid after the approval of the board of directors.

Note 3: In need of short-term financing.

Note 4: The limit of financing for a single enterprise shall not exceed 10% of the net value in the most recent financial statements.

Note 5: The maximum amount of the Company's financing shall not exceed 40% of the net value in the most recent financial statements.

Note 6: Mayer Corporation Development International Limited entered the liquidation process on March 27, 2017, so the interest accrual has been stopped since April 2017.

Mayer Steel Pipe Corporation and Subsidiaries
Endorsements/guarantees for others
January 1 to March 31, 2024

Table 2

Unit: NT\$ thousands

Serial number (Note 1)	Endorsing/guaranteeing company name	Counterparty of endorsements and guarantees		The limit of endorsements/guarantees for a single enterprise (Note 3)	Current maximum endorsement/guarantee balance	Ending balance of endorsements/guarantees	The actual amount drawn down	Endorsement/guarantee amount secured by property	Ratio of accumulated endorsement/guarantee amount to net worth as stated in the latest financial statement	Maximum endorsements/guarantees (Note 4)	Endorsements/guarantees made by the parent company to subsidiaries	Endorsement/guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China
		Company Name	Relationship with the Company (Note 2)										
0	Mayer Steel Pipe Corporation	Meiyi Construction Co., Ltd.	2	\$ 4,086,845	\$ 72,820	\$ 72,820	\$ —	\$ —	1.78%	\$ 4,086,845	Yes	No	No

Note 1: The method of filling in the number column is as follows:

1. For issuer, fill in "0".
2. The investee companies are numbered sequentially starting from 1 by each company.

Note 2: The relationship between the endorsing guarantor and the endorsee is divided into the following seven types:

1. A company that has business dealings.
2. A company in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. The company directly or indirectly holds more than 50% of the voting shares of the company.
4. Among companies in which the Company directly or indirectly holds more than 90% of the voting shares.
5. Companies that require mutual insurance companies in the same industry or co-builders in accordance with the contract for the needs of contracting projects.
6. A company to which all contributing shareholders endorse and guarantee in accordance with their shareholding ratios for joint investment.
7. The joint guarantee for the performance of the pre-sale house sales contract is engaged in by the industry peers in accordance with the Consumer Protection Act.

Note 3: The limit of the Company's endorsement and guarantee for a single enterprise shall not exceed the net value in the latest financial statement.

Note 4: The ceiling of the Company's endorsement/guarantee is limited to 100% of the net value in the latest financial statements.

Mayer Steel Pipe Corporation and Subsidiaries
Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)
March 31, 2024

Table 3

Unit: NT\$ thousands

Holding company	Type and name of marketable securities	Relationship between the securities issuer and the Company	Presentation account	End of period			Market price	Remarks
				Number of shares/unit	Carrying amount	Ratio (%)		
Mayer Steel Pipe Corporation	MIRAMAR HOSPITALITY CO., LTD	Same chairman	Financial assets at fair value through profit or loss - current	725,000	\$ 5,401	1.95	\$ 5,401	Pledged 13,547 thousand shares
	IBF Financial Holdings Co., Ltd.		"	13,547,000	188,303	0.39	188,303	
	Aerospace Industrial Development Corporation		"	700,000	36,820	0.07	36,820	
	Qimin Entertainment Inc. (formerly XPEC Entertainment Inc.)		"	70,225	—	0.04	—	
	Neuberger Berman ESG Quality Select Balanced Securities Investment Trust Fund TWD T ACC		"	200,000	1,998	—	1,998	
	TZE SHIN INTERNATIONAL CO., LTD.		Financial assets at fair value through other comprehensive income - current	10,102,000	236,892	5.34	236,892	
	Taiwan Stock Exchange Corporation	Same chairman	Financial assets at fair value through profit or loss - non-current	642,916	118,867	0.06	118,867	Pledge of 560 thousand shares
	De An Development Co., Ltd.		"	966,552	4,978	1.27	4,978	
	Miramar Resort Taitung Ltd.		"	2,389,500	404	9.00	404	
	Taiwan Linhang Asset Investment Co., Ltd.		"	18,000,000	253,029	14.06	253,029	
	Genesis Capital Holdings Limited		"	3,151	—	4.51	—	
	Jia Rui Investment Development Co., Ltd.		Financial assets measured at fair value through other comprehensive income - non-current	2,040,000	74,940	6.07	74,940	
	CSGT (Shenzhen) Co.,Ltd.		"	20,000	453	2.50	453	
	Jia Rui Investment Development Co., Ltd.		Financial assets measured at fair value through other comprehensive income - non-current	1,538,862	56,544	4.58	56,544	
Mei Kong Development Co., Ltd.	Xinliting Co., Ltd. (formerly Xingliting Logistics Co., Ltd.)		"	1,276,600	1,585	16.08	1,585	
MAYER INN CORPORATION	ADATA Technology Co., Ltd.		Financial assets at fair value through profit or loss - current	100,000	9,870	0.03	9,870	
	INVENTEC CORPORATION		"	200,000	11,940	0.01	11,940	
	Pegatron Corporation		"	150,000	15,300	0.01	15,300	
	MIRAMAR HOSPITALITY CO., LTD		"	650,000	4,843	1.75	4,843	
MIRAMAR DEVELOPMENT (HK) CO.,LTD.	Oasis Eden Properties Limited		Financial assets at fair value through profit or loss - current	1,750	—	13.46	—	

