

Mayer Steel Pipe Corporation and Subsidiaries
Consolidated Financial Statements
For The Years Ended December 31, 2024 and 2023
And Independent Auditors' Report

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Mayer Steel Pipe Corporation and Subsidiaries

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REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Mayer Steel Pipe Corporation as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Mayer Steel Pipe Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Mayer Steel Pipe Corporation

By

Chun-Fa Huang
Chairman

March 12, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of Mayer Steel Pipe Corporation

Opinion

We have audited the accompanying consolidated financial statements of Mayer Steel Pipe Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant policies.

In our opinion, based on our audits and the report of the other independent accountants, as described in the other matters section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards of the the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the



report of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters from the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Valuation of inventory

As of December 31, 2024, the inventory - manufacturing net amount of Mayer Steel Pipe Corporation and subsidiaries is NT\$1,251,048 thousand (after deducting allowance for inventory valuation, obsolescence losses, and idled losses of NT\$13,673 thousand). Please refer to Notes 4, 5 and 6 (8) for the consolidated financial statements. The inventory valuation of the Group are affected by international steel price and market fluctuations, possibly resulting in slow-moving inventory and subsequent obsolescence losses. The Group's accounting policies for reporting allowance for inventory valuation and obsolescence losses are based on information on the age of inventory, which comes from management's evaluation of the expected net realizable value of each product based on inventory sales and purchase price to determine the value of normal quality inventory by the lower cost and net realizable value and report allowances for valuation loss. Because such evaluation involves major judgments from management and the inventory's book value is such a major part of consolidated financial statements, we have listed inventory valuation as a key audit matters. Our primary auditing procedure for the aforementioned item is as follows:

1. Understand and evaluate the design and effectiveness of the Group's internal inventory control system, including the accuracy of reported age of inventory.

2. Evaluate the age of inventory at the end of the year and take samples to verify the accuracy of reported age of inventory.
3. Verify that basic assumptions made in the calculation of net realizable values are sound.
4. Conduct inventory sampling at the end of the year to confirm and evaluate whether the inventory is out of date or damaged.

Valuation of financial assets

As of December 31, 2024, the Group's non-current financial assets at fair value through profit or loss, non-current financial assets at fair value through other comprehensive income, and net investment accounted under the equity method totals NT\$1,219,189 thousand. Please refer to Notes 4, 5 and 6 (2), (3), (11) and 8. The Group assess their fair value and report their financial asset (losses) income at fair value, unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income, and shares of income of affiliated companies and joint ventures accounted under the equity method. These assessments are made by management based on assessment reports by professional appraisal companies and the net equity value and current gains/losses of affiliated companies. The management evaluates increases and decreases in book value to recognize the shares of investees' income, then evaluate whether there are any objective evidence of impairment to determine any impairment amount. Because book value is significant to the consolidated financial statements, we have listed non-current financial asset at fair value through other comprehensive income, non-current financial assets at fair value through other comprehensive income, and net investment amount recognized under the equity method as key audit matters. Our primary auditing procedure for the aforementioned item is as follows:

1. Obtain professional appraisal report of the Group's non-current financial assets at fair value through other comprehensive income, non-current financial assets at fair value through other comprehensive income, as well as the most recent comparable financial statements provided by affiliate companies to verify the soundness of how the fair value is determined.
2. Verify the accuracy of reported financial assets at fair value through profit or loss, unrealized gains (losses) from investments in equity instruments measured at fair value

through other comprehensive income, and shares of profits and losses of affiliated companies and joint ventures recognized under the equity method.

3. Make adjustments to the financial statements of affiliated companies based on auditing results so that the financial statements comply with the requirements and presentations of the IFRS, IAS, IFRIC, and SIC approved by Financial Supervisory Commission.

Other Matters

We did not audit the financial statements of certain Those financial statements were audited by other independent accountants, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included in the consolidated financial statements was based solely on the reports of other independent accountants. Investments in these associates amounted to NT\$387,831 thousand and NT\$374,411 thousand, representing both 5% of the consolidated total assets as of December 31, 2024 and 2023 respectively. the share of profit of these associates accounted for using equity method amounted to NT\$66,475 thousand and NT\$57,509 thousand, representing 7% and 4% of total consolidated income before income tax for the years then ended, respectively. In addition, the share of other comprehensive income of these associates accounted for using equity method amounted to NT\$4,443 thousand and NT\$(5,782) thousand, representing 4% and (31%) of total consolidated comprehensive income for the years then ended, respectively.

We have also audited the parent company only financial statements of Mayer Steel Pipe Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal

control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partners on the audit resulting in this independent auditors' report are Chun-Chih Lin and Meng-Ta Wu.

Crowe (TW) CPAs
Taipei, Taiwan (Republic of China)

March 12, 2025

Notice to Readers

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

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

Mayer Steel Pipe Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Current assets :				
Cash and cash equivalents (Note 6)	\$ 477,043	6	\$ 659,456	9
Financial assets at fair value through profit or loss-current (Note 6)	87,398	1	124,048	2
Financial assets at fair value through other comprehensive income-current (Note 6)	49,513	1	27,722	-
Financial assets at amortised cost-current (Note 6)	157,731	2	370,085	5
Notes receivable, net (Note 6)	40,611	-	27,564	-
Accounts receivable, net (Note 6)	414,397	5	490,753	7
Accounts receivable from related parties, net (Note 6 and 7)	8,221	-	9,369	-
Finance lease receivable, net (Note 6 and 8)	1,719	-	1,218	-
Other receivables (Note 6)	12,123	-	21,305	-
Other receivables from related parties(Note 7)	74	-	98	-
Current tax assets	207	-	84	-
Inventories (manufacturing business) (Note 6)	1,251,048	15	1,093,858	15
Inventories (for construction business) (Note 6 · 7 and 8)	1,917,779	23	1,181,454	16
Prepayments (Note 7)	94,675	1	23,662	-
Other current assets (Note 6 and 8)	426,415	5	447,188	6
Total current assets	4,938,954	59	4,477,864	60
Non-current assets :				
Financial assets at fair value through profit or loss-non-current (Note 6 and 7)	321,664	4	266,402	3
Financial assets at fair value through other comprehensive income-non-current (Note 6)	159,080	2	136,198	2
Investments accounted for using equity method(Note 6 and 7)	628,716	8	601,972	8
Property, plant and equipment(Note 6 and 8)	1,111,007	13	1,063,611	14
Right-of-use assets(Note 6)	479,422	6	502,447	7
Investment property (Note 6 and 8)	138,835	2	141,768	2
Intangible assets	2,503	-	2,637	-
Deferred tax assets(Note 6)	9,520	-	13,003	-
Net defined benefit asset, non-current(Note 6)	30,850	-	874	-
Other non-current assets(Note 6, 7 and 8)	465,955	6	273,323	4
Total non-current assets	3,347,552	41	3,002,235	40
Total assets	\$ 8,286,506	100	\$ 7,480,099	100
Liabilities and equity				
Current liabilities :				
Short-term loans (Note 6 and 8)	\$ 2,246,399	27	\$ 1,691,943	23
Short-term notes and bills payable (Note 6 and 8)	79,801	1	-	-
Contract liabilities-current (Note 6 and 7)	98,714	1	6,199	-
Notes payable	42,699	1	145,750	2
Accounts payable	41,831	1	84,283	1
Accounts payable to related parties (Note 7)	-	-	105	-
Other payables	194,412	2	202,418	3
Other payables to related parties (Note 7)	12	-	13	-
Current tax liabilities	73,579	1	286,368	4
Lease liabilities-current (Note 6)	61,012	1	55,444	1
Long-term liabilities, current portion (Note 6 and 8)	2,848	-	2,793	-
Other current liabilities, others	14,087	-	31,944	-
Total current liabilities	2,855,394	35	2,507,260	34
Non-current liabilities :				
Long-term loans (Note 6 and 8)	11,799	-	14,641	-
Provisions-non-current (Note 6)	80,016	1	81,371	1
Current tax liabilities, non-current (Note 6)	10,580	-	50,488	1
Deferred income tax liabilities (Note 6)	191,448	2	179,741	3
Lease liabilities-non-current (Note 6)	454,363	6	477,521	6
Other non-current liabilities, others(Note 6)	91,821	1	96,714	1
Total non-current liabilities	840,027	10	900,476	12
Total liabilities	3,695,421	45	3,407,736	46
Equity attributable to owners of parent				
Capital stock (Note 6)	2,670,313	32	2,225,261	30
Capital surplus(Note 6)	281,622	4	281,622	4
Retained earnings(Note 6)				
Legal reserve	435,767	5	328,919	4
Special reserve	102,504	1	102,504	1
Unappropriated retained earnings	983,008	12	1,101,819	15
Total retained earnings	1,521,279	18	1,533,242	20
Other equity interest (Note 6)	108,346	1	26,838	-
Total equity attributable to owners of parent	4,581,560	55	4,066,963	54
Non-controlling interests (Note 6)	9,525	-	5,400	-
Total equity	4,591,085	55	4,072,363	54
Total liabilities and equity	\$ 8,286,506	100	\$ 7,480,099	100

