Stock Code: 2020

Mayer Steel Pipe Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

Q3 2024 and 2023

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Mayer Steel Pipe Corporation and Subsidiaries

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CPA's Report

To Mayer Steel Pipe Corporation:

Foreword

We have duly audited the Consolidated Balance Sheet of Mayer Steel Pipe Corporation and its subsidiaries as of September 30, 2024 and 2023, the Consolidated Statement of Comprehensive Income from July 1 to September 30, 2024 and 2023, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement from January 1 to September 30, 2024 and 2023, as well as the Notes to the Consolidated Financial Statements (including the 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(11) 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. As of September 30, 2024 and 2023, the net investments accounted for using the equity method were NT$608,011 thousand and NT$582,771 thousand respectively, representing 7% and 8% of the total consolidated assets. The loan balances of investments accounted for using the equity method as of September 30, 2024 and 2023 were NT$60,621 thousand and NT$61,789 thousand respectively, both representing 1% of the total consolidated assets. From July 1 to September 30, 2024 and 2023 and from January 1 to September 30, 2024 and 2023, the total income and other comprehensive income of associates accounted for using the equity method were NT$55,685 thousand and NT$24,067 thousand, and NT$102,326 thousand and NT$71,835 thousand, respectively, representing 8% and 7%, and 12%, and 11% of the total consolidated comprehensive income, respectively. 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 our review, except for the possible impact of adjustments to the consolidated financial statements due to the financial statements and related information of certain immaterial subsidiaries and investees using the equity method mentioned in the basis for the qualified conclusion, we did not find that the consolidated financial statements above have not been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" approved and released by the Financial Supervisory Commission which may lead to the inability to properly express the consolidated financial status of Mayer Steel Pipe Corporation and its subsidiaries as of September 30, 2024 and 2023, the consolidated financial performance from July 1 to September 30, 2024 and 2023 and from January 1 to September 30, 2024 and 2023, as well as the consolidated cash flow from January 1 to September 30, 2024 and 2023.

Crowe (TW) CPAs

CPA: Chun-Chih Lin

CPA: Meng-Ta Wu

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

November 11, 2024

Mayer Steel Pipe Corporation and Subsidiaries

Consolidated Balance Sheets

September 30, 2024, and December 31 and September 30, 2023

Unit: NT$ thousands

		September 30 2024		December 31 2023		September 30 2023	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets:						
1100	Cash and cash equivalents (Note 6)	$ 438,518	5	$ 659,456	9	$ 353,756	5
1110	Financial assets at fair value through profit or loss - current (Note 6)	116,780	2	124,048	2	166,324	2
1120	Financial assets at fair value through other comprehensive income - current (Note 6)	55,430	1	27,722	-	761	-
1136	Financial assets at amortized cost - current (Note 6)	178,939	2	370,085	5	155,712	2
1150	Notes receivable, net (Note 6)	29,491	-	27,564	-	35,603	1
1170	Net accounts receivable (Note 6)	513,776	6	490,753	7	628,167	9
1180	Accounts receivable - related parties, net (Note 6 and 7)	13,345	-	9,369	-	15,536	-
1197	Finance lease receivable, net (Note 6 and 8)	1,998	-	1,218	-	1,462	-
1200	Other receivables (Note 6)	22,435	-	21,305	-	24,822	-
1210	Other receivables - Related parties, net (Note 7)	244	-	98	-	-	-
1220	Current income tax assets	170	-	84	-	72	-
1310	Inventories - Manufacturing (Note 6)	1,270,935	16	1,093,858	15	1,141,859	16
1320	Inventories - Construction (Note 6, 7 and 8)	1,672,234	21	1,181,454	16	920,764	13
1410	Prepayments (Note 7)	96,503	1	23,662	-	30,739	-
1470	Other current assets (Note 6 and 8)	506,733	6	447,188	6	389,561	5
11XX	Total current assets	4,917,531	60	4,477,864	60	3,865,138	53
	Non-current assets:						
1510	Financial assets at fair value through profit or loss - non-current (Note 6)	330,955	4	266,402	3	306,977	4
1517	Financial assets at fair value through other comprehensive income - non-current (N	144,809	2	136,198	2	147,886	2
1550	Net investment under equity method (Note 6 and 7)	608,011	7	601,972	8	582,771	8
1600	Property, plant and equipment (Note 6 and 8)	1,076,639	13	1,063,611	14	1,030,602	14
1755	Right-of-use assets (Note 6)	495,023	6	502,447	7	518,674	8
1760	Investment property (Note 6 and 8)	139,568	2	141,768	2	142,502	2
1780	Intangible assets	2,522	-	2,637	-	2,700	-
1840	Deferred income tax assets (Note 6)	9,177	-	13,003	-	15,384	-
1975	Net defined benefit assets - non-current (Note 6)	1,553	-	874		-	-
1900	Other non-current assets (Note 6, 7 and 8)	477,662	6	273,323	4	626,818	9
15XX	Total non-current assets	3,285,919	40	3,002,235	40	3,374,314	47
1XXX	Total assets	$ 8,203,450	100	$ 7,480,099	100	$ 7,239,452	100
	Liabilities and equity						
	Current liabilities:						
2100	Short-term loans (Note 6 and 8)	$ 2,058,159	25	$ 1,691,943	23	$ 1,784,178	24
2130	Contract liabilities - current (Note 6 and 7)	78,517	1	6,199	-	4,888	-
2150	Payable notes	280,998	4	145,750	2	346,927	5
2170	Accounts payable	106,227	1	84,283	1	146,034	2
2180	Accounts payable - Related parties (Note 7)	100	-	105	-	-	-
2200	Other payables	159,406	2	202,418	3	150,414	2
2220	Other payables - Related parties (Note 7)	135	-	13	-	8	-
2230	Current income tax liabilities	63,456	1	286,368	4	181,205	3
2280	Lease liabilities - current (Note 6)	60,548	1	55,444	1	56,548	1
2320	Long-term liabilities due within one year or one operating cycle (Note 6 and 8)	2,832	-	2,793	-	2,778	-
2399	Other current liabilities - Other	26,831	-	31,944	-	39,331	1
21XX	Total of current liabilities	2,837,209	35	2,507,260	34	2,712,311	38
	Non-current liabilities:						
2540	Long-term loans (Note 6 and 8)	12,517	-	14,641	-	15,345	-
2550	Provision - non-current (Note 6)	80,505	1	81,371	1	32,658	-
2560	Current income tax liabilities - non-current (Note 6)	16,927	-	50,488	1	64,094	1
2570	Deferred income tax liabilities (Note 6)	186,892	2	179,741	3	178,916	2
2580	Lease liabilities - non-current (Note 6)	469,300	6	477,521	6	490,621	7
2670	Other non-current liabilities - others (Note 6)	88,999	1	96,714	1	106,531	2
25XX	Total non-current liabilities	855,140	10	900,476	12	888,165	12
2XXX	Total liabilities	3,692,349	45	3,407,736	46	3,600,476	50
	Equity attributable to owners of the parent company						
	Share capital						
3110	Common stock capital (Note 6)	2,670,313	33	2,225,261	30	2,225,261	31
3200	Capital reserve (Note 6)	281,622	3	281,622	4	281,622	4
	Retained earnings (Note 6)						
3310	Legal reserve	435,767	5	328,919	4	328,919	5
3320	Special reserves	102,504	1	102,504	1	102,504	1
3350	Undistributed earnings	887,058	11	1,101,819	15	676,064	9
3300	Total retained earnings	1,425,329	17	1,533,242	20	1,107,487	15
3400	Other equity (Note 6)	127,426	2	26,838	-	19,065	-
31XX	Total equity attributable to owners of the parent company	4,504,690	55	4,066,963	54	3,633,435	50
36XX	Non-controlling interests (Note 6)	6,411	-	5,400	-	5,541	-
3XXX	Total equity	4,511,101	55	4,072,363	54	3,638,976	50
3X2X	Total liabilities and equity	$ 8,203,450	100	$ 7,480,099	100	$ 7,239,452	100

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

Chairman: Chun-Fa Huang Manager: Min-Chi Hsiao Accounting Manager: Hui-Wen Li

Mayer Steel Pipe Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

From July 1 to September 30, and January 1 to September 30, 2024 and 2023

Unit: NT$ thousands
(Earnings per share:

		July to September 2024		July to September 2023		January to September 2024		January to September 2023	
Code	Item	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 6, 7 and 14)	$ 1,234,239	100	$ 1,819,212	100	$ 4,074,679	100	$ 5,556,435	100
5000	Operating cost (Note 6 and 7)	(1,055,396)	(86)	(1,635,825)	(90)	(3,451,079)	(85)	(4,905,718)	(88)
5900	Operating gross profit	178,843	14	183,387	10	623,600	15	650,717	12
5910	Unrealized gains (losses) from sales	(488)	-	(259)	-	(5,298)	-	(5,455)	-
5920	Realized profit (loss) from sales	-	-	-	-	5,494	-	2,337	-
5950	Gross operating profit, net	178,355	14	183,128	10	623,796	15	647,599	12
	Operating expenses (Note 6 and 7)								
6100	Sales promotion expenses	(24,335)	(2)	(23,214)	(1)	(75,963)	(2)	(96,582)	(2)
6200	Administrative expenses	(50,755)	(4)	(53,745)	(3)	(176,916)	(4)	(148,959)	(2)
6450	Expected credit impairment (loss) benefit	943	-	(1,703)	-	8,019	-	14,752	-
6000	Total operating expenses	(74,147)	(6)	(78,662)	(4)	(244,860)	(6)	(230,789)	(4)
6900	Operating profit	104,208	8	104,466	6	378,936	9	416,810	8
	Non-operating income and expenses								
7100	Interest revenue (Note 6)	5,497	-	8,295	-	18,766	-	25,189	-
7010	Other income (Note 6 and 7)	37,544	3	263,232	15	304,026	7	314,366	6
7020	Other gains and losses, net (Note 6)	44,547	4	12,216	1	144,693	4	1,423	-
7050	Net finance cost (Note 6)	(10,704)	(1)	(17,147)	(1)	(31,451)	(1)	(52,172)	(1)
7060	Net share of profit or loss of affiliated companies and joint ventures under equity method (Note 6 and 14)	29,504	2	24,827	1	80,382	2	72,793	1
7000	Total non-operating income and expenses	106,388	8	291,423	16	516,416	12	361,599	6
7900	Profit (loss) before tax from continuing operations	210,596	16	395,889	22	895,352	21	778,409	14
7950	Income tax (expense) gains (Note 6 and 14)	(19,415)	(1)	(74,279)	(4)	(134,519)	(3)	(133,940)	(2)
8200	Net income (loss)	191,181	15	321,610	18	760,833	18	644,469	12
	Other comprehensive income								
8316	Equity instruments at fair value through other comprehensive income Unrealized valuation gains or losses on investments (Note 6)	(80,661)	(6)	3,979	-	80,360	2	8,120	-
8310	Total of items not reclassified to profit or loss	(80,661)	(6)	3,979	-	80,360	2	8,120	-
8361	Exchange differences on translation of financial statements of foreign operations (Note 6)	1,559	-	1,369	-	4,955	-	5,035	-
8370	Share of other comprehensive income of affiliates and joint ventures under equity method - Items that may be reclassified into profit or loss (Note 6)	26,262	2	(1,375)	-	20,958	1	(2,140)	-
8399	Income tax related to items that may be reclassified (Note 6)	(5,587)	-	21	-	(5,164)	-	(548)	-
8360	Total of items that may be reclassified subsequently to profit or loss	22,234	2	15	-	20,749	1	2,347	-
8300	Other comprehensive income, net	(58,427)	(4)	3,994	-	101,109	3	10,467	-
8500	Total comprehensive income for the period	$ 132,754	11	$ 325,604	18	$ 861,942	21	$ 654,936	12
	Net income (loss) attributable to:								
8610	Owners of the parent company (net profit/loss)	$ 191,130	15	$ 321,563	18	$ 759,916	18	$ 642,726	12
8620	Non-controlling interests (net income/loss)	51	-	47	-	917	-	1,743	-
		$ 191,181	15	$ 321,610	18	$ 760,833	18	$ 644,469	12
	Total comprehensive income attributable to:								
8710	Shareholders of the parent company (comprehensive profit or loss)	$ 132,817	11	$ 325,454	18	$ 860,931	21	$ 653,034	12
8720	Non-controlling interests (comprehensive income or loss)	(63)	-	150	-	1,011	-	1,902	-
		$ 132,754	11	$ 325,604	18	$ 861,942	21	$ 654,936	12
9750	Basic earnings per share (Note 6)	$ 0.72		$ 1.21		$ 2.85		$ 2.41	

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

Chairman: Chun-Fa Huang Manager: Min-Chi Hsiao Accounting Manager: Hui-Wen Li

Mayer Steel Pipe Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

From January 1 to September 30, 2024 and 2023

Unit: NT$ thousands

Item Code	Item	Common stock capit	dditional paid-in cap	Retained earnings: Legal reserve	Retained earnings: Special reserves	Retained earnings: ndistributed earning	Retained earnings: Total retained earnings	Other equity: Exchange differences on translation of financial	Other equity: Unrealized gain or loss on financial assets at fair value through other comprehensive income	Other equity: Total of other equity items	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
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)
B9	Common stock dividends	445,052	-	-	-	(445,052)	(445,052)	-	-	-	-	-	-
D1	Net income (loss) from January to September 2024	-	-	-	-	759,916	759,916	-	-	-	759,916	917	760,833
D3	Other comprehensive income from January to Sept	-	-	-	-	-	-	20,655	80,360	101,015	101,015	94	101,109
D5	Total comprehensive income from January to Septe	-	-	-	-	759,916	759,916	20,655	80,360	101,015	860,931	1,011	861,942
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	22,275	22,275	-	(427)	(427)	21,848	-	21,848
Z1	Balance on September 30, 2024	$ 2,670,313	$ 281,622	$ 435,767	$ 102,504	$ 887,058	$ 1,425,329	$ (5,842)	$ 133,268	$ 127,426	$ 4,504,690	$ 6,411	$ 4,511,101
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 September 2023	-	-	-	-	642,726	642,726	-	-	-	642,726	1,743	644,469
D3	Other comprehensive income from January to Sept	-	-	-	-	-	-	2,188	8,120	10,308	10,308	159	10,467
D5	Total comprehensive income from January to Septe	-	-	-	-	642,726	642,726	2,188	8,120	10,308	653,034	1,902	654,936
Z1	Balance on September 30, 2023	$ 2,225,261	$ 281,622	$ 328,919	$ 102,504	$ 676,064	$ 1,107,487	$ (15,452)	$ 34,517	$ 19,065	$ 3,633,435	$ 5,541	$ 3,638,976

(please refer to the notes to the consolidated financial statements)

Chairman: Chun-Fa Huang Manager: Min-Chi Hsiao Accounting Manager: Hui-Wen Li

Mayer Steel Pipe Corporation and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to September 30, 2024 and 2023

Unit: NT$ thousands

Code	Item	January to September 2024	January to September 2023
	Cash flow from operating activities:		
A10000	Profit (loss) before tax	$ 895,352	$ #REF!
	Adjustments:		
	Income and expenses		
A20100	Depreciation expense	104,354	105,720
A20200	Amortization expense	6,736	7,857
A20300	Expected credit impairment loss (gain)	8,019	(14,752)
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(105,760)	(16,302)
A20900	Interest expense	31,451	52,172
A21200	Interest income	18,766	(25,189)
A21300	Dividend income	(35,880)	(45,034)
A22300	Share of loss (gain) on affiliates and joint ventures under equity method	80,382	(72,793)
A22500	Losses (gains) from the disposal and scrapping of property, plant and equipment	69	124
A23100	Disposal of investment losses (gains)	(40,523)	16,417
A29900	Other items	358	3,529
A20010	Total income and expense	67,972	11,749
	Changes in assets/liabilities related to operating activities		
A31115	Decrease (increase) of financial assets mandatorily measured at fair value through profit or loss	55,600	(43,693)
A31130	Decrease (increase) of notes receivable	(1,927)	32,814
A31150	Decrease (increase) of accounts receivable	(23,305)	(158,565)
A31160	Decrease (increase) of accounts receivable - related parties	(3,976)	(433)
A31180	Decrease (increase) of other receivables	4,727	104,884
A31190	Decrease (increase) of other receivables - related parties	(146)	-
A31200	Decrease (increase) in inventory	(667,857)	(39,869)
A31230	Decrease (increase) of prepayments	(72,841)	113,854
A31240	Decrease (increase) of other current assets	27,102	63,413
A31000	Total net changes in assets related to operating activities	(682,623)	72,405
A32125	Increase (decrease) of contract liabilities	72,318	(70,251)
A32130	Increase (decrease) of notes payable	135,248	89,255
A32150	Increase (decrease) of accounts payable	21,944	112,212
A32160	Increase (decrease) of accounts payable - related parties	(5)	(120)
A32180	Increase (decrease) of other payables	(41,568)	28,032
A32190	Other payables - increase (decrease) of related parties	122	(274)
A32200	Increase (decrease) in liability reserve	(867)	(1,533)
A32230	Increase (decrease) of other current liabilities	(5,113)	32,029
A32240	Increase (decrease) of net defined benefit liabilities	(679)	(600)
A32000	Total net changes in liabilities related to operating activities	181,400	188,750
A30000	Total net changes in assets and liabilities related to operating activities	(501,223)	261,155
A20000	Total adjustment items	(433,251)	272,904
A33000	Cash inflow (outflow) from operations	462,101	#REF!
A33100	Interest received	21,210	53,886
A33200	Dividends received	134,163	139,953
A33300	Interest paid	(22,885)	(41,869)
A33500	Income tax refunded (paid)	(385,294)	(72,736)
AAAA	Net cash inflows (outflows) from operating activities	(5,039)	1,130,547

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Code	Item	January to September 2024	January to September 2023
	Cash flow from investing activities:		
B00010	Financial assets at fair value through other comprehensive income	(36,772)	(18,797)
B00020	Disposal of financial assets at fair value through other comprehensive income	38,481	-
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	(178,375)	(154,649)
B00060	Repayment at maturity of financial assets measured at cost after amortization	371,653	19,655
B02700	Acquisition of property, plant and equipment	(66,909)	(68,812)
B02800	Disposal of property, plant and equipment	23	57
B03700	Increase in refundable deposits	(216,320)	(108,585)
B04500	Acquisition of intangible assets	-	(160)
B06000	Increase in long-term lease receivables	(13,640)	-
B06100	Decrease in long-term lease receivables	-	258
B06700	Increase of other non-current assets	(3,432)	(3,690)
B07100	Increase in prepayment for equipment	-	(14,694)
B07200	Decrease in prepayment for equipment	21,395	-
B09900	Other investment activities	(195)	3,118
BBBB	Net cash inflows (outflows) from investing activities	(73,161)	(346,299)
	Cash flow from financing activities:		
C00100	Increase in short-term loans	366,216	-
C00200	Decrease in short-term loans	-	(750,801)
C00500	Increase in short-term notes payable	-	(36,985)
C01700	Repayment of long-term loans	(2,085)	(2,049)
C03000	Increase in refundable deposits received	-	3,500
C03100	Decrease in refundable deposits received	(10,500)	-
C04020	Lease principal repayment	(53,491)	(53,815)
C04500	Cash dividend payment	(445,052)	(222,526)
CCCC	Net cash inflows (outflows) from financing activities	(144,912)	(1,062,676)
DDDD	Effect of exchange rate changes on cash and cash equivalents	2,174	3,258
EEEE	Increase (decrease) in cash and cash equivalents in the current period	(220,938)	(275,170)
E00100	Opening balance of cash and cash equivalents	659,456	628,926
E00200	Closing balance of cash and cash equivalents	$ 438,518	$ 353,756

(please refer to the 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 September 30, 2024 and 2023

(In NT$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 report was released on November 11, 2024 after being submitted to the Board of Directors.