Note 1: Please refer to Table 5 for information on investment in subsidiaries and associates.

Mayer Steel Pipe Corporation and Subsidiaries
Business relationships and important transactions between the parent company and its subsidiaries
January 1 to March 31, 2024

Table 4

Unit: NT\$ thousands

Serial number (Note 1)	Name of Transactor	Transaction counterpart	Relationship with the counterpart (Note 2)	Business Transactions			
				Account	Amount	Trading terms and conditions	As a percentage of consolidated total revenue or total assets (Note 3)
0	Mayer Steel Pipe Corporation	Mei Kong Development Co., Ltd.	1	Rental income	29	Note 4	—
0	Mayer Steel Pipe Corporation	Mei Kong Development Co., Ltd.	1	Interest income	148	Note 5	—
0	Mayer Steel Pipe Corporation	Mei Kong Development Co., Ltd.	1	Other receivables	100,148	Note 6	1.22%
0	Mayer Steel Pipe Corporation	MAYER INN CORPORATION	1	Entertainment expenses	7	Note 5	—
0	Mayer Steel Pipe Corporation	Meiyi Construction Co., Ltd.	1	Rental income	29	Note 4	—
0	Mayer Steel Pipe Corporation	MIRAMAR DEVELOPMENT (HK) CO.,LTD.	1	Other receivables	30	Note 5	—
0	Mayer Steel Pipe Corporation	MIRAMAR DEVELOPMENT (HK) CO.,LTD.	1	Rental income	29	Note 4	—

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered column. The number should be filled in as follows:

1. Fill in "0" for parent company.
2. Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: There are three types of relationship with traders as follows, indicating the type is sufficient:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: For the calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, in the case of assets and liabilities, it is calculated as the ending balance as a percentage of the consolidated total assets; in the case of profit and loss, it is calculated as the cumulative amount at the period as a percentage of the consolidated total operating revenue is calculated.

Note 4: Revenue from rental of offices.

Note 5: The terms of the transaction with the related party are negotiated by both parties.

Note 6: Loan of funds.

Note 7: Already eliminated when the consolidated financial statements were prepared.

Mayer Steel Pipe Corporation and Subsidiaries
The name, location, etc. of the investee company - excluding investee companies in Mainland China
January 1 to March 31, 2024