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

Mayer Steel Pipe Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Operating revenue (Note 6, 7 and 14)	\$ 5,241,842	100	\$ 7,009,437	100
Operating costs (Note 6 and 7)	(4,445,533)	(85)	(6,169,153)	(88)
Gross profit from operations	796,309	15	840,284	12
Unrealized profit (loss) from sales	(4,661)	-	(5,494)	-
Realized profit (loss) on from sales	5,494	-	2,337	-
Gross profit from operations	797,142	15	837,127	12
Operating expenses (Note 6 and 7)				
Selling expenses	(101,102)	(2)	(123,269)	(2)
Administrative expenses	(216,977)	(4)	(210,988)	(3)
Expected credit loss (reversal)	9,009	-	16,080	-
Total operating expenses	(309,070)	(6)	(318,177)	(5)
Net operating income	488,072	9	518,950	7
Non-operating income and expenses				
Interest income (Note 6)	23,829	1	31,649	1
Other income (Note 6 and 7)	310,661	6	819,510	12
Other gains and losses, net (Note 6 and 7)	98,246	2	(83,178)	(1)
Finance costs, net (Note 6 and 7)	(41,770)	(1)	(62,106)	(1)
Share of profits of subsidiaries and associates (Note 6 and 14)	105,917	2	97,095	1
Total non-operating income and expenses	496,883	10	802,970	12
Profit (loss) from continuing operations before tax	984,955	19	1,321,920	19
Income tax expense (Note 6 and 14)	(158,013)	(3)	(252,349)	(4)
Net Income	826,942	16	1,069,571	15
Other comprehensive income (loss)				
Remeasurement of defined benefit obligation (Note 6)	29,070	1	697	-
Unrealised gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 6)	67,104	1	26,938	-
Items that will not be reclassified to profit or loss	96,174	2	27,635	-
Exchange differences on translation (Note 6)	6,149	-	(7,212)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (Note 6)	12,669	-	(3,885)	-
Other comprehensive loss for the year, net of income tax (Note 6)	(3,713)	-	2,214	-
Items that will be reclassified to profit or loss	15,105	-	(8,883)	-
Other comprehensive income, net	111,279	2	18,752	-
Total comprehensive income	\$ 938,221	18	\$ 1,088,323	15
Net Income attributable to:				
Shareholders of the parent	\$ 826,068	16	\$ 1,067,784	15
Non-controlling interests	874	-	1,787	-
	\$ 826,942	16	\$ 1,069,571	15
Total comprehensive income attributable to:				
Shareholders of the parent	\$ 937,096	18	\$ 1,086,562	15
Non-controlling interests	1,125	-	1,761	-
	\$ 938,221	18	\$ 1,088,323	15
Basic earnings per share (Note 6)	\$ 3.09		\$ 4.00	

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

Mayer Steel Pipe Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	Retained Earnings						Others				Total	Non-controlling Interests	Total Equity
	Common Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Foreign Translation	Currency Reserve	Unrealized Gain(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total			
Balance, 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	
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	17,044	-	(17,044)	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(222,526)	(222,526)	-	-	(222,526)	-	(222,526)	(222,526)	
Net income in 2023	-	-	-	-	1,067,784	1,067,784	-	-	1,067,784	-	1,787	1,069,571	
Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	697	697	(8,857)	26,938	18,081	18,778	(26)	18,752	
Total comprehensive income (loss) in 2023	-	-	-	-	1,068,481	1,068,481	(8,857)	26,938	18,081	1,086,562	1,761	1,088,323	
Balance, December 31, 2023	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	
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	106,848	-	(106,848)	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(445,052)	(445,052)	-	-	(445,052)	-	(445,052)	(445,052)	
Common stock dividends	445,052	-	-	-	(445,052)	(445,052)	-	-	-	-	-	-	
Net income in 2024	-	-	-	-	826,068	826,068	-	-	826,068	-	874	826,942	
Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	29,070	29,070	14,854	67,104	81,958	111,028	251	111,279	
Total comprehensive income (loss) in 2024	-	-	-	-	855,138	855,138	14,854	67,104	81,958	937,096	1,125	938,221	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	23,003	23,003	-	(450)	(450)	22,553	3,000	25,553	
Balance, December 31, 2024	\$ 2,670,313	\$ 281,622	\$ 435,767	\$ 102,504	\$ 983,008	\$ 1,521,279	\$ (11,643)	\$ 119,989	\$ 108,346	\$ 4,581,560	\$ 9,525	\$ 4,591,085	

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

Mayer Steel Pipe Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities		
Profit (loss) before tax	\$ 984,955	\$ 1,321,920
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	138,314	138,250
Amortization expense	9,196	9,944
Expected credit loss (gain)	(9,009)	(16,080)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(50,424)	(2,171)
Interest expense	41,770	62,106
Interest income	(23,829)	(31,649)
Dividend income	(35,880)	(45,034)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(105,917)	(97,095)
Loss (gain) on disposal of property, plan and equipment	182	381
Loss (gain) on disposal of investments	(51,146)	34,864
Other adjustments to reconcile profit (loss)	477	3,529
Total adjustments to reconcile profit (loss)	(86,266)	57,045
Changes in operating assets and liabilities		
Financial assets mandatorily measured at fair value through profit or loss	95,360	7,690
Notes receivable	(13,047)	40,853
Accounts receivable	77,043	(19,066)
Accounts receivable from related parties	1,148	5,734
Other receivable	12,212	110,607
Other receivables from related parties	24	(98)
Inventories	(893,515)	(252,558)
Prepayments	(71,013)	120,931
Other current assets	41,384	30,945
Total changes in operating assets	(750,404)	45,038
Contract liabilities	92,515	(68,940)
Notes payable	(103,051)	(111,922)
Accounts payable	(42,452)	50,461
Accounts payable to related parties	(105)	(15)
Other payable	(6,884)	80,216
Other payable to related parties	(1)	(269)
Provisions	(1,355)	47,180
Other current liabilities	(17,857)	24,642
Net defined benefit liability	(906)	(769)
Total changes in operating liabilities	(80,096)	20,584
Total changes in operating assets and liabilities	(830,500)	65,622
Total adjustments	(916,766)	122,667
Cash inflow (outflow) generated from operations	68,189	1,444,587
Interest received	29,121	57,383
Dividends received	134,163	139,953
Interest paid	(29,484)	(48,534)
Income taxes refund (paid)	(399,387)	(93,289)
Net cash generated by (used in) operating activities	(197,398)	1,500,100

(Continued)

	2024	2023
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(39,054)	(41,520)
Proceeds from disposal of financial assets at fair value through other comprehensive income	40,094	-
Proceeds from return of capital of financial assets at fair value through other comprehensive income	10,930	-
Acquisition of financial assets at amortized cost	(157,202)	(371,633)
Proceeds from redemption of financial assets at amortized cost	372,849	19,655
Acquisition of property, plant and equipment	(118,452)	(119,148)
Proceeds from disposal of property, plant and equipment	23	57
Increase in refundable deposits	(216,402)	-
Decrease in refundable deposits	-	236,629
Acquisition of intangible assets	-	(160)
Increase in long-term lease and installment receivables	(12,866)	-
Decrease in long-term lease and installment receivables	-	795
Increase in other non-current assets	(14,346)	(7,600)
Increase in prepayments for business facilities	-	(5,102)
Decrease in prepayments for business facilities	41,032	-
Other investing activities	(834)	3,157
Net cash generated by (used in) investing activities	(94,228)	(284,870)
Cash flows from financing activities :		
Increase in short-term loans	554,456	-
Decrease in short-term loans	-	(843,036)
Increase in short-term notes and bills payable	79,801	-
Decrease in short-term notes and bills payable	-	(36,985)
Repayments of long-term loans	(2,787)	(2,738)
Decrease in guarantee deposits received	(10,500)	(3,000)
Payments of the principal portion of lease liabilities	(71,987)	(71,581)
Cash dividends paid	(445,052)	(222,526)
Change in non-controlling interests	3,000	-
Net cash generated by (used in) financing activities	106,931	(1,179,866)
Effect of exchange rate changes on cash and cash equivalents	2,282	(4,834)
Net increase (decrease) in cash and cash equivalents	(182,413)	30,530
Cash and cash equivalents, beginning of year	659,456	628,926
Cash and cash equivalents, end of year	\$ 477,043	\$ 659,456

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

Mayer Steel Pipe Corporation and subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL INFORMATION

Mayer Steel Pipe Corporation (hereby referred to as “The Company”), was founded in September 1959 in compliance with the Company Act of the Republic of China and registered in Taipei City. The Company is the first professional steel pipe manufacturer in Taiwan. The primary business of the Company and its entities is to specialize in the production and sales of black steel pipes, galvanized steel pipes and stainless-steel coils for pipes. The Company was also awarded the CNS Mark certificate by the Bureau of Standards, Metrology, and Inspection of the Ministry of Economic Affairs for “black welded steel pipes for low pressure use, zinc-coated welded steel pipes for low pressure use, carbon steel pipes for general structures, carbon steel pipes for machine structures, and electrical metallic tubing”. In order to expand diversified operations, the Company established its construction department in 2003 and purchased land to build public housing in independent or joint construction projects. To learn more about the major construction projects of the Company and its subsidiaries (hereby referred to as “The Group”), please refer to Note 4 (3).