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 not adopting the new and amended IFRSs approved by the FSC:

The following table summarizes the standards and interpretations of new releases, amendments, and revisions of the IFRSs approved by the FSC for application in 2025:

New/amended/revised standards and interpretations	Effective date issued by IASB
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025

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.

(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 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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
IFRS 19 "Subsidiaries Not Responsible: Disclosures"	January 1, 2027
Annual Improvements of IFRS - Vol. 11	January 1, 2026

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 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   The amendments are as follows:

   (1) Clarified the dates of recognition and derecognition of certain financial assets and liabilities, and added that when a financial liability (or part of a financial liability) is settled in cash using an electronic payment system, the company is allowed to have its financial liabilities discharged before the settlement date if and only if the company initiates a payment instruction that results in the following situations, :

   A. The enterprise does not have the ability to revoke, stop or cancel the payment designation;

   B. Due to the payment instruction, the enterprise has no actual ability to access the cash that will be used for settlement;

   C. The delivery risk related to the electronic payment system is not significant.

   (2) Clarified and added further guidelines for assessing whether financial assets meet the SPPI standard; the scope includes contractual terms that change cash flows based on contingent events (e.g., interest rates linked to ESG targets), instruments with non-recourse characteristics, and contract-linked instruments.

   (3) Added instruments with contractual clauses that may change cash flows (e.g. instruments with features related to achieving environmental, social, and governance (ESG) goals), qualitative descriptions of contingent nature that should be disclosed, quantitative information on the range of changes in contractual cash flows that may be derived from these contractual terms, and the total book value of financial assets and the amortized cost of financial liabilities under these contractual terms.

   (4) Updated that for equity instrument irrevocably designated to be measured at fair value through other comprehensive income (FVTOCI), the fair value of each category should be disclosed, and it is not necessary to disclose the fair value of

each subject. Additionally, the fair value profit or loss recognized in other comprehensive income during the reporting period should be disclosed. It should be separately listed as the fair value profit or loss related to investments derecognized during the reporting period, the fair value profit or loss related to investments still held at the end of the reporting period, and the cumulative profit or loss of investments derecognized during the reporting period but transferred to equity in the same period.

2. 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 sold (invested) assets qualify for "business", all the disposal gains or losses should be recognized.

   (2) When the sold (invested) assets do not qualify for "business," only part of the disposal gains or losses within the range of the equity in affiliates or joint ventures associated with non-affiliate investors can be recognized.

3. 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.

4. IFRS 19 "Subsidiaries Not Responsible: Disclosures"

   This standard allows qualifying subsidiaries to apply IFRS with reduced disclosure requirements.

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 a loss of control (transaction with non-controlling interests), it is treated as an equity transaction, i.e. it is deemed to be a transaction with the owner. 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 2024.09.30	2023.12.31	2023.09.30
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

	2024.09.30	2023.12.31	2023.09.30
Cash on hand and revolving funds	$ 341	$ 477	$ 455
Bank deposits	407,270	511,543	243,748
Cash equivalents	30,907	147,436	109,553
	$ 438,518	$ 659,456	$ 353,756

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 September 30, 2024 and December 31 and September 30, 2023, which were provided to financial institutions as bank loan collateral due to restrictions on their usage.

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

	2024.09.30	2023.12.31	2023.09.30
Financial assets - current			
Mandatorily at fair value through profit or loss			
Non-derivative financial assets			
Domestic listed (OTC) stock	$ 113,755	$ 124,048	$ 161,767
Fund beneficiary certificates	3,025	—	4,557
	$ 116,780	$ 124,048	$ 166,324
Financial assets - noncurrent			
Mandatorily at fair value through profit or loss			
Non-derivative financial assets			

	2024.09.30	2023.12.31	2023.09.30
Domestic unlisted stocks	$ 330,955	$ 266,402	$ 303,392
Foreign unlisted stocks	—	—	3,585
	$ 330,955	$ 266,402	$ 306,977

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 provided by the Group as bank loan collateral on September 30, 2024 and December 31 and September 30, 2023.

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

	2024.09.30	2023.12.31	2023.09.30
Current			
Equity instruments			
Domestic listed (OTC) stock	$ 29,499	$ 19,041	$ 637
Evaluation adjustment	25,931	8,681	124
	$ 55,430	$ 27,722	$ 761
Non-current			
Equity instruments			
Domestic unlisted stocks	$ 7,660	$ 7,660	$ 7,660
Foreign unlisted stocks	101,076	112,006	112,006
Evaluation adjustment	36,073	16,532	28,220
	$ 144,809	$ 136,198	$ 147,886

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 September 2024, the Group adjusted its investment portfolio to diversify risks, and sold a portion of its TWSE/TPEx listed stocks at a fair value of NT$38,481 thousand. The related amount of "Other equity – unrealized gains and losses on financial assets measured at fair value through other comprehensive income" of NT$22,275 thousand was reclassified in "retained earnings".

3. Please refer to Note 8 for the financial assets at fair value through other comprehensive income as bank loan collateral on September 30, 2024 and December 31 and September 30, 2023.

(IV) Financial assets measured at amortized cost

	2024.09.30	2023.12.31	2023.09.30
Current			
Bank time deposits with original maturity date of more than 3 months	$ 178,939	$ 370,085	$ 155,712
Interest rate range	0.72%-5.70%	0.80%-8.40%	0.78%-8.70%

As of September 30, 2024 and December 31 and September 30, 2023, the financial assets above measured at amortized cost had no restricted usage and not been provided as pledge guarantees.

(V) Net notes receivable

	2024.09.30	2023.12.31	2023.09.30
Notes receivable	$ 29,978	$ 28,083	$ 36,178
Less: Loss allowance	(487)	(519)	(575)
	$ 29,491	$ 27,564	$ 35,603

1. Please refer to the following accounts receivable for the relevant disclosure of the loss allowance for notes receivable.

2. As of September 30, 2024 and December 31 and September 30, 2023, the notes receivable above had no restricted usage and not been provided as pledge guarantees.

(VI) Net accounts receivable

	2024.09.30	2023.12.31	2023.09.30
Accounts receivable due from non-related parties	$ 518,524	$ 495,188	$ 634,632
Less: Loss allowance	(4,748)	(4,435)	(6,465)

	2024.09.30	2023.12.31	2023.09.30
Accounts receivable - non-related parties, net	513,776	490,753	628,167
Accounts receivable - related parties	13,345	9,369	15,536
	$ 527,121	$ 500,122	$ 643,703

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:

2024.09.30	Expected credit loss rate	Gross carrying amount	Allowance for losses (expected credit loss during the duration)	Amortized cost
Not past due	0%-1%	$ 548,502	$ (5,235)	$ 543,267

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

2023.09.30	Expected credit loss rate	Gross carrying amount	Allowance for losses (expected credit loss during the duration)	Amortized cost
Not past due	0%-1%	$ 670,281	$ (6,511)	$ 663,770
Overdue for more than 120 days	100%	529	(529)	—
		$ 670,810	$ (7,040)	$ 663,770

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

	January to September 2024	January to September 2023
Opening balance	$ 4,954	$ 5,023
Add: Impairment loss (Note)	281	2,017
Closing balance	$ 5,235	$ 7,040

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

	January to September 2024	January to September 2023
Opening balance	$ 16,314	$ 32,945
Less: Amount recovered this year (Note)	(8,300)	(16,769)
Foreign exchange difference	599	961
Closing balance	$ 8,613	$ 17,137

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

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

As of September 30, 2024 and December 31 and September 30, 2023, the accounts receivable above had no restricted usage and not been provided as pledge guarantees.

(VII) Financing lease receivables

	2024.09.30	2023.12.31	2023.09.30
Undiscounted lease payments			
Year 1	$ 7,896	$ 5,797	$ 6,129
Year 2	7,027	5,477	5,528
Year 3	7,026	5,477	5,528
Year 4	7,026	5,477	5,528
Year 5	7,026	5,477	5,528
Over 5 years	73,881	56,139	58,044
	109,882	83,844	86,285
Less: Unearned financing income	(58,018)	(45,621)	(47,525)
Net investment in leases	$ 51,864	$ 38,223	$ 38,760

	2024.09.30	2023.12.31	2023.09.30
Current	$ 1,998	$ 1,218	$ 1,462
Non-current	49,866	37,005	37,298
	$ 51,864	$ 38,223	$ 38,760

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 bank loan collateral by the Company on September 30, 2024 and December 31 and September 30, 2023.