Table 5

Unit: NT\$ thousands

Name of investment company	Name of investee	Location of the area	Main business items	Initial investment amount		Held at end of period			Investee profit (loss) for the current period	Investment income (loss) recognized by the company	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Mayer Steel Pipe Corporation	Mayer Corporation Development International Limited	British Virgin Islands	Holding and various investments	\$ 390,881	\$ 390,881	5,550,000	100.00	\$ —	\$ —	\$ —	Subsidiaries
	VIETNAM MAYER CORP., LTD	Vietnam	Processing and sale of steel pipes, steel sheets and other metal products	212,601	212,601	—	100.00	(Note 1) 264,195	11,232	11,232	Subsidiaries
	Glory World Development Limited	British Virgin Islands	Various investments	259,121	259,121	8,881,539	50.21	(Note 2) —	(423)	(213)	Subsidiaries
	Mei Kong Development Co., Ltd.	Taiwan	Various investments and real estate development	510,149	510,149	505,000,000	100.00	533,749	149	149	Subsidiaries
	MIRAMAR DEVELOPMENT CO.,LTD. (HK)	Hong Kong	Various investments	498,923	498,923	17,100,000	90.00	32,626	370	333	Subsidiaries
	MAYER INN CORPORATION	Taiwan	Regular Hotel and International Trade	374,800	374,800	15,000,000	100.00	177,240	22,564	22,564	Subsidiaries
	Meiyi Construction Co., Ltd.	Taiwan	Real estate investment and development business	18,000	18,000	1,800,000	90.00	17,499	(118)	(106)	Subsidiaries
	GRAND TECH PRECISION MANUFACTURING CORPORATION LIMITED (THAILAND)	Thailand	Processing and sale of steel pipes, steel sheets and other metal products	179,688	179,688	17,350,000	45.01	233,432	23,134	10,413	Invested company under the equity method
	Diamond Precision Steel Corp.	Cayman Islands	Various investments	106,248	106,248	3,527,500	42.50	186,885	35,255	14,983	Invested company under the equity method
	LUEN JIN ENTERPRISE CO., LTD.	Taiwan	Other metal-related manufacturing business	156,600	156,600	6,525,000	30.00	151,275	(553)	(166)	Invested company under the equity method
Glory World Development Limited	Sinowise Development Limited	British Virgin Islands	Trading of non-ferrous metals and other mineral resources	236,731	236,731	7,550,000	100.00	(Note 3) —	—	Note 6	Sub-subsidiary of indirect investment
	Eternal Galaxy Limited	British Virgin Islands	Trading of non-ferrous metals and other mineral resources	291,617	291,617	9,350,000	100.00	(Note 4) —	(423)	Note 6	Sub-subsidiary of indirect investment
	Grace Capital Group Limited	Samoa	Trading of non-ferrous metals and other mineral resources	2,099	2,099	70,000	100.00	(Note 5) —	—	Note 6	Sub-subsidiary of indirect investment

Note 1: Mayer Corporation Development International Limited entered liquidation proceedings on March 27, 2017, and therefore is not included in the consolidated financial statements. Accordingly, the net book value of equity (80,943) thousand deducted by other receivables provision for losses of 19,671 thousand results in a balance of (61,272) thousand transferred to non-current liabilities - other.

Note 2: Glory World Development Limited was ruled "Struck off" by the local government on November 3, 2020 and thus not included in the consolidated financial statements. Therefore, it was transferred to non-current liabilities - others in accordance with the book equity net value NTD 11, 654 thousand.

Note 3: NTD 823 thousand transferred to non-current liabilities - others.

Note 4: NTD 20,536 thousand transferred to non-current liabilities - others.

Note 5: NTD 212 thousand transferred to non-current liabilities - others.

Note 6: The profit and loss of the investee company has been included in the investee, so it is not presented separately.

Mayer Steel Pipe Corporation and Subsidiaries

Information of major shareholders

March 31, 2024

Table 6

Name of major shareholder	Shares of Stock	
	Number of shares held (thousand shares)	Shareholding ratio (%)
Yuan Chuan Steel Co., Ltd.	36,962	16.61
TZE SHIN INTERNATIONAL CO., LTD.	20,753	9.32
Xianda Investment Co., Ltd.	15,562	6.99
Miramar Hotel Corporation	12,176	5.47

Note 1: The information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation on the last business day of each quarter, if the total number of ordinary and special shares that have completed delivery of non-physical registration (including treasury shares) reaches 5% Information above. The share capital reported in the financial report and the actual number of shares that have completed the scripless registration may be different due to different calculation bases.

Note 2: If the information above is related to the shareholder's delivery of shares to the trust, it will be disclosed based on the individual accounts opened by the trustee for the trustee. As for the insider declaration of more than 10% shareholding in accordance with the Securities and Exchange Act, the shareholding includes the shares held by the owner and the shares entrusted to the trust for which the person has the right to use the trust property. For information on insider declaration of equity, please refer to the Market Observation Post System.