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

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 12, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024 (Note 3)
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements ”	January 1, 2024 (Note 4)

Note 1: The amendment clarifies that in a sale and leaseback transaction, if the transfer of an asset qualifies as a sale under IFRS 15, the lease liability incurred by the seller-lessee as a result of the leaseback should be accounted for in accordance with IFRS 16. Furthermore, if variable lease payments that are not based on an index or a rate are involved, the seller-lessee should still determine and recognize the lease liability arising from such variable payments in a manner that precludes the recognition of gains and losses related to the retained right-of-use asset. Any difference between the actual lease payments made subsequently and the reduction in the carrying amount of the lease liability should be recognized in profit or loss.

Note 2: The amendments clarify that when an entity determines whether a liability is classified as non-current, it should assess whether it has the right to defer the settlement for at least twelve months after the reporting period. If the entity has that right at the end of the reporting period, that liability must be classified as non-current regardless of whether the entity expects to exercise the right. If the entity must meet certain conditions to have the right to defer the settlement of a liability, the entity must have met those conditions as of the end of the reporting period to classify the liability as non-current, even if the lender assesses the entity’s compliance at a later date.

The aforementioned settlement refers to the transfer of cash, other economic resources, or the entity’s equity instruments to the counterparty to extinguish the

liability. However, if the terms of the liability provide the counterparty with an option to settle the liability using the entity's equity instruments, and this option is separately recognized in equity in accordance with IAS 32 "Financial Instruments: Presentation", then such terms do not affect the classification of the liability.

Note 3: This amendment further clarifies that only contractual terms that must be complied with before the end of the reporting period will affect the classification of a liability as of that date. Contractual terms that must be complied with within 12 months after the reporting period do not affect the classification of liabilities at the reporting date. However, if a liability is classified as non-current but may need to be repaid within 12 months after the reporting period due to potential non-compliance, the relevant facts and circumstances should be disclosed in the notes.

Note 4: Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of an entity, with the entity agreeing to repay the financing providers on the payment date agreed upon with the suppliers or at a later date. The amendments to IAS 7 require an entity to disclose information about its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on the entity's liabilities, cash flows, and exposure to liquidity risk. The amendments to IFRS 7 incorporate into its application guidance that, when disclosing how an entity manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements and whether these arrangements may lead to a concentration of liquidity risk.

The Group assesses the application of the above standards, amendments and interpretations have not material impact on the Group's financial position and financial performance.

3.2 The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by FSC with effective date starting 2025

New standards, interpretations and amendments endorsed by the FSC and effective from 2025 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 21, “Lack of Exchangeability”	January 1, 2025 (Note)

The amendments define exchangeability and provide application guidance on how an entity should determine the spot exchange rate at the measurement date when a currency lacks exchangeability. Additionally, the amendments require entities to disclose more useful information in their financial statements when a currency cannot be exchanged for another currency.

As of the date the parent Group only financial statements were reported to the board of directors and authorized for issue, the Group is continuously assessing the possible impact that the initial application of the other standards and the amendments and interpretations will have on their financial position and financial performance and disclose the relevant impact when the assessment is completed.

3.3 IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 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 Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards— Volume 11	January 1, 2026

Except as noted below, based on the Group's assessment, the above standards and interpretations do not have a significant impact on the Group's financial position and financial performance.

1. Amendments to IFRS9 and IFRS7 "Amendments to the Classification and Measurement of Financial Instruments"

The IASB issued the amendments to:

- (1) Clarifies the recognition and derecognition dates of certain financial assets and liabilities and introduces a new exception for the derecognition of a financial liability (or part of a financial liability) settled through an electronic payment system. Under this exception, an entity is permitted to derecognize a financial liability before the settlement date if, and only if, the entity has initiated a payment instruction and the following conditions are met:
 - A. The entity does not have the practical ability to revoke, stop, or cancel the payment instruction;
 - B. The entity no longer has the practical ability to access the cash used for settlement as a result of the payment instruction; and
 - C. The settlement risk associated with the electronic payment system is not significant.
- (2) Clarifies and provides additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope includes contractual terms that may alter cash flows based on contingent events (e.g., interest rates linked to ESG targets), instruments with nonrecourse features, and contractually linked instruments.
- (3) Introduce new disclosure requirements for certain instruments with contractual terms that may alter cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance (ESG) targets). These disclosures include a qualitative description of the nature of the contingent event, quantitative information on the potential changes in contractual cash flows resulting from these contractual terms, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to these contractual terms.

- (4) Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVTOCI). The entity shall disclose the fair value of each class of investment but is no longer required to disclose the fair value of each individual investment. Additionally, the amendments require the entity to disclose the fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains or losses related to investments derecognized during the reporting period; the fair value gains or losses related to investments held at the end of the reporting period; and any transfers of cumulative gains or losses within equity during the reporting period related to investments derecognized during that period.

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

The amendments apply to contracts that expose an entity to variability in electricity generation due to uncontrollable natural conditions (such as the weather). These amendments include:

- (1) Clarifying the application of the ‘own use’ requirements for contracts to buy or sell nature-dependent electricity:

When a contract requires an entity to purchase and take delivery of electricity as it is generated, and the design and operation of the electricity market in which the contract is transacted require the entity to sell any unused electricity within a specified time frame, the entity shall consider reasonable and supportable information regarding its past, current, and expected future electricity transactions within a reasonable period not exceeding 12 months.

An entity applying these amendments to own-use contracts involving nature-dependent electricity shall disclose the following:

- A. The variability in the underlying amount of electricity and the risk that the entity may be required to purchase electricity during a delivery interval in which it cannot use the electricity;
- B. Unrecognized contractual commitments, including the expected future cash flows from purchasing electricity under these contracts; and

C. The impact of these contracts on the entity's financial performance for the reporting period.

- (2) Clarifying the application of hedge accounting for contracts involving nature-dependent electricity as hedging instruments:

An entity is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that aligns with the variable amount of nature-dependent electricity expected to be delivered by the generation facility referenced in the hedging instrument. Additionally, when a contract involving nature-dependent electricity is designated as a hedging instrument in a cash flow hedge relationship, and its cash flows are conditional on the occurrence of a forecast transaction, that forecast transaction is presumed to be highly probable.

For entities that designate contracts involving nature-dependent electricity as hedging instruments, the terms and conditions of such hedging instruments shall be disclosed by risk category in accordance with IFRS 7.

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

The amendments address an existing inconsistency between IFRS 10 and IAS 28. The recognition of a gain or loss arising from the sale or contribution of assets between an investor and its associate or joint venture depends on the nature of the assets transferred:

- (a) If the assets sold or contributed constitute a business, the full gain or loss is recognized;
- (b) If the assets sold or contributed do not constitute a business, the gain or loss is recognized only to the extent of the investor's interest that is not attributable to related parties in the associate or joint venture.

4. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18, Presentation and Disclosure in Financial Statements, replaces IAS 1. The standard introduces a structured format for the statement of profit or loss, disclosure requirements for management-defined performance measures, and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

5. IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

The standard allows eligible subsidiaries to apply IFRSs with reduced disclosure requirements.

As of the date the accompanying consolidated financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Significant accounting policies adopted during the preparation of the parent company only financial statements are described as follows: Unless otherwise stated, such policies are consistently applicable to all the periods presented.

(1) Statement of Compliance

This consolidated financial report have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuer and the IFRSs endorsed by the FSC with the effective dates.

(2) Basis of Preparation

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

B. The preparation of financial statements in compliance with IFRSs as endorsed by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

C. 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.

(3) Basis of Consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Each component of profits and losses and other comprehensive profits and losses belong to the owners and non-controlling interests of the parent company.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions (i.e., transactions among owners in their capacity as owners). Difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity.
- (e) If the Group loses control of a subsidiary, its remaining investments in the former subsidiary shall be remeasured based on fair value and count as the fair value of the originally recognized financial assets or the cost of originally recognized investment in an affiliated company or joint venture. The difference between fair value and carrying amount will be recognized as the profit or loss for the period. All amounts previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss.

B. The subsidiaries in the consolidated financial statements

The subject of this consolidated financial statements is as follows:

Name of Investor	Name of subsidiary	Nature of business	Ownership (%)	
			2024.12.31	2023.12.31
Mayer Steel Pipe Corporation	Vietnam Mayer Co., Ltd.	Processing and sales of steel pipes, steel plates and other metal products	100.00%	100.00%
	Mei Kong Development Ltd.	Various investment and property development business	100.00%	100.00%
	Miramar Development Limited	Various investment business	90.00%	90.00%
	Mayer Inn Corporation	Various wholesale trade and general hotel business	100.00%	100.00%
	Mei Yi Architecture Co.,Ltd.	Real Estate Development Activities	90.00%	90.00%

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

D. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign Currency Translation

A. Items included in the financial statements of each of the Group's entities are all measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in New Taiwan Dollars, which is the Group's functional and presentation currency.

B. In preparing the individual financial statements of each consolidated entity, transactions in currencies other than the functional currency of the entity (foreign currency) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange difference on monetary items are recognized as the period's profit or loss. Non-monetary items measured at fair value that are denominated in foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Exchange difference arising on the are retranslation of non-monetary items are

included in profit of loss for the year except for exchange difference arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange difference are also recognized directly in other comprehensive income. Non-monetary items that are measured by historical cost in a foreign currency are not retranslated.