(VIII) Inventories - Manufacturing

	2024.09.30	2023.12.31	2023.09.30
Finished goods	$ 352,170	$ 267,599	$ 301,547
Work in process	57,450	28,850	22,310
Semi-finished product	136,253	148,408	139,399
Raw materials and supplies	656,642	607,850	568,440
Commodities	66,400	41,151	108,722
Others	2,020	—	1,441
Total	$ 1,270,935	$ 1,093,858	$ 1,141,859
Mortgage status	None	None	None

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

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Cost of inventories sold	$ 1,027,617	$ 1,595,199	$ 3,392,640	$ 4,481,059
Loss on inventory valuation and obsolescence (recovery profit)	1,988	(13,881)	(15,869)	(24,667)
Loss of inventory idle capacity (recovery profit)	454	179	(1,037)	802
Inventory obsolescence loss	—	4,855	—	4,855
	$ 1,030,059	$ 1,586,352	$ 3,375,734	$ 4,462,049

2. As of September 30, 2024 and December 31 and September 30, 2023, the inventories above had no restricted usage and not been provided as pledge guarantees.

(IX) Inventories - Construction

Name of construction site	2024.09.30	2023.12.31	2023.09.30
Buildings and land for sale	$ 1,161	$ 1,161	$ 1,161
Construction site	766,958	585,061	749,278
Real estate under construction	904,115	529,241	170,325
Prepayment for land	—	65,991	—
	$ 1,672,234	$ 1,181,454	$ 920,764

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 NT$1,930,800 thousand. In the same year, the Company paid NT$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, the four parties including Ching-Huei Chien and others have made full payment in accordance with the agreement, and the Company has also scratched the surface of the amount in accordance with the agreement. the maximum amount of mortgage established before the cancellation and the

provisional disposition, provisional attachment, and provisional execution to preserve the abovementioned claims were closed in January 2024.

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 NT$198,000 thousand. As of September 30, 2024, the amount above has 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 NT$70,424 thousand, which had been paid in full as of September 30, 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 NT$83,000 thousand. As of September 30, 2024, the amount above has been paid in full.

6. Please refer to Note 8 for the "inventories - construction industry" provided by the Group as bank loan collateral on September 30, 2024 and December 31 and September 30, 2023.

(X) Other current assets

	2024.09.30	2023.12.31	2023.09.30
Other financial assets	$ 506,723	$ 447,178	$ 389,551
Payment on behalf of others	10	10	10

	$ 506,733	$ 447,188	$ 389,561

Please refer to Note 8 for the financial assets provided by the Group as bank loan collateral on September 30, 2024 and December 31 and September 30, 2023.

(XI) Investments accounted for under the equity method

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

	Original investment cost	2024.09.30	2023.12.31	2023.09.30
Subsidiaries				
Mayer Corporation Development International Limited (BVI)	$ 390,881	$ 15,287	$ 15,287	$ 15,287
Glory World Development Ltd.(BVI)	259,121	—	—	—
Subtotal		15,287	15,287	15,287
Less: Accumulated impairment - Investments accounted for using equity method		(15,287)	(15,287)	(15,287)
		—	—	—
Associated companies that are not individually material				
GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED	179,688	236,215	227,561	209,814
Diamond Precision Steel Corp.	106,248	221,350	223,102	222,474
LUEN JIN ENTERPRISE CO., LTD.	156,600	150,446	151,309	150,483
		608,011	601,972	582,771
		$ 608,011	$ 601,972	$ 582,771

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:

	2024.09.30	2023.12.31	2023.09.30
Mayer Corporation Development International Limited (BVI)	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)
Glory World Development Ltd.(BVI)	50.21% (Note 2)	50.21% (Note 2)	50.21% (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 a 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:

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
The Group's share				
Net income from continuing operations	$ (219)	$ (214)	$ (650)	$ (627)
Other comprehensive income in the current period	1,794	(2,566)	(2,136)	(3,543)
Total comprehensive income for the period	$ 1,575	$ (2,780)	$ (2,786)	$ (4,170)

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:

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
The Group's share				
Net income from continuing operations	$ 29,723	$ 25,042	$ 81,032	$ 73,421
Other comprehensive income in the current period	24,468	1,190	23,094	1,402
Total comprehensive income for the period	$ 54,191	$ 26,232	$ 104,126	$ 74,823

7. As of September 30, 2024 and December 31 and September 30, 2023, the investments above using the equity method had no restricted usages and not been provided as pledge guarantees.

8. The Group conducted an assessment and impairment test on the investment in affiliates in 2024 and January to September, 2023. After assessment, there were no impairment losses that should be recognized.

(XII)Property, plant and equipment

	January to September 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	—	7,145	17,545	4,678	37,541	—	66,909
Decrease	—	(105)	—	(1,606)	(241)	—	(1,952)
Effect of foreign currency exchange differences	—	434	1,358	32	374	—	2,198
Closing balance	$ 557,911	$ 267,298	$ 1,664,064	$ 70,086	$ 219,171	$ 143,061	$ 2,921,591
Accumulated depreciation:							
Opening balance	$ —	$ 224,693	$ 1,333,240	$ 57,040	$ 129,628	$ 46,224	$ 1,790,825
Increase	—	2,823	28,821	1,831	13,235	7,510	54,220
Decrease	—	(79)	—	(1,580)	(201)	—	(1,860)
Effect of foreign currency exchange differences	—	168	1,213	25	361	—	1,767
Closing balance	$ —	$ 227,605	$ 1,363,274	$ 57,316	$ 143,023	$ 53,734	$ 1,844,952
Closing net amount	$ 557,911	$ 39,693	$ 300,790	$ 12,770	$ 76,148	$ 89,327	$ 1,076,639

	January to September 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	—	7,193	57,056	1,180	3,263	120	68,812
Decrease	—	—	(2,566)	(616)	—	—	(3,182)
Reclassification	—	—	—	—	(86)	86	—
Effect of foreign currency exchange differences	—	412	1,290	26	355	—	2,083
Closing balance	$ 557,911	$ 260,996	$ 1,600,591	$ 66,710	$ 182,292	$ 143,061	$ 2,811,561
Accumulated depreciation:							
Opening balance	$ —	$ 220,988	$ 1,301,582	$ 55,495	$ 112,870	$ 36,218	$ 1,727,153
Increase	—	3,033	29,822	1,621	13,206	7,502	55,184
Decrease	—	—	(2,411)	(590)	—	—	(3,001)
Effect of foreign currency exchange differences	—	153	1,104	25	341	—	1,623
Closing balance	$ —	$ 224,174	$ 1,330,097	$ 56,551	$ 126,417	$ 43,720	$ 1,780,959
Closing net amount	$ 557,911	$ 36,822	$ 270,494	$ 10,159	$ 55,875	$ 99,341	$ 1,030,602

1. Please refer to Note 8 for the property, plant and equipment provided as guarantees or pledges by the Group on September 30, 2024 and December 31 and September 30, 2023.

2. The Group's property, plant and equipment had no impairment loss recognized in 2024 and from January to September 2023.

(XIII) Lease agreement

1. Right of use assets

	January to September 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
Increase	—	40,363	—	—	—	40,363
Decrease	—	(34,889)	—	—	—	(34,889)
Effect of foreign currency exchange differences	178	—	—	—	—	178
Closing balance	$ 17,158	$ 735,490	$ 693	$ 2,098	$ 517	$ 755,956
Accumulated depreciation:						
Opening balance	$ 3,131	$ 243,558	$ 382	$ 664	$ 122	$ 247,857
Increase	1,708	45,306	104	727	89	47,934
Decrease		(34,889)				(34,889)
Effect of foreign currency exchange differences	31	—	—	—	—	31
Closing balance	$ 4,870	$ 253,975	$ 486	$ 1,391	$ 211	$ 260,933
Closing net amount	$ 12,288	$ 481,515	$ 207	$ 707	$ 306	$ 495,023

	January to September 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
Increase	5,702	13,065	—	1,616	—	20,383
Decrease	(8,082)	(21,592)	—	(5,653)	—	(35,327)
Effect of foreign currency exchange differences	169	—	—	—	—	169
Closing balance	$ 17,462	$ 730,014	$ 693	$ 2,098	$ 646	$ 750,913
Accumulated depreciation:						
Opening balance	$ 3,603	$ 192,700	$ 243	$ 4,831	$ 213	$ 201,590
Increase	1,713	45,158	104	1,244	117	48,336
Decrease	(2,703)	(9,356)	—	(5,653)	—	(17,712)
Effect of foreign currency exchange differences	25	—	—	—	—	25
Closing balance	$ 2,638	$ 228,502	$ 347	$ 422	$ 330	$ 232,239

	January to September 2023					
	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Closing net amount	$ 14,824	$ 501,512	$ 346	$ 1,676	$ 316	$ 518,674

The Group's income from sublease of the right-of-use assets from July to September, 2024 and 2023 and from January to September, 2024 and 2023 were NT$22 thousand, NT$45 thousand, NT$112 thousand, and NT$135 thousand, respectively.