C. In preparation of consolidated financial statements, the assets and liabilities of foreign operations are translated to NTD using the exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated at the average exchange rate for the period. Exchange difference are recognized in other comprehensive income and accumulated in equity attributed to the owners.(and appropriately allocated to non-controlling interests).

(5) Classification of Current and Non-Current Assets and Liabilities

The Group engages in the development of buildings through contracted construction companies. Given that the operating cycle of such construction activities typically exceeds one year, assets and liabilities related to construction contracts are classified as current or non-current based on the Group's operating cycle. All other items are classified as current or non-current in accordance with the general criteria set out in IAS 1 Presentation of Financial Statements.

A. Assets that meet one of the following criteria are classified as current assets.

- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realized within 12 months after the balance sheet date; or
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

Assets that meet none of the above criteria are classified by the Company as noncurrent assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities.

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities held mainly for trading purposes;
- (c) Liabilities that are to be settled within 12 months after the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities that meet none of the above criteria are classified by the Company as non-current liabilities.

(6) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including the original maturity of the time deposits within three months.)

(7) Financial Instruments

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

In the initial recognition of financial assets and financial liabilities, if financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit and loss are immediately recognized as profit and loss.

Financial Assets

A. Category of financial assets and measurement

Regular transaction of financial assets are recognized on the day of transaction.

Financial assets transactions on a regular way purchase or sale are recognized and derecognized using trade date accounting.

The Group has held categories of financial assets are including financial assets at fair value through profit or loss, financial assets at amortized cost and equity instrument at fair value through other comprehensive income.

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

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and financial assets designated to be measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments that the Group did not designate to be measured at fair value, or investment in debt instruments that cannot be classified as either measured at cost after amortization or measured at fair value through other comprehensive gains and losses.

Financial assets at fair value through profit or loss are recognized at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss. These profit or loss incorporates any dividends or interests. For the method of determining fair value, please refer to Note 12 (2).

(b) Financial assets at amortized cost

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

- i. The financial asset are held under certain business models with the purpose of holding financial assets to collect contractual flows, and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are measured by the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

With exception to the following two conditions, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset:

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

ii. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

(c) Equity instrument at fair value through other comprehensive income

On initial recognition, the Group may irrevocably designate investments in equity investments that are not held for trading as at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value. Subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments measured at fair value through other comprehensive income are recognized in profit and loss when the Group's right to receive the dividends is established, unless the dividends clearly represent partial recovery of the investment cost.

B. Impairment of financial assets

The Group recognizes a loss allowance for financial assets (including accounts receivable) at amortized cost based on expected credit loss assessment at the end of the reporting period, investment in debt instruments measured at fair value through other comprehensive income, finance lease receivables, or contract assets.

Accounts receivable, contract assets and financial lease receivables are all recognized as allowance for loss based on expected credit losses of the duration. Other financial assets are first assessed to determine whether there has been significant increases to credit risk since the initial recognition. If there has been no significant increase, the 12-month expected credit loss is recognized as allowance of loss. If there has been significant increase, then the duration expected credit loss is recognized as allowance for loss.

Expected credit loss is the weighted average credit loss based on default risk. 12-month expected credit loss refers to expected credit losses arising from possible defaults of financial instruments within 12 months after the reporting date. Duration

expected credit loss refers to expected credit losses arising from possible defaults during the expected duration of a financial instrument.

The impairment loss of all financial assets reduces carrying amount by the allowance account, with exception to the allowance of loss of debt instrument investments measured at fair value through other comprehensive income, which is recognized as other comprehensive income and does not reduce the carrying amount of the financial asset.

C. Derecognition of financial assets

The Group only derecognizes financial assets when the contractual rights to the cash flows from the financial assets expire, or when financial assets have been transferred and almost all the risks and rewards of the ownership of the assets have been transferred to other entity.

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

Equity Instruments

An equity instrument refers to any contract that recognizes the remaining equity of the Group after deducting all liabilities from its assets. The equity instruments issued by the Group are recognized at the amount obtained after deducting direct issuance costs.

Retrieving the company's own equity instruments is recognized and deducted under equity. The purchase, sale, issuance, or cancellation of the company's own equity instruments are not recognized in profit or loss.

Financial Liabilities

A. Subsequent assessments

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term. Derivatives are also categorized as financial liabilities held for trading unless they are financial guarantee contracts or designated and effective hedging derivatives. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition.

B. Derecognition of financial liabilities

The Group only derecognizes financial liabilities when obligations are discharged, cancelled or expired. In derecognizing financial liabilities, the difference between the carrying amount and the total consideration paid and payable is recognized as profit or loss.

Modification of Financial Instruments

When the contractual cash flows of a financial instrument are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liabilities using the original effective interest rate and recognises a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial instrument and are amortised over the remaining term of the modified financial instrument. If the renegotiation or modification results in that the derecognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

If the basis for determining the contractual cash flows of a financial asset or financial liability changes resulting from interest rate benchmark reform and the change is necessary as a direct consequence of interest rate benchmark reform and the new basis

for determining the contractual cash flows is economically equivalent to the previous basis, the Group applies the practical expedient to account for that change as a change in effective interest rate. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient aforementioned to the changes required by interest rate benchmark reform, and then applies the applicable requirements to any additional changes to which that practical expedient does not apply.

(8) Inventories – Manufacturing Business

Inventories include raw materials, materials, finished products, and works in progress. Acquisition cost is used as the accounting basis for inventories, and costs are calculated through weighted average. Inventory is measured by cost or net realizable value, depending on which is lower. Cost and net realizable value are compared based on individual items unless the inventories are of the same category. Net realizable value refers to estimated selling price under normal circumstances after subtracting the estimated costs and sales expenses that need to be invested to complete the project. Inventory write-downs and unallocated fixed expenses when actual production is lower than normal production capacity are transferred to the current cost of goods sold.

(9) Inventories – Construction Business

Inventories include properties for sale, properties under construction, and prepaid land payments. Inventories are recorded based on acquisition cost, and construction profit and loss is recognized according to the completed contract method. Prepaid land payments are transferred under construction land after the Group obtains ownership, then transferred once again under construction site when active development begins. Relevant interests are capitalized from the start of active development or construction work to project completion.

(10) Joint Agreement

Investment joint agreements are divided into joint operations and joint ventures based on contractual rights and obligations.

Joint Operations

Regarding equity in joint operations, the Group recognizes its direct rights (and their shares) in the assets, liabilities, income and expenses of the joint operation, which have been included under applicable items in the financial report.

(11) Investments Accounted for Using Equity Method - Associates.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence refers to the power to participate in but not control nor jointly control financial and operating policy decisions of the investee company. The Group adopts the equity method in handling investments in associates. Under the equity method, investment in associates are initially recognized at cost. After the date of acquisition, the carrying amount is increased or decreased in accordance with the share of profits and losses of associates and other comprehensive income enjoyed by the Group and profit distribution. In addition, changes in the equity of associates are recognized based on the ownership percentage.

If the Group does not subscribe or acquire new shares issued by associates according to its ownership percentage, resulting in changes to the ownership percentage, thus causing increases or decreases in the net equity value of the investment, the increase or decrease is adjusted to the “capital surplus” and “investments accounted for using equity method”. However, if not subscribe or acquire new shares according to ownership percentage resulted in a decrease in the Group’s ownership interest in the associates, the amount recognized in the other comprehensive income related to the associates shall be reclassified according to the reduction percentage. The basis of this accounting process is the same as the associates must follow if they directly dispose of relevant assets or liabilities. If the former adjustment must be debited to additional paid-in capital, but the paid-in capital generated by investments using the equity method is insufficient, the difference will be debited to retained earnings.

The Group will cease to recognize further losses if the Group's share of losses in an associates equals or exceeds its equity in the associates. The Group only recognizes additional losses and liabilities within the scope of legal obligations, constructive obligations, or payments made on behalf of associates.

If the acquisition cost exceeds the Group's share of the net fair value of the associates's identifiable assets and liabilities on the date of acquisition, the exceeded amount is listed as goodwill. This goodwill is included in the carrying amount of the investment and cannot be amortized. If the Group's share of the net fair value of the associates's identifiable assets and liabilities on the date of acquisition exceeds the acquisition cost, the difference is listed as current income.

When assessing impairment, the Group treats the overall book value of the investment (including goodwill) as a single asset and compares the recoverable amount (value in use or fair value minus sales costs, whichever is higher) with the book value to test for impairment. The recognized impairment loss is also part of the book value of the investment. Any reversal of impairment losses shall be recognized within the scope of the subsequent increase in the recoverable amount of the investment.

The Group will cease to adopt the equity method from the date it ceases to be a significant influence over an associate. It will then measure its remaining investments in the former associates at fair value. The fair value of remaining investments and the difference between any disposition price and the book value of the investment on the day the Group ceases to be a significant influence shall be included in the current profit and loss. In addition, the accounting basis for amounts recognized in other comprehensive income related to said associates is the same as the basis that the associates must follow if it directly disposes of relevant assets or liabilities.

Gains and losses resulting from upstream, downstream, and sidestream transactions between the Group and its associates are only recognized in the consolidated financial statement to the extent that they are unrelated to the Group's equity in the associates.

(12)Property, Plants and Equipment

Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. For property, plant and equipment under construction, sample produced from testing whether the asset is functioning properly before its intended use are measured at lower of the costs or net realizable value. Proceeds from selling such an item and the cost of the item are recognized in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance expenses are recognized in profit or loss as incurred.

Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in accounting estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 to 56 years
Machinery and equipment	3 to 20 years
Transportation equipment	2 to 17 years
Other equipment	3 to 20years
Leasehold improvements	3 to 14 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(13)Leases

The Group assesses whether a contract belongs to (or includes) a lease on the day the contract is established. For contracts with a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to the lease components based on the relative stand-alone price of each lease component and the aggregate stand-alone price of non-lease components.

A. The Group as lessee

Except from recognizing short-term and low-value leases on a straight-line bases, the Group recognizes right-of-use assets and lease liability for all arrangements in which it is a lessee.

(a) Right-of-use assets

Right-of-use assets are initially measured at cost (including the amount of the initial measurement of the corresponding lease liability, lease payment made prior to the commencement date of the lease minus lease incentives received, initial direct costs, and the estimated cost of restoring the underlying asset). Subsequent measurements are based on cost minus accumulated depreciation and impairment, adjusted by the re-measurement of lease liability.

With exception to right-of-use assets that can be defined as investment properties, right-of-use assets are reported in consolidated balance sheets as line items.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the useful life of the right-of-use asset or the end of the lease term. However, if ownership of an underlying asset will be obtained by the Group at the end of the lease term, or if the cost of a right-of-use asset reflects the exercise of the purchase option, the asset is depreciated from the commencement date of the lease to the end of the underlying asset's useful life.

(b) Lease liabilities

Lease liabilities are initially measured at the present value of lease payments (including fixed payment, substantive fixed payment and deduction of lease incentives). If the interest rate implicit in the lease is readily determinable, then lease payments are discounted using the interest rate. If the interest rate implicit in the lease is not readily determinable, the incremental borrowing rate of the lessee will be used instead.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are amortized during the lease term. During the lease term, if evaluation of the purchasing options of the underlying asset, amounts expected to be paid under residual value guarantees, or variable lease

payments that depend on an index or a rate causes a change in future lease payments, the Group will remeasures the lease liability and make corresponding adjustments to right-of-use assets. However, if the book value of right-of-use assets has been reduced to zero, the remaining re-measurement amount will be recognized in profit and loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

B. The Group as the lessor

Leases that transfer substantially all risks and rewards incidental to the underlying asset are categorized as finance leases. Otherwise, they are categorized as operating leases.

When a lease includes land and building components, the Group assesses each component to categorize them as wither a finance lease or operating lease and allocate lease payments (including any one-off front-end payments) between the land and buildings in proportion to their fair values at the commencement date of the contract. If lease payments cannot be reliably allocated to these two components, then the overall lease is categorized as a finance lease. However, if these two components are clearly in line with operating lease standards, then the overall lease is categorized as an operating lease.

When subleasing right-of-use assets, the Group uses right-of-use assets (instead of underlying assets) to determine the classification of the sublease. However, if the main lease is a short-term lease for which the recognition exemption applies to the Group, the sublease is classified as an operating lease.

Under finance leases, lease payment includes both fixed payments (including in-substance fixed payments) and variable lease payments that depend on an index or rate. Net lease investment is the sum of the present value of both the lease receivable and the unguaranteed residual value plus the original direct cost that is expressed as the financial lease receivable. The Group allocates finance income over the lease term on a systematic and rational basis to reflect the constant periodic rate of return on the Group's net investment in the lease.

Under operating leases, lease payments after deducting lease incentives are recognized on a straight-line basis. Lease negotiation with the lessee is accounted as a new lease from the effective date of the lease modification.

(14) Investment Property

Investment property refers to property held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for a currently undetermined future use. And right-of-use assets that meet the definition of investment property.

Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The Group recognizes depreciation on a straight line basis. In other words, the asset cost minus residual value is allocated over the useful life of the investment property.

Derecognize investment properties that disposed of or permanently withdrawn from use, or if the disposal of which can no longer be expected to generate future economic benefits. The amount of gains or losses resulting from the derecognition of investment properties is the difference between the net disposal price and the carrying amount of the assets in question and are recognized in that period's profit or loss.

(15) Intangible Assets

Goodwill

The cost of goodwill obtained from business combinations is measured at the goodwill amount recognized on the date of acquisition and subsequently measured at cost less accumulated impairment losses.

Other Intangible Assets

Separately-acquired intangible assets with finite useful lives are recognized as cost less accumulated amortization and accumulated impairment, and amortized in a straight-line basis over the useful lives. The estimated useful lives and amortization method are reviewed at the end of the reporting period, with prospective application for any impact of estimated changes.

Derecognize intangible assets that are disposed of or if the disposal or usage of which can no longer be expected to generate future economic benefits. The amount of gains or losses resulting from the derecognition of intangible assets is the difference between the net disposal price and the book value of the assets in question and are recognized in that period's profit or loss.

(16) Impairment of Non-Financial Assets

The Group assesses at the end of each reporting period the recoverable amounts of those assets where there are any impairment indications. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. If there are no asset impairments recognized in the previous year, the amount can be reversed within the scope of losses recognized in the previous year.

(17) Provisions

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

(18) Employee Benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service, and shall be recognized as expenses when the employees have rendered service.

B. Pensions

(a) Defined contribution plans

Under the defined contribution plan, the pension amount appropriated during the service years of the employees is recognized as the current pension cost.

(b) Defined benefit plans

The defined benefit cost of defined benefit plans (including the cost of service, net interest, and reevaluation) is calculated using the projected unit credit method. Cost of service and net defined benefit liability (asset) interest shall be recognized

as employee benefit expenses at the time of realization. Reevaluation (including actuarial gains and losses, changes in the impact of asset limits, and planned asset returns after interest deduction) shall be recognized as other comprehensive income, reported as retained earnings at the time of realization, and not be reclassified as income in subsequent periods.

The net defined benefit liability (asset) is the amount short (remaining) in appropriation of the defined benefit retirement plan. Net defined benefit assets shall not exceed the refund of the appropriated fund or decrease the present value of appropriation of fund in the future.

C. Employees' remuneration and directors' remuneration

Employees' remuneration and directors' remuneration are recognized as expense and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

D. Termination benefits

Termination benefits are benefits provided when an employee's employment is terminated before their normal retirement date or when the employee decides to accept the company's offer of benefits in exchange for termination of employment. The Group recognizes termination benefit liabilities when it can no longer withdraw termination benefit offers or recognize relevant restructuring costs (whichever is earlier).

(19) Revenue Recognition

The Group applies the following steps for revenue recognition:

- (1) Identifying the contract;
- (2) Identifying performance obligations;
- (3) Determine the transaction price;
- (4) Allocating the transaction price to performance obligations; and
- (5) Recognizing revenue when (or as) a performance obligation is satisfied.

A. Merchandise sales

Merchandise sales come from the sale of merchandise such as carbon steel and stainless steel. Merchandise sold by the Group is mainly recognized when customers obtain control of their promised assets, that is, when the Group fulfills its obligations by delivering the merchandise to the designated location. Payments received before the merchandise is delivered are recognized as contract liabilities.

When materials are sent in for processing, control and ownership of the processed product is not transferred, therefore material for processing is not recognized as revenues.

Merchandise sales is measured at fair value based on considerations receivable minus estimated returns, discounts, and other allowances. Based on experience, the Company considers different contract conditions to estimate possible sales returns and discounts, and recognizes refund liabilities (payable expenses and other current liabilities).

B. Sale of property and land

For real estate sales within the scope of normal business activity, a fixed transaction price is charged in installments and contract liabilities are recognized. After considering major financial components, revenue is recognized when the real estate sold is completed and delivered to the buyer.

C. Room revenue

Room revenue comes from the operation of tourist hotels. The operating concession agreement does not exceed the agreed price, and revenue is recognized when the service is actually provided.

(20) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset until almost all necessary activities for the asset to reach its intended use or sale status have been completed.

Specific borrowings, such as income from temporary investments prior to qualifying capital expenditures, are deducted from borrowing costs that meet capitalization conditions.

Except for the above scenarios, all other borrowing costs are recognized as an expense for the period in which they occurred.

(21) Income Tax

Income tax expense is the sum of current income tax plus deferred income tax.

A. Current income tax

Current income tax liabilities are based on the taxable income of the current year. Because some income and expenses are taxable or deductible items in other years or non-taxable and non-deductible items according to relevant tax laws, the taxable income is not the same as the net profit reported in the consolidated comprehensive balance sheet. The current income tax-related liabilities of the Group are calculated based on the tax rate that has been legislated or has been substantively legislated at the balance sheet date.

Additional profit-seeking enterprise income tax on unappropriated retained earnings are listed as income tax expense of shareholders' resolution year according to the Income Tax Act.

Adjusted the income tax payable of the past year that recognize as current income tax.