2. Lease liabilities

	2024.09.30	2023.12.31	2023.09.30
Book value of lease liabilities			
Current	$ 60,548	$ 55,444	$ 56,548
Non-current	469,300	477,521	490,621
	$ 529,848	$ 532,965	$ 547,169

Range of discount rate for lease liabilities:

	2024.09.30	2023.12.31	2023.09.30
Land	2.65%	2.65%	2.65%
Houses and buildings	2.33%-3.17%	2.20%-2.75%	2.20%-2.75%
Machinery and equipment	1.53%	1.53%	1.53%
Transportation equipment	1.68%-2.35%	1.68%-2.35%	1.68%-2.35%
Other equipment	1.80%-2.27%	1.80%-2.27%	1.52%-1.80%

3. Important lease-in activities and terms and conditions

The Group leases land, buildings and equipment as plant, office, regular 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 September 30, 2024, right-of-use assets had no indication of impairment, and hence no impairment assessment was made.

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:

	2024.09.30	2023.12.31	2023.09.30
Year 1	$ —	$ 112	$ 157
Over 1 year but no more than 5 years	—	—	—
	$ —	$ 112	$ 157

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 September 2023, and did not recognize right-of-use assets and lease liabilities for these leases. The related expenses are as follows:

	January to September 2024	January to September 2023
Short-term lease expense	$ 670	$ 807
Low-value asset lease expense	156	118
Variable lease payments not included in the measurement of lease liabilities	219	175
	$ 1,045	$ 1,100
Total cash outflow for leases	$ (54,536)	$ (54,915)

(XIV) Investment property

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

	January to September 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	—	2,200	2,200
Closing balance	$ —	$ 47,938	$ 47,938
Closing net amount	$ 82,543	$ 57,025	$ 139,568

	January to September 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	—	2,200	2,200
Closing balance	$ —	$ 45,004	$ 45,004
Closing net amount	$ 82,543	$ 59,959	$ 142,502

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

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Rent income from investment property	$ 2,714	$ 2,629	$ 8,143	$ 7,886
Direct operating expenses of investment property that generates rental income	(734)	(733)	(2,200)	(2,200)
	$ 1,980	$ 1,896	$ 5,943	$ 5,686

3. On September 30, 2024 and December 31 and September 30, 2023, the total lease payments to be received in the future for the investment properties leased out under operating leases are as follows:

	2024.09.30	2023.12.31	2023.09.30
Within 1 year	$ 10,857	$ 10,857	$ 10,771
Over 1 year but no more than 5 years	2,714	10,857	13,572
	$ 13,571	$ 21,714	$ 24,343

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 NT$285,803 thousand and NT$272,992 thousand, respectively, which was based on the evaluation results of independent evaluation experts. The valuations on September 30, 2024 and December 31 and September 30, 2023 are based on market evidence of similar real estate transaction prices, and

there is no significant change in the basic assumptions on December 31, 2023 and 2020.

6. Please refer to Note 8 for the Company's investment property as collateral for bank borrowings on September 30, 2024 and December 31 and September 30, 2023.

(XV) Other non-current assets

	2024.09.30	2023.12.31	2023.09.30
Guarantee	$ —	$ —	$ 489,361
Deposit for joint construction	360,000	144,000	—
Prepaid equipment payment	29,399	50,794	60,386
Long-term financing lease receivable	49,866	37,005	37,298
Others	38,397	41,524	39,773
	$ 477,662	$ 273,323	$ 626,818

Please refer to Note 8 for the information on the provision of solar power generation equipment to financial institutions as bank loan collateral by the Company on September 30, 2024 and December 31 and September 30, 2023.

(XVI) Short-term loans

	2024.09.30	2023.12.31	2023.09.30
Guaranteed loans			
Bank borrowings	$ 1,415,724	$ 1,412,783	$ 1,300,046
Unsecured borrowings			
Credit limit borrowings	370,000	129,500	335,000
Letter of credit borrowing for purchase of materials	272,435	149,660	149,132
	642,435	279,160	484,132
	$ 2,058,159	$ 1,691,943	$ 1,784,178
Interest rate range	2.08%~3.18%	1.95%~4.00%	1.95%~2.90%
Undrawn limit	$ 2,273,132	$ 2,113,870	$ 2,029,740
Secured borrowings	Note 8	Note 8	Note 8

(XVII) Long-term loans

	2024.09.30	2023.12.31	2023.09.30
Guaranteed loans			
Bank borrowings	$ 15,349	$ 17,434	$ 18,123
Less: Due within one year	(2,832)	(2,793)	(2,778)
	$ 12,517	$ 14,641	$ 15,345
Interest rate range	2.28%	2.15%	2.15%
Undrawn limit	$ —	$ —	$ —

	2024.09.30	2023.12.31	2023.09.30
Secured borrowings	Note 8	Note 8	Note 8

(XVIII) Provision for liabilities

	2024.09.30	2023.12.31	2023.09.30
Employee benefits	$ 2,110	$ 1,733	$ 1,733
Cost of decommissioning, restoration and restoration	29,220	30,463	30,925
Others	49,175	49,175	—
	$ 80,505	$ 81,371	$ 32,658

(XIX) 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 from July to September, 2024 and 2023 and from January to September, 2024 and 2023 were NT$2,478 thousand, NT$2,461 thousand, and NT$7,355 thousand and NT$7,025 thousand, respectively.

2. Defined benefit plan

The defined benefit plan-related pension expenses recognized by the Group from July to September, 2024 and 2023 and from January to September 2024 and 2023 were NT$276 thousand, NT$316 thousand, NT$828 thousand, and NT$948 thousand, respectively. The amounts above were calculated using the actuarial pension cost rate on December 31, 2023 and 2022.

(XX) Equity

1. Common stock capital

	2024.09.30	2023.12.31	2023.09.30
Rated shares (thousand shares)	320,000	320,000	320,000
Authorized share capital	$ 3,200,000	$ 3,200,000	$ 3,200,000

	2024.09.30	2023.12.31	2023.09.30
Issued and paid shares (thousand shares)	267,031	222,526	222,526
Issued share capital	$ 2,670,313	$ 2,225,261	$ 2,225,261

On June 7, 2024, the Company's shareholders' meeting approved the distribution of stock dividends of NT$445,052 thousand from undistributed earnings to shareholders. The capital increase was approved by the Financial Supervisory Commission and filed. The ex-date was August 5, 2024, and the share capital change registration was completed on September 25, 2024,

2. Additional paid-in capital

	2024.09.30	2023.12.31	2023.09.30
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
	$ 281,622	$ 281,622	$ 281,622

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	$ 2.00	$ 1.00
Common stock dividends	445,052	—	$ 2.00	$ —

The above proposal for the distribution of earnings for 2023 and 2022 was passed by the Board of Directors and was passed at the general shareholders' meeting as it was.

4. Special reserves

	2024.09.30	2023.12.31	2023.09.30
Adopted IFRSs to provide special reserve for the first time	$ 102,504	$ 102,504	$ 102,504

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 September 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	4,861	—	4,861
Unrealized gain or loss on financial assets at fair value through other comprehensive income	—	80,360	80,360
Portions of affiliates and joint ventures recognized under the equity method	20,958	—	20,958
Income tax related to other comprehensive income components	(5,164)	—	(5,164)
Disposal of equity instruments at fair value through other comprehensive income	—	(427)	(427)
Closing balance	$ (5,842)	$ 133,268	$ 127,426

	January to September 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	4,876	—	4,876
Unrealized gain or loss on financial assets at fair value through other comprehensive income	—	8,120	8,120

	January to September 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
Portions of affiliates and joint ventures recognized under the equity method	(2,140)	—	(2,140)
Income tax related to other comprehensive income components	(548)	—	(548)
Closing balance	$ (15,452)	$ 34,517	$ 19,065

6. Non-controlling interests

	January to September 2024	January to September 2023
Opening balance	$ 5,400	$ 3,639
Share attributable to non-controlling equity:		
Net income (loss) for the year	917	1,743
Exchange differences arising from the translation of the financial statements of foreign operations	94	159
Closing balance	$ 6,411	$ 5,541

(XXI) Operating income

1. Revenue from contracts with customers

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Revenue from customer contracts				
Sales revenue	$ 1,196,898	$ 1,751,870	$ 3,939,112	$ 4,953,660
Construction revenue (Note)	—	26,398	(72)	489,667
Others	37,341	40,944	135,639	113,108
	$ 1,234,239	$ 1,819,212	$ 4,074,679	$ 5,556,435

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

Note: This is the sales discount for the sale of houses.

2. Contract balance

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

	2024.01.01	2024.09.30	Differences

Sale of goods	1,430	1,436	6
Property sales	3,994	76,861	72,867
Others	775	220	(555)
	$ 6,199	$ 78,517	$ 72,318

	2023.01.01	2023.09.30	Differences
Sale of goods	8,340	4,567	(3,773)
Property sales	66,552	—	(66,552)
Others	247	321	74
	$ 75,139	$ 4,888	$ (70,251)

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 of contract liabilities at the beginning of the year which were recognized as operating revenues from January to September, 2024 and 2023 were NT$2,159 thousand and NT$72,995 thousand, respectively.

(XXII) Interest income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Interest on bank deposits	$ 2,954	$ 4,802	$ 13,037	$ 9,748
Other interest income	2,543	3,493	5,729	15,441
	$ 5,497	$ 8,295	$ 18,766	$ 25,189

(XXIII) Other income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Rental income	$ 2,746	$ 2,682	$ 8,283	$ 8,046
Dividend income	32,522	2,277	35,880	45,034
Compensation income	—	256,690	253,798	256,690
Others	2,276	1,583	6,065	4,596
	$ 37,544	$ 263,232	$ 304,026	$ 314,366

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.

(XXIV) Other gains and losses, net

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Gains (losses) on the disposal and scrapping of property, plant and equipment	$ —	$ —	$ (69)	$ (124)
Gains (losses) on disposal of investment	5,651	(18,684)	40,523	(16,417)
Gain on lease modification	—	—	—	330
Net foreign currency exchange gain (loss)	(2,624)	1,830	2,622	3,249
Gain (loss) on financial assets at fair value through profit or loss	44,820	30,123	105,760	16,302
Other losses	(3,300)	(1,053)	(4,143)	(1,917)
	$ 44,547	$ 12,216	$ 144,693	$ 1,423

(XXV) Finance costs, net

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Interest expense				
Borrowing interest	$ 13,332	$ 13,879	$ 35,440	$ 45,088
Lease liabilities and expenses	3,386	3,537	10,010	10,808
Others	10	9	30	27
Less: Amount of asset capitalization that meet the criteria	(6,024)	(278)	(14,029)	(3,751)
	$ 10,704	$ 17,147	$ 31,451	$ 52,172

(XXVI) Additional information on the nature of the expense

	July to September 2024			July to September 2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salary expenses	$ 51,217	$ 21,193	$ 72,410	$ 45,403	$ 19,611	$ 65,014
Labor and national health insurance expenses	5,155	1,548	6,703	5,078	1,578	6,656
Pension expense	1,950	804	2,754	1,979	798	2,777

	July to September 2024			July to September 2023		
Other employee benefit expenses	2,775	21,722	24,497	2,259	38,052	40,311
Depreciation expense	31,051	3,680	34,731	31,277	3,509	34,786
Amortization expense	2,156	9	2,165	2,051	522	2,573
Total	$ 94,304	$ 48,956	$ 143,260	$ 88,047	$ 64,070	$ 152,117

	January to September 2024			January to September 2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits						
Salary expenses	$ 150,151	$ 60,584	$ 210,735	$ 137,844	$ 59,334	$ 197,178
Labor and national health insurance expenses	15,878	5,206	21,084	14,830	4,651	19,481
Pension expense	5,804	4,742	10,546	5,702	3,499	9,201
Other employee benefit expenses	7,780	87,866	95,646	6,368	77,153	83,521
Depreciation expense	93,682	10,672	104,354	94,753	10,967	105,720
Amortization expense	6,685	51	6,736	6,174	1,683	7,857
Total	$ 279,980	$ 169,121	$ 449,101	$ 265,671	$ 157,287	$ 422,958

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.

July to September 2024		July to September 2023	
Remuneration to employees	Remuneration of Directors	Remuneration to employees	Remuneration of Directors
$ 11,337	$ 6,802	$ 21,403	$ 12,842

January to September 2024		January to September 2023	
Remuneration to employees	Remuneration of Directors	Remuneration to employees	Remuneration of Directors
$ 48,187	$ 28,912	$ 41,872	$ 25,123

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	$ 56,384	$ 42,288	$ 18,000	$ 10,800

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.

(XXVII) Income taxes

1. Components of income tax expense

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Current income tax				
Occurrences in the current year	$ 19,988	$ 68,249	$ 135,224	$ 127,943
Return of withholding tax on repatriated offshore funds	(6,542)	—	(6,542)	—
Adjusted in previous years	—	—	24	28
	13,446	68,249	128,706	127,971
Deferred income taxes				
The origin and reversal of the temporary difference	5,969	6,030	5,813	5,969
Income tax expense	$ 19,415	$ 74,279	$ 134,519	$ 133,940

2. Income tax expenses related to other comprehensive income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023

Difference on translation of financial statements of foreign operations	$ 5,587	$ (21)	$ 5,164	$ 548

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

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Net income before tax	$ 210,596	$ 395,889	$ 895,352	$ 778,409
Tax amount on net profit before tax calculated at statutory tax rate	$ 44,135	$ 83,400	$ 191,945	$ 164,189
Tax effects of the adjusted items:				
Effects of items not included in the calculation of taxable income	(23,680)	(13,824)	(51,175)	(40,255)
Occurrence and reversal of temporary difference	5,969	6,030	5,813	5,969
Loss carryforwards	(780)	(1,657)	(6,689)	(2,644)
Basic tax amount	313	－	1,143	－
Return of withholding tax on repatriated offshore funds	(6,542)		(6,542)	
Income tax adjustment for prior years	－	－	24	28
Land Value Increment Tax	－	330	－	6,653
Income tax expense recognized in profit or loss	$ 19,415	$ 74,279	$ 134,519	$ 133,940

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 September 2024			
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary difference				
Unrealized inventory devaluation and obsolescence losses	$ 11,456	$ (3,623)	$ －	$ 7,833
Others	1,547	(203)	－	1,344
	$ 13,003	$ (3,826)	$ －	$ 9,177
Deferred income tax liabilities				

	January to September 2024			
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Property, plant and equipment	$ 162,405	$ —	$ —	$ 162,405
Exchange differences on foreign operations	13,531	—	5,164	18,695
Effect on income tax from investment gains and losses accounted for using the equity method	3,805	1,987	—	5,792
	$ 179,741	$ 1,987	$ 5,164	$ 186,892

	January to September 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	$ (5,099)	$ —	$ 11,085
Effect on income tax from investment gains and losses accounted for using the equity method	5,081	(1,920)	—	3,161
Others	499	639	—	1,138
	$ 21,764	$ (6,380)	$ —	$ 15,384
<u>Deferred income tax liabilities</u>				
Property, plant and equipment	$ 162,405	$ —	$ —	$ 162,405
Exchange differences on foreign operations	15,745	—	548	16,293
Others	629	(411)	—	218
	$ 178,779	$ (411)	$ 548	$ 178,916

5. Due to the impact of the COVID-19 pandemic, the Company's profit-seeking enterprise income tax payments for the years 2022, 2021, and 2020 were approved by the Taipei National Taxation Bureau of the Ministry of Finance to be paid in 36

installments on May 30, 2023, June 7, 2022, and June 25, 2021, respectively. The payment status as of September 30, 2024 is as follows:

	2022	2021	2020
Tax payable	$ 76,175	$ 87,096	$ 59,964
Tax paid	$ 33,856	$ 65,322	$ 59,964
Number of installments paid	16	27	36

6. Authorization of income tax

As of September 30, 2024, the Company's profit-seeking enterprise income tax returns have been approved by the tax authorities up to the year 2021.

(XXVIII) Earnings per share

	July to September 2024	July to September 2023
Basic earnings per share:		
Net income attributable to owners of parent company	$ 191,130	$ 321,563
Weighted average number of outstanding shares for the current period (thousand shares)	267,031	267,031
Basic earnings per share (after tax) (NTD)	$ 0.72	$ 1.21

	January to September 2024	January to September 2023
Basic earnings per share:		
Net income attributable to owners of parent company	$ 759,916	$ 642,726
Weighted average number of outstanding shares for the current period (thousand shares)	267,031	267,031
Basic earnings per share (after tax) (NTD)	$ 2.85	$ 2.41

On June 7, 2024, the company resolved during the shareholders' meeting that the record date for the capitalization of earnings would be August 5, 2024. The weighted average number of shares outstanding from January 1 to September 30, 2023, has been retroactively adjusted based on the earnings capitalization ratio.

(XXIX) Reconciliation of liabilities arising from financing activities

	2024.01.01	Cash flow	Non-cash changes Others	2024.09.30
Short-term loans	$ 1,691,943	$ 366,216	$ —	$ 2,058,159

	2024.01.01	Cash flow	Non-cash changes Others	2024.09.30
Long-term borrowings (including long-term liabilities due within one year or one operating cycle)	17,434	(2,085)	—	15,349
Lease liabilities	532,965	(53,491)	50,374	529,848
Guarantee deposits received	17,083	(10,500)	—	6,583
Total liabilities from financing activities	$ 2,259,425	$ 300,140	$ 50,374	$ 2,609,939

	2023.01.01	Cash flow	Non-cash changes Others	2023.09.30
Short-term loans	$ 2,534,979	$ (750,801)	$ —	$ 1,784,178
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	(2,049)	—	18,123
Lease liabilities	587,738	(53,815)	13,246	547,169
Guarantee deposits received	20,083	3,500	—	23,583
Total liabilities from financing activities	$ 3,199,957	$ (840,150)	$ 13,246	$ 2,373,053

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
Mei Kong Development International Limited (hereinafter referred to as Mayer Development)	Subsidiaries
GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED (hereinafter referred to as GRAND TECH PRECISION)	Affiliated companies
Diamond Precision Steel Corp.(hereinafter referred to as KY-Diamond)	Affiliated companies
Diamond Precision Steel Corp. (Vietnam)	Affiliated companies
LUEN JIN ENTERPRISE CO., LTD.	Affiliated companies
BPM Development Co., Ltd. (hereinafter referred to as BPM Development)	Other related party
Athena Information Systems Ltd., Co.	Other related party
MIRAMAR HOSPITALITY CO., LTD	Other related party
TZE SHIN INTERNATIONAL CO., LTD. (hereinafter referred to as TZE SHIN INTERNATIONAL)	Other related party

Name of related party	Relationship with the Group
Yuanqi Development Consulting Co., Ltd.	Other related party
All Director, Presidents, Vice Presidents, and other managers	Key management personnel

(II) Material transactions with related parties

From January to September, 2024 and 2023, the Group engaged in the following business transactions with related parties of the non-consolidated company:

1. Sales revenue

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Affiliated companies	$ 25,092	$ 48,393	$ 74,098	$ 141,574