B. Deferred income tax

Deferred income tax is recognized based on the temporary difference between the carrying amount of assets and liabilities in the consolidated financial report and the tax basis for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when there is likely to be taxable income to deduct temporary differences, loss deductions or income tax deductions from expenditures such as research and development.

Deferred income tax liabilities are recognized for all taxable temporary differences related to the Company's subsidiaries, affiliated companies, and joint venture equities unless the Company can control the timing of reversal of temporary differences and the temporary differences are unlikely to be reversed in the foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with such investments and equities are recognized within the

scope of earnings that with sufficient taxable income to realize temporary differences and are expected to be reversed in the foreseeable future.

The book value of deferred income tax assets must be reviewed at the balance sheet date, and the book value of those that no longer have sufficient taxable income to recover all or part of the asset should be revised down. Assets originally not recognized as deferred income tax assets must also be reviewed at the balance sheet date, and the book value of those that have a high likelihood of producing enough taxable income to recover all or part of the asset should be revised up.

Deferred income tax assets and liabilities are measured in accordance with the expected liability liquidation or the tax rate in the period when the asset is realized. The tax rate is based on the tax rate and tax laws that are legislated or substantively legislated at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax effect resulting from the book amount of the assets and liabilities expected to be recovered or liquidated at the balance sheet date.

C. Current and deferred income tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive profit or loss or directly included in the equity, which are recognized in the other comprehensive profit or loss or directly included in the equity, respectively. If the current income tax or deferred income tax is generated from a business combination, the income tax effects are included in the accounting treatment of the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND MAJOR SOURCES OF ESTIMATION AND ASSUMPTION UNCERTAINTY

When adopting the accounting policies described in Note 4, the Group's management must make relevant judgments, estimates, and assumptions for assets and liabilities whose carrying amounts are not readily available from other sources. These estimates and assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The Group continuously reviews the underlying assumptions and estimates. If a revision to an estimate affects only the current period, the impact is recognized in that period. If the

revision affects both the current and future periods, it is recognized in both the period of the revision and future periods.

In preparing the parent group only financial report, the Group made the following critical judgements, critical accounting estimates, and assumptions:

(1) Critical Accounting Judgements

A. Judgment of business model of financial asset classification

The Group evaluates the business model of financial assets based on the level of financial assets that are jointly managed to achieve a specific business purpose. Such evaluation calls for consideration of all relevant evidence, including asset performance assessment methods, risks affecting performance, and the salary determination method of relevant managers, as well as sound judgement. The Group continuously assesses whether its judgement on business models is appropriate. It also monitors the financial assets carried at amortized cost and investment in debts instruments at fair value through other comprehensive income to look into the reasons for its disposition and assess whether the disposition would be consistent with the business model's objectives. Whenever the business model was found to have changed, the Group reclassify financial assets according to the regulations of IFRS 9 and postpone application of the above to the day of the reclassification.

B. Revenue recognition

In accordance with IFRS 15, the Group determines whether it has obtained control of specific goods or services before transferring said goods or services to customers, and whether the Group is the principal or agent of said transactions. If determined to be the agent, the net transaction amount is recognized as income.

The Group is considered the principal in the following scenarios:

- (a) If the Group obtains control of goods or other assets from another party before said goods or assets are transferred to the customer.
- (b) If the Group controls the right to have another party provide labor services, so that it can arrange for the other party to provide services to the customer on behalf of the Group.

(c) If the Group obtains control of goods or services from another party to combine with other goods or services in order to provide customers with specific goods or services.

Indicators used to help determine whether the Group obtained control of goods or services before transferring said goods or services to the customer include (but are not limited to):

(a) Whether the Group is primarily responsible for fulfilling the commitment to provide specific goods or services.

(b) Whether the Group assumes inventory risk before and after specific goods and services are transferred to customers.

(c) Whether the Group has the discretion to set prices.

C. Lease terms

In determining the lease term, the Group takes into account all relevant facts and circumstances that might generate economic incentives to exercise (or not to exercise) the option, including all facts and circumstances from the start of the lease to the day when the option is exercised with expected changes. The main factors taken into account include the contract terms and conditions during the period covered within the option, significant lease interest improvements (or expected improvements) during the contract period, and the importance of the underlying assets to the lessee's operations. The lease term shall be reassessed if there are significant changes to major matters or circumstances within the control of the Group.

D. Investment properties

The Group holds some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for internal use. If these portions could not be sold separately, the property is classified as investment property only if an insignificant portion of the properties is held for internal use.

(2) Critical Accounting Estimates and Assumptions

A. Revenue recognition

Sales revenue is recognized when the control of goods or services is transferred to the customer to meet performance obligations. Estimated related sales returns,

discounts and other similar discounts are deducted. These sales returns and discounts are estimated based on the Group's historical experience and other known reasons, and the Group regularly assesses how reasonable the estimates are.

B. Estimated impairment of financial assets

The impairment of accounts receivable and contract assets was estimated based on the Group's assumptions about the default rate and the expected loss rate. The Group took into account historical experience, current market conditions and forward-looking information to work out assumptions and select input values for impairment assessment.

C. Fair value measurement and evaluation process

Regarding the fair value of the level 3 equity assets, the Company adopts appropriate evaluation methods based on the nature of the investee, such as the financial status and operating results of the investee, the transaction price of similar instruments in the market, market conditions, and necessary discounts, to assess fair value. If the actual changes in future input values and expectations would differ, fair value changes might occur. The Group regularly updated each input value according to market conditions to monitor whether fair value measurement was appropriate.

D. Assessment on the impairment of tangible assets and intangible assets

In the process of asset impairment assessment, the Group needs to rely on subjective judgment, asset usage patterns, and industry characteristics to determine the independent cash flow of a particular asset group, years of useful life, and future revenue and expenses that might cause significant impairment in the future due to changes in economic conditions or estimated changes to the Group's strategies.

E. Feasibility of deferred income tax assets

Deferred income tax assets are recognized when there is a possibility in the future that there would be sufficient taxable income to deduct temporary differences. Assessing the feasibility of deferred income tax assets requires the management to make significant accounting judgments and estimations, including the estimation of future sales revenue growth and profit margins, tax exemption periods, available income tax deductions, and tax planning. Any changes in the global economic

environment, industrial environment, or laws and regulations might cause significant adjustment of deferred income tax assets.

F. Evaluation of inventories

Inventory falling price loss is measured by cost or net realizable value, depending on which is lower. Cost and net realizable value are compared based on individual items unless the inventories are of the same category. In addition, obsolescence loss of inventories is evaluated based on inventory turnover and days sales of inventory.

G. Calculation of net defined benefit liabilities

Upon calculation of the present value of the benefit obligations, the Group must use judgments and estimates to determine the relevant actuarial hypotheses on the balance sheet date, including the discount rate and future salary growth rate. Any changes in actuarial assumptions could significantly affect the Group's defined benefit obligations amount.

H. Lessee's incremental loan interest rate

When determining the lessees' incremental loan interest rate for discounting lease payments, the Group used the risk-free interest rate of the equivalent duration and currency as the reference interest rate, and takes the estimated credit risk discounts and lease specific adjustments of the lessee (such as asset characteristics and factors such as guarantees) into consideration.

6. Details of Significant Accounts

(1) Cash and Cash Equivalents

	<u>2024.12.31</u>	<u>2023.12.31</u>
Cash on hand and revolving fund	\$ 356	\$ 477
Bank Deposits	426,491	511,543
Cash equivalents	<u>50,196</u>	<u>147,436</u>
	<u>\$ 477,043</u>	<u>\$ 659,456</u>

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

B. As of December 31, 2024 and 2023, the amount the Group provided in bank deposits and cash equivalents due to restrictions on their use and the amount pledged to financial institutions as collateral, please refer to Note 8.

(2) Financial Assets at Fair Value Through Profit or Loss

	<u>2024.12.31</u>	<u>2023.12.31</u>
<u>Financial Assets - Current</u>		
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
Domestic listed stocks	\$ 86,431	\$ 124,048
Fund beneficiary certificates	<u>967</u>	<u>—</u>
	<u>\$ 87,398</u>	<u>\$ 124,048</u>
<u>Financial Assets - Non-Current</u>		
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
Domestic non-listed stocks	<u>\$ 321,664</u>	<u>\$ 266,402</u>

A. The Group's investment in the above-mentioned investment targets are not for strategic investment purpose. The Group's management believes that the short-term fair value fluctuations of these investments should be included in the profit and loss, and chose to designate these investments to be mandatorily measured at fair value through profit and loss.

B. For matters pertaining to the Group's provision of financial assets at fair value through profit or loss as collateral for loans as of December 31 of ,2024 and 2023, please refer to Note 8.

(3) Financial Assets at Fair Value Through Other Comprehensive Income

	<u>2024.12.31</u>	<u>2023.12.31</u>
<u>Current</u>		
Equity Instruments		
Domestic listed stocks	\$ 30,134	\$ 19,041
Evaluation adjustment	<u>19,379</u>	<u>8,681</u>
	<u>\$ 49,513</u>	<u>\$ 27,722</u>
<u>Non-Current</u>		
Equity Instruments		
Domestic non-listed stocks	\$ 7,660	\$ 7,660
Foreign non-listed stocks	101,076	112,006
Evaluation adjustment	<u>50,344</u>	<u>16,532</u>
	<u>\$ 159,080</u>	<u>\$ 136,198</u>

- A. The Group invests in the above-mentioned investment targets based on mid- to long-term strategies and expects to profit from long-term investments. The Group's management believes that including short-term fair value fluctuations of these investments in the profit and loss is inconsistent with the above-mentioned long-term investment plan, and therefore chose to designate these investments to be measured at fair value through other comprehensive profit and loss.
- B. In 2024, the Group adjusted its investment position to diversify risks, selling some of its domestic listed stocks at fair value of NT\$40,094 thousand. The relevant "other equity - unrealized gains and losses from financial assets measured at fair value through other comprehensive income" of NT\$23,003 thousand was transferred to "retained earnings".
- C. For matters pertaining to the Group's provision of financial assets at fair value through other comprehensive profit or loss as collateral for loans as of December 31, 2024 and 2023, please refer to Note 8.

(4) Financial Assets at Amortized Cost

	2024.12.31	2023.12.31
<u>Current</u>		
Time deposits with original maturity over three months	\$ 157,731	\$ 370,085
Interest rate range	0.03%-5.80%	0.80%-8.40%

As of December 31, 2024 and 2023, none of the above financial assets measured at amortized cost are restricted in use or pledged as collateral.

(5) Notes Receivable, Net

	2024.12.31	2023.12.31
Notes receivable	\$ 41,147	\$ 28,083
Less: Allowance for impairment loss	(536)	(519)
	\$ 40,611	\$ 27,564

- A. For disclosures related to the loss allowance on notes receivable please refer to the following accounts receivable.
- B. As of December 31, 2024 and 2023, none of the above notes receivable are restricted in use or pledged as collateral.

(6) Accounts Receivable, Net

	<u>2024.12.31</u>	<u>2023.12.31</u>
Accounts receivable	\$ 418,127	\$ 495,188
Less: Allowance for impairment loss	(3,730)	(4,435)
Net accounts receivable - non-related parties	414,397	490,753
Accounts receivable - related parties	8,221	9,369
	<u>\$ 422,618</u>	<u>\$ 500,122</u>

The Group's average credit period of sales of goods is 30 to 120 days. Loss provisions refer to the estimated unrecoverable amount calculated based on the aging of accounts, historical experience and the customer's financial condition.

The Group adopted the simplified method of recognizing loss provisions based on expected credit loss in the duration. The expected credit loss in the duration takes customer's payment history into account. As the Group's historical experience of credit losses indicates that there is no significant difference in the loss patterns of different customer bases, the expected credit loss rate is determined only by the accounts receivable days past due.

The Group's loss provisions based on notes receivable and accounts receivable (excluding related parties) measured by the preparation matrix are as follows:

<u>2024.12.31</u>	Expected credit loss rate	Gross carrying amount	Loss allowance (expected credit loss in the duration)	Amortized cost
Not past due	0%-1%	<u>\$ 459,274</u>	<u>\$ (4,266)</u>	<u>\$ 455,008</u>

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

Movements of the loss allowance for accounts and notes receivable:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 4,954	\$ 5,023
Provision (Reversal)	(688)	(69)
Ending balance	<u>\$ 4,266</u>	<u>\$ 4,954</u>

Movements of the loss allowance for other accounts and notes receivable (excluding related parties):

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 16,314	\$ 32,945
Provision (Reversal)(note)	—	879
Less: Remittance from this year (note)	(8,321)	(16,890)
Foreign currency exchange difference	<u>927</u>	<u>(620)</u>
Ending balance	<u>\$ 8,920</u>	<u>\$ 16,314</u>

Note: Listed under Expected credit loss (reversal).

For details on relevant risk management and evaluation methods, please refer to Note 12.

As of December 31, 2024 and 2023, none of the above accounts receivable are restricted in use or pledged as collateral.

(7) Finance Lease Receivables

	<u>2024.12.31</u>	<u>2023.12.31</u>
Undiscounted lease payments		
Year 1	\$ 7,368	\$ 5,797
Year 2	6,865	5,477
Year 3	6,865	5,477
Year 4	6,865	5,477
Year 5	6,865	5,477
Over 5 years	<u>70,206</u>	<u>56,139</u>
	105,034	83,844
Less: Unrealized financing income	<u>(53,945)</u>	<u>(45,621)</u>
Net investment in lease	<u>\$ 51,089</u>	<u>\$ 38,223</u>
Current	\$ 1,719	\$ 1,218
Non-Current	<u>49,370</u>	<u>37,005</u>
	<u>\$ 51,089</u>	<u>\$ 38,223</u>

The Company's power supply contract regarding solar power generation equipment stipulates that all power generated since the date of transfer will be sold to Taiwan Power

Company. The contract will be treated in accounting as a finance lease with an average finance period of 20 years.

The Company measures the loss provisions of the finance lease receivables based on the expected credit loss in the contract duration. As of the balance sheet date, there are no overdue finance lease receivables. At the same time, considering the past default rate of the other party, the future development of industries related to the lease target, and the value of the collateral, the Company believes that there are no impairments regarding the above-mentioned finance lease receivables.

For the company's provision of solar power generation equipment to financial institutions as pledged collateral for bank loans as of December 31, 2024 and 2023, please refer to Note 8.

(8) Inventories, Manufacturing Business

	2024.12.31	2023.12.31
Finished goods	\$ 299,901	\$ 267,599
Work in process	43,294	28,850
Semi-finished goods	124,831	148,408
Raw materials	688,851	607,850
Goods	94,171	41,151
Total	<u>\$ 1,251,048</u>	<u>\$ 1,093,858</u>
Mortgage situation	<u>None</u>	<u>None</u>

A. Inventory-related (losses) profits recognized as cost of goods in the current period are as follows:

	2024	2023
Cost of goods sold	\$ 4,356,573	\$ 5,716,004
Loss on net realizable value of inventory (gains from recovery)	(12,657)	(22,287)
Loss on inventory idle capacity (gains from recovery)	(865)	713
Loss (gain) on physical inventory	136	113
Loss on inventory scrap	—	5,022
	<u>\$ 4,343,187</u>	<u>\$ 5,699,565</u>

B. As of December 31, 2024 and 2023, none of the above inventories are restricted in use or pledged as collateral.

(9) Inventories (for Construction Business)

Name of construction site	2024.12.31	2023.12.31
Buildings and land for sale	\$ 1,161	\$ 1,161
Construction site	768,226	585,061
Real estate under construction	940,595	529,241
Prepayment for land	207,797	65,991
	\$ 1,917,779	\$ 1,181,454

A. 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.

B. On April 24, 2019, the Company's Board of Directors decided to participate in the "Drafted Proposal for the Urban Regeneration and Right Transfer of 34 Plots of Land Including No. 310 of Subsection 4, Hulin Section, Xinyi District, Taipei City" approved by the Taipei City Urban Regeneration Office. On April 25, 2019, the Company and Ding Bang Development Co., Ltd. signed joint investment and construction in the form of joint operation with 1:1 investment. As of December 31, 2023, the house has been transferred in full finish.

- C. On December 8, 2023, the Company purchased land lot No. 1216, Datong Section, Zhunan Town, Miaoli County from a non-related party. A transaction agreement was signed to purchase land with area of approximately 618.68 pings for a total contract price of NT\$198,000 thousand. As of December 31, 2024, the above amount amount had been paid in full.
- D. 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 December 31, 2024.
- E. 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 December 31, 2024, the amount above has been paid in full.
- F. In December 2024, the company purchased land plots No. 154 and 158 of the Chongde Section in Xizhi District, as well as 14 plots including No. 137 and 8 plots including No. 153-1, from unrelated parties and signed a purchase agreement. The total purchased land area is 862.56 ping, with a total contract price of NT\$1,552,554 thousand. As of December 31, 2024, NT\$207,189 thousand has been paid.
- G. For the Company's provision of Inventories (for Construction Business) as pledged collateral for bank loans as of December 31, 2024 and 2023, please refer to Note 8.

(10) Other Current Assets

	<u>2024.12.31</u>	<u>2023.12.31</u>
Other Financial Assets	\$ 426,405	\$ 447,178
Payments for other	<u>10</u>	<u>10</u>
	<u>\$ 426,415</u>	<u>\$ 447,188</u>

For matters pertaining to the Group's provision of financial assets as collateral for loans and construction presale buyer trust funds as of December 31, 2024 and 2023, please refer to Note 8.