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

2. Accounts receivable

	2024.09.30	2023.12.31	2023.09.30
Affiliated companies	$ 13,345	$ 9,369	$ 15,536

3. Real estate under construction

	2024.09.30	2023.12.31	2023.09.30
Other related party	$ 1,205	$ —	$ —

4. Other receivables (including loans of funds)

	2024.09.30	2023.12.31	2023.09.30
General Payment			
Subsidiaries	$ 178	$ 172	$ 181
Affiliated companies	73	98	—
Other related party	171	—	—
Loaning of funds			
Subsidiaries	19,284	18,712	19,656
Subtotal	19,706	18,982	19,837
Less: Loss allowance	(19,462)	(18,884)	(19,837)
	$ 244	$ 98	$ —

5. Prepayments

	2024.09.30	2023.12.31	2023.09.30
Other related party	$ 3,200	$ —	$ —

6. Refundable deposits

	2024.09.30	2023.12.31	2023.09.30
Other related party	$ 5	$ 5	$ 5

7. Contractual liabilities

	2024.09.30	2023.12.31	2023.09.30
Other related party	$ —	$ 7	$ 7

8. Accounts payable

	2024.09.30	2023.12.31	2023.09.30
Other related party	$ 100	$ 105	$ —

9. Other payables

	2024.09.30	2023.12.31	2023.09.30
Other related party	$ 135	$ 13	$ 8

10. Interest expense

	Interest expense			
	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Other related party	$ —	$ 274	$ —	$ 2,630

11. Other income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Other related party	$ 171	$ —	$ 171	$ —

12. Lease income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Other related party	$ 22	$ 45	$ 112	$ 135

13. Dividend income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Deductions of investments accounted for using the equity method				
GRAND TECH PRECISION	$ —	$ —	$ 39,850	$ 32,646
KY—Diamond	—	15,620	55,823	54,444
Affiliated companies	—	—	2,610	7,830
	—	15,620	98,283	94,920
Other income recognized				
TZE SHIN INTERNATIONAL	21,275	—	21,275	—
Other related party	—	—	413	—
	21,275	—	21,688	—
	$ 21,275	$ 15,620	$ 119,971	$ 94,920

14. Endorsements/guarantees

Counterparty of endorsements/ guarantees	Counterparty of endorsements and guarantees	2024.09.30	2023.09.30
Mai Kong Development	BPM Development	$ 2,350,000	$ —

15. Others

(1) Attributable operating cost

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Affiliated companies	$ (210)	$ —	$ (618)	$ —
Other related party	36	36	107	587
	$ (174)	$ 36	$ (511)	$ 587

(2) Attributable operating expenses

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Other related party	$ 189	$ 131	$ 295	$ 234

(3) On February 4, 2021, the Group and BPM Development amended the contract for the joint construction of residential buildings on the land in Xitou Section, Qidu District, Keelung. The Goup will be allocated 1.32 pings of the building property's registered area per ping of construction land available.

(III) Compensation to key managerial officers

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Salary and other short-term benefits	$ 17,251	$ 26,684	$ 67,773	$ 57,431
Post-employment benefits	79	53	606	526
	$ 17,330	$ 26,737	$ 68,379	$ 57,957

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 September 30, 2024 and December 31 and September 30, 2023, the book values of the restricted usage assets provided by the Group to financial institutions as collateral for long and short-term loans are detailed as follows:

	2024.09.30	2023.12.31	2023.09.30
Inventories - Construction	$ 494,924	$ 164,689	$ 163,706
Other financial assets - bank deposits	53,008	80,111	47,644
Other financial assets - financial assets at fair value through profit or loss - current	128,775	165,951	157,822
Other financial assets - investments in equity instruments at fair value through other comprehensive income - current	171,110	117,860	91,590
Other financial assets - Financial assets at fair value through profit or loss - non-current	153,830	83,256	92,495
Financing lease receivables	37,847	38,223	38,760
Property, plant and equipment	580,790	575,994	576,789
Investment property	139,568	141,768	142,502
	$ 1,759,852	$ 1,367,852	$ 1,311,308

IX. Material contingent liabilities and unrecognized contractual commitments

(I) 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 September 30, 2024, the Company's accumulated attorney fees recognized as a result of the case above is HKD6,976 thousand.

(II) As of September 30, 2024 and December 31 and September 30, 2023, the unused balances of the letters of credit issued by the Group were NT$203,836 thousand, NT$96,096 thousand, and NT$163,662 thousand, respectively.

(III) As of September 30, 2024, and December 31 and September 30, 2023, the balances of guaranteed notes issued by the Group for bank loans, purchase of materials, and endorsements/guarantees were NT$3,987,200 thousand, NT$3,809,680 thousand, and NT$3,980,380 thousand, respectively.

(IV) As of September 30, 2024, and December 31 and September 30, 2023, the significant contracted but unpaid amounts for the purchase of machinery and equipment, construction in progress, and land development of the Group were NT$231,531 thousand, NT$467,295 thousand and NT$47,410 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

	2024.09.30	2023.12.31	2023.09.30
Financial assets			
Measured at amortized cost (Note 1)	$ 1,683,554	$ 1,862,578	$ 1,810,829
Measured at fair value through profit or loss	730,340	639,657	723,618

	2024.09.30	2023.12.31	2023.09.30
Measured at fair value through other comprehensive income	371,349	281,780	240,237
Financial liabilities			
Measured at amortized cost (Note 2)	$ 2,626,957	$ 2,159,029	$ 2,469,267

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).

	2024.09.30			
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	$ 242,530	$ －	$ －	$ 242,530
Stocks of domestic non-listed (OTC) companies	－	－	484,785	484,785
Fund beneficiary certificates	3,025	－	－	3,025

	2024.09.30			
Repetitive fair value	Level 1	Level 2	Level 3	Total
	$ 245,555	$ —	$ 484,785	$ 730,340
Financial assets at fair value through other comprehensive income				
Stocks of domestic listed (OTC) companies	$ 226,540	$ —	$ —	$ 226,540
Stocks of domestic non-listed (OTC) companies	—	—	2,324	2,324
Stocks of foreign non-listed (OTC) companies	—	—	142,485	142,485
	$ 226,540	$ —	$ 144,809	$ 371,349

	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
	$ 289,999	$ —	$ 349,658	$ 639,657
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
	$ 145,582	$ —	$ 136,198	$ 281,780

	2023.09.30			
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	$ 319,589	$ —	$ —	$ 319,589
Stocks of domestic non-listed (OTC) companies	—	—	395,887	395,887
Stocks of foreign non-listed (OTC) companies	—	—	3,585	3,585
Fund beneficiary certificates	4,557	—	—	4,557
	$ 324,146	$ —	$ 399,472	$ 723,618
Financial assets at fair value through other comprehensive income				
Stocks of domestic listed (OTC) companies	$ 92,351	$ —	$ —	$ 92,351
Stocks of domestic non-listed (OTC) companies	—	—	1,709	1,709
Stocks of foreign non-listed (OTC) companies	—	—	146,177	146,177

Repetitive fair value	2023.09.30 Level 1	Level 2	Level 3	Total
	$ 92,351	$ —	$ 147,886	$ 240,237

There were no transfer 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 January 1 to September 30, 2024 and 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 September 2024	January to September 2023
Opening balance	$ 349,658	$ 398,782
Refunds from decapitalization		(19,990)
Increase in current period	34,984	—
Unrealized profit or loss of financial assets measured at fair value through profit or loss	100,143	20,680
Closing balance	$ 484,785	$ 399,472

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

	January to September 2024	January to September 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	19,541	11,785
Closing balance	$ 144,809	$ 147,886

(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

(Foreign currency: functional currency)	2024.09.30 Foreign currency	Exchange rate	Range of change	Impacted profit and loss (NTD)
Financial assets				
Monetary items				
USD: NTD	$ 1,591	31.65	1%	503
USD: VND	216	24,575	1%	68
Financial liabilities				
USD: VND	$ 17	24,575	1%	5

Unit: Each in thousands of foreign currency

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

Unit: Each in thousands of foreign currency

(Foreign currency: functional currency)	2023.09.30 Foreign currency	Exchange rate	Range of change	Impacted profit and loss (NTD)
Financial assets				
Monetary items				
USD: NTD	$ 1,132	32.26	1%	365
USD: VND	167	24,400	1%	54
Financial liabilities				
USD: VND	134	24,400	1%	43

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 0.25%, and all other factors remain unchanged, the Group's net income will decrease by NT$2,635 thousand and NT$2,336 thousand from January to September, 2024 and 2023 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%, the Group's net income would increase by NT$12,305 thousand and NT$16,171 thousand from January to September, 2024 and 2023 respectively; other comprehensive income would increase by NT$11,374 thousand and NT$4,653 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 September 30, 2024 and December 31 and September 30, 2023, the accounts receivable balances from the top ten customers as a percentage of the Group's total accounts receivable balance were 74%, 37%, and 56%, 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:

	2024.09.30				
	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term loans	$ 2,058,159	$ —	$ —	$ —	$ 2,058,159
Notes and accounts payable (including related parties)	387,325	—	—	—	387,325

	2024.09.30				
	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
Other payables (including related parties)	159,541	—	—	—	159,541
Lease liabilities	60,548	114,858	120,314	234,128	529,848
Long-term bank borrowings	2,832	5,861	6,133	523	15,349
	$ 2,668,405	$ 120,719	$ 126,447	$ 234,651	$ 3,150,222

	2023.12.31				
	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
Non-derivative financial liabilities					
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
	$ 2,182,749	$ 108,418	$ 106,770	$ 276,974	$ 2,674,911

	2023.09.30				
	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term loans	$ 1,784,178	$ —	$ —	$ —	$ 1,784,178
Notes and accounts payable (including related parties)	492,961	—	—	—	492,961
Other payables (including related parties)	150,422	—	—	—	150,422
Lease liabilities	56,548	102,317	101,015	287,289	547,169
Long-term bank borrowings	2,778	5,739	5,991	3,615	18,123
	$ 2,486,887	$ 108,056	$ 107,006	$ 290,904	$ 2,992,853

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 NT$300 million or more than 20% of the paid-in capital: None.
5. Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT$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 shareholding percentage): Please refer to Table 6.

XIV. <u>Department Information</u>

(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:

	January to September 2024					
Income	Steel Department	Real Estate Investment Department	Investment Department	Hotel Services Department	Elimination of inter-segment write-offs	Total
Revenue from external customers	$ 3,939,112	$ (72)	$ 1,491	$ 134,148	$ —	$ 4,074,679
Inter-segment revenue	—	—	—	6	(6)	—
	$ 3,939,112	$ (72)	$ 1,491	$ 134,154	$ (6)	$ 4,074,679
Operating income	$ 328,471	$ (569)	$ 9,486	$ 41,291	$ 257	$ 378,936

Income	January to September 2024					
	Steel Department	Real Estate Investment Department	Investment Department	Hotel Services Department	Elimination of inter-segment write-offs	Total
Share of net profit of affiliated companies and joint ventures under the equity method	$ 153,951	$ —	$ —	$ —	$ (73,569)	$ 80,382
Income tax expense	$ 131,392	$ 1,840	$ 144	$ 1,143	$ —	$ 134,519

Income	January to September 2023					
	Steel Department	Real Estate Investment Department	Investment Department	Hotel Services Department	Elimination of inter-segment write-offs	Total
Revenue from external customers	$ 4,953,660	$ 489,667	$ —	$ 113,108	$ —	$ 5,556,435
Inter-segment revenue	—	—	—	—	—	—
	$ 4,953,660	$ 489,667	$ —	$ 113,108	$ —	$ 5,556,435
Operating income	$ 283,861	$ 92,923	$ 16,577	$ 23,278	$ 171	$ 416,810
Share of net profit of affiliated companies and joint ventures under the equity method	$ 132,762	$ —	$ —	$ —	$ (59,969)	$ 72,793
Income tax expense	$ 104,712	$ 29,175	$ 53	$ —	$ —	$ 133,940

Mayer Steel Pipe Corporation and Subsidiaries

Loans to others

January 1 to September 30, 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	$ 20,003	$ 19,284	$ 19,284	1.22% (Note 6)	Note 3	—	In response to the subsidiary's short-term financing needs	$ 19,284	—	—	$ 450,469	$ 1,801,876
0	Mayer Steel Pipe Corporation	Mei Kong Development Co., Ltd.	Other receivables	Yes	300,000	300,000	—	—	Note 3	—	In response to the subsidiary's short-term financing needs	—	—	—	450,469	1,801,876
0	Mayer Steel Pipe Corporation	Ding Bang Development Co., Ltd.	Other receivables	No	105,650	105,650	7,400	12%-18%	Note 3	—	Meeting the need for short-term financing	—	—	—	450,469	1,801,876

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 Company's financing limit for a single enterprise shall not exceed 10% of the Company's net value in the most recent financial statements.

Note 5: The Company's aggregate financing limit shall not exceed 40% of the Company's 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 September 30, 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	$ 4,504,689	$ 72,820	$ 72,820	$ —	$ —	1.62%	$ 4,504,689	Yes	No	No
1	Mei Kong Development Co., Ltd.	De An Development Co., Ltd.	1	2,698,590 (Note 5)	2,350,000	2,350,000	390,000	—	435.41%	2,698,590 (Note 6)	No	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.

Note 5: The limit of Mei Kong Development's endorsements/ guarantees for a single enterprise shall not exceed 500% of its net value in its latest financial statement.

Note 6: The ceiling of Mei Kong Development's endorsements/ guarantees shall not exceed 500% of its net value in its latest financial statement.

Mayer Steel Pipe Corporation and Subsidiaries
Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)
September 30, 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	IBF Financial Holdings Co., Ltd.		Financial assets at fair value through profit or loss - current	10,000,000	$ 151,500	0.28	$ 151,500	Pledged 8,500 thousand shares
	Aerospace Industrial Development Corporation		〃	700,000	33,740	0.07	33,740	
	Qimin Entertainment Inc. (formerly XPEC Entertainment Inc.)		〃	70,225	—	0.04	—	
	Wistron Corporation		〃	300,000	30,300	0.01	30,300	
	Neuberger Berman ESG Quality Select Balanced Securities Investment Trust Fund TWD T ACC		〃	200,000	2,032	—	2,032	
	TCB Income Optimization Multi-asset Fund - A Non-interest distribution (NTD)		〃	100,000	993	—	993	
	TZE SHIN INTERNATIONAL CO., LTD.	Same chairman	Financial assets at fair value through other comprehensive income - current	9,400,000	226,540	4.97	226,540	Pledged 7,100 thousand shares
	Taiwan Stock Exchange Corporation		Financial assets at fair value through profit or loss - non-current	739,353	176,606	0.06	176,606	Pledge of 560 thousand shares
	De An Development Co., Ltd.		〃	3,440,531	18,802	3.75	18,802	
	Miramar Resort Taitung Ltd.	Same chairman	〃	2,389,500	403	9.00	403	
	Taiwan Linhang Asset Investment Co., Ltd.		〃	18,000,000	274,435	14.06	274,435	
	Genesis Capital Holdings Limited		〃	3,151	—	4.51	—	
	MIRAMAR HOSPITALITY CO., LTD		〃	725,000	7,662	1.95	7,662	
	Jia Rui Investment Development Co., Ltd.		Financial assets measured at fair value through other comprehensive income - non-current	2,040,000	80,933	6.07	80,933	
	CSGT (Shenzhen) Co.,Ltd.		〃	20,000	485	2.50	485	
Mei Kong Development Co., Ltd.	Jia Rui Investment Development Co., Ltd.		Financial assets measured at fair value through other comprehensive income - non-current	1,538,862	61,067	4.58	61,067	
	Xinlitong Co., Ltd. (formerly Xinglitong Logistics Co., Ltd.)		〃	1,276,600	2,324	16.08	2,324	
MAYER INN CORPORATION	ADATA Technology Co., Ltd.		Financial assets at fair value through profit or loss - current	200,000	17,740	0.07	17,740	
	INVENTEC CORPORATION		〃	100,000	4,310	—	4,310	
	Phison Electronics Corporation		〃	10,000	4,940	—	4,940	
	MIRAMAR HOSPITALITY CO., LTD		Financial assets at fair value through profit or loss - non-current	650,000	6,877	1.75	6,877	
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 September 30, 2024

Table 4

Unit: NT$ thousands

Serial number (Note 1)	Name of Transactor	Transaction counterpart	Relationship with the counterparty (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	86	Note 4	—
0	Mayer Steel Pipe Corporation	Mei Kong Development Co., Ltd.	1	Interest income	345	Note 5	0.01
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	86	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	86	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.

Mayer Steel Pipe Corporation and Subsidiaries
The name, location, etc. of the investee company - excluding investee companies in Mainland China
January 1 to September 30, 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	$ — (Note 1)	$ —	$ —	Subsidiaries
	VIETNAM MAYER CORP., LTD	Vietnam	Processing and sale of steel pipes, steel sheets and other metal products	212,601	212,601	—	100.00	278,938	26,127	26,127	Subsidiaries
	Glory World Development Limited	British Virgin Islands	Various investments	259,121	259,121	8,881,539	50.21	— (Note 2)	(1,294)	(650)	Subsidiaries
	Mei Kong Development Co., Ltd.	Taiwan	Various investments and real estate development	510,149	510,149	505,000,000	100.00	540,625	1,764	1,764	Subsidiaries
	MIRAMAR DEVELOPMENT (HK) CO., LTD.	Hong Kong	Various investments	498,923	498,923	17,100,000	90.00	40,452	9,569	8,612	Subsidiaries
	MAYER INN CORPORATION	Taiwan	Regular Hotel and International Trade	324,800	374,800	10,000,000	100.00	142,098	37,423	37,423	Subsidiaries
	Meiyi Construction Co., Ltd.	Taiwan	Real estate investment and development business	18,000	18,000	1,800,000	90.00	17,248	(396)	(357)	Subsidiaries
	GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED	Thailand	Processing and sale of steel pipes, steel sheets and other metal products	179,688	179,688	17,350,000	45.01	236,215	66,477	29,921	Invested company under the equity method
	Diamond Precision Steel Corp.	Cayman Islands	Various investments	106,248	106,248	3,527,500	42.50	221,350	117,021	49,734	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	150,446	4,590	1,377	Invested company under the equity method
Glory World Development Limited	Sinowise Devlopment 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
	Elternal 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)	(1,294)	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 NT$(80,083) thousand after being deducted by NT$19,462 thousand of provision for losses transferred from other receivables was a balance of NT$(60,621) thousand, which was transferred to non-current liabilities – others.

Note 2: Glory World Development Limited was ruled to be in a "struck off" state 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 its book equity net value NT$11,955 thousand.

Note 3: NT$814 thousand was transferred to non-current liabilities – others.

Note 4: NT$21,170 thousand was transferred to non-current liabilities – others.

Note 5: NT$210 thousand was 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

September 30, 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.	17,340	7.97
Xianda Investment Co., Ltd.	15,818	7.10

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.