(11) Investments Accounter for Using Equity Method

A. The Group's investments under the equity method are listed below:

	Initial investment cost	2024.12.31	2023.12.31
<u>Subsidiaries</u>			
Mayer Corporation Development International Limited (BVI)	\$ 390,881	\$ 15,287	\$ 15,287
Glory World Development Ltd. (BVI)	259,121	—	—
Subtotal		15,287	15,287
Less: Accumulated Impairment Loss - Investments Under the Equity Method		(15,287)	(15,287)
		—	—
<u>Affiliated Companies</u>			
Grand Tech Precision Manufacturing (Thailand) Co., Ltd.	179,688	240,885	227,561
Diamond Precision Steel Corp.	106,248	233,743	223,102
Luen Jin Enterprise Co., Ltd.	156,600	154,088	151,309
		628,716	601,972
		\$ 628,716	\$ 601,972

B. The Group's percentage of ownership interest and voting rights in its subsidiaries and affiliate companies as of the balance sheet date is as follows:

	2024.12.31	2023.12.31
Mayer Corporation Development International Limited (BVI)	100.00%	100.00%
Glory World Development Ltd.(BVI)	(Note 1)	(Note 1)
	50.21%	50.21%
	(Note 2)	(Note 2)
Grand Tech Precision Manufacturing (Thailand) Co., Ltd.	45.01%	45.01%
Diamond Precision Steel Corp.	42.50%	42.50%
Luen Jin Enterprise Co., Ltd.	30.00%	30.00%

Note1: Under the ruling of the British Virgin Islands (BVI) court on March 27, 2017, Mayer Corporation Development International Limited (BVI) agreed to enter liquidation and appoint a liquidator.

Note2:Glory World Development Ltd. (BVI) was struck off by the local government on November 3, 2020.

For information on the business nature and main operating locations of the aforementioned subsidiaries and affiliates, please refer to Appendix 6.

C. Subsidiary Summary Information:

	<u>2024</u>	<u>2023</u>
The Group's share		
Net income from continuing operations	\$ (868)	\$ (843)
Other comprehensive income for the period	<u>(4,739)</u>	<u>(10)</u>
Total consolidated income	<u>\$ (5,607)</u>	<u>\$ (853)</u>

D. The market price information of listed companies' equity investments on the balance sheet date using the equity method, calculated based on the closing price of the stock, are as follows: None.

E. The summarized financial information of the associates that are material to the Company is as follows: None.

F. The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below

	<u>2024</u>	<u>2023</u>
The Group's share		
Net income from continuing operations	\$ 106,785	\$ 97,938
Other comprehensive income for the period	<u>17,408</u>	<u>(3,875)</u>
Total consolidated income	<u>\$ 124,193</u>	<u>\$ 94,063</u>

G. As of December 31,2024 and 2023, none of the above investments under the equity method are restricted in use or pledged as collateral.

H. On December 31,2024 and 2023, the Group assessing impairment that associates ventures investment, after assessment not recognized as impairment losses.

(12) Property, Plant and Equipment

2024

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Leasehold improvements	Total
Cost:							
Beginning balance	\$ 557,911	\$ 259,824	\$ 1,645,161	\$ 66,982	\$ 181,497	\$ 143,061	\$ 2,854,436
Increase	—	44,837	25,905	6,113	41,597	—	118,452
Disposal or write off	—	(962)	—	(1,607)	(1,470)	—	(4,039)
Effects of foreign currency exchange differences	—	391	1,222	29	336	—	1,978
Ending balance	<u>\$ 557,911</u>	<u>\$ 304,090</u>	<u>\$ 1,672,288</u>	<u>\$ 71,517</u>	<u>\$ 221,960</u>	<u>\$ 143,061</u>	<u>\$ 2,970,827</u>
Accumulated depreciation:							
Beginning balance	\$ —	\$ 224,693	\$ 1,333,240	\$ 57,040	\$ 129,628	\$ 46,224	\$ 1,790,825
Increase	—	3,670	37,712	2,440	17,402	10,013	71,237
Disposal or write off	—	(912)	—	(1,580)	(1,342)	—	(3,834)
Effects of foreign currency exchange differences	—	152	1,093	22	325	—	1,592
Ending balance	<u>\$ —</u>	<u>\$ 227,603</u>	<u>\$ 1,372,045</u>	<u>\$ 57,922</u>	<u>\$ 146,013</u>	<u>\$ 56,237</u>	<u>\$ 1,859,820</u>
Ending net amount	<u>\$ 557,911</u>	<u>\$ 76,487</u>	<u>\$ 300,243</u>	<u>\$ 13,595</u>	<u>\$ 75,947</u>	<u>\$ 86,824</u>	<u>\$ 1,111,007</u>

2023

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Leasehold improvements	Total
Cost:							
Beginning balance	\$ 557,911	\$ 253,391	\$ 1,544,811	\$ 66,120	\$ 178,760	\$ 142,855	\$ 2,743,848
Increase	—	7,193	106,767	1,523	3,545	120	119,148
Disposal or write off	—	—	(4,040)	(616)	(67)	—	(4,723)
Reclassifications	—	—	—	—	(86)	86	—
Effects of foreign currency exchange differences	—	(760)	(2,377)	(45)	(655)	—	(3,837)
Ending balance	<u>\$ 557,911</u>	<u>\$ 259,824</u>	<u>\$ 1,645,161</u>	<u>\$ 66,982</u>	<u>\$ 181,497</u>	<u>\$ 143,061</u>	<u>\$ 2,854,436</u>

2023

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Leasehold improvements	Total
Accumulated depreciation:							
Beginning balance	\$ —	\$ 220,988	\$ 1,301,582	\$ 55,495	\$ 112,870	\$ 36,218	\$ 1,727,153
Increase	—	3,997	37,399	2,181	17,457	10,006	71,040
Disposal or write off	—	—	(3,628)	(590)	(67)	—	(4,285)
Effects of foreign currency exchange differences	—	(292)	(2,113)	(46)	(632)	—	(3,083)
Ending balance	<u>\$ —</u>	<u>\$ 224,693</u>	<u>\$ 1,333,240</u>	<u>\$ 57,040</u>	<u>\$ 129,628</u>	<u>\$ 46,224</u>	<u>\$ 1,790,825</u>
Ending net amount	<u>\$ 557,911</u>	<u>\$ 35,131</u>	<u>\$ 311,921</u>	<u>\$ 9,942</u>	<u>\$ 51,869</u>	<u>\$ 96,837</u>	<u>\$ 1,063,611</u>

A. For the Group's provision of property, plants, and equipment as pledged collateral for bank loans as of December 31, 2024 and 2023, please refer to Note 8.

B. For the years ended December 31, 2024 and 2023, the result recognized losses on Property, Plant and Equipment both were \$0.

(13) Lease Agreement

A. Right-of-use assets

	2024					
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost:						
Beginning balance	\$ 16,980	\$ 730,016	\$ 693	\$ 2,098	\$ 517	\$ 750,304
Increase	—	40,988	—	—	—	40,988
Decrease	—	(35,463)	—	—	—	(35,463)
Effects of foreign currency exchange differences	159	—	—	—	—	159
Ending balance	<u>\$ 17,139</u>	<u>\$ 735,541</u>	<u>\$ 693</u>	<u>\$ 2,098</u>	<u>\$ 517</u>	<u>\$ 755,988</u>
Accumulated depreciation:						
Beginning balance	\$ 3,131	\$ 243,558	\$ 382	\$ 664	\$ 122	\$ 247,857
Increase	2,277	60,641	139	969	118	64,144
Decrease	—	(35,463)	—	—	—	(35,463)
Effects of foreign currency exchange differences	28	—	—	—	—	28
Ending balance	<u>\$ 5,436</u>	<u>\$ 268,736</u>	<u>\$ 521</u>	<u>\$ 1,633</u>	<u>\$ 240</u>	<u>\$ 276,566</u>
Ending net amount	<u>\$ 11,703</u>	<u>\$ 466,805</u>	<u>\$ 172</u>	<u>\$ 465</u>	<u>\$ 277</u>	<u>\$ 479,422</u>

	2023					
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost:						
Beginning balance	\$ 19,673	\$ 738,541	\$ 693	\$ 6,135	\$ 646	\$ 765,688
Increase	5,702	13,066	—	1,616	115	20,499
Decrease	(8,083)	(21,591)	—	(5,653)	(244)	(35,571)
Effects of foreign currency exchange differences	(312)	—	—	—	—	(312)
Ending balance	<u>\$ 16,980</u>	<u>\$ 730,016</u>	<u>\$ 693</u>	<u>\$ 2,098</u>	<u>\$ 517</u>	<u>\$ 750,304</u>
Accumulated depreciation:						
Beginning balance	\$ 3,603	\$ 192,700	\$ 243	\$ 4,831	\$ 213	\$ 201,590
Increase	2,284	60,214	139	1,486	153	64,276
Decrease	(2,703)	(9,356)	—	(5,653)	(244)	(17,956)
Effects of foreign currency exchange differences	(53)	—	—	—	—	(53)
Ending balance	<u>\$ 3,131</u>	<u>\$ 243,558</u>	<u>\$ 382</u>	<u>\$ 664</u>	<u>\$ 122</u>	<u>\$ 247,857</u>
Ending net amount	<u>\$ 13,849</u>	<u>\$ 486,458</u>	<u>\$ 311</u>	<u>\$ 1,434</u>	<u>\$ 395</u>	<u>\$ 502,447</u>

The Group's revenue from subletting right-of-use assets are NT\$112 thousand and NT\$180 thousand in 2024 and 2023, respectively.

B. Lease liabilities

	2024.12.31	2023.12.31
Carrying amount of lease liabilities		
Current	\$ 61,012	\$ 55,444
Non-Current	454,363	477,521
	<u>\$ 515,375</u>	<u>\$ 532,965</u>

Ranges of discount rates for lease liabilities are as follows:

	2024.12.31	2023.12.31
Land	2.65%	2.65%
Buildings and structures	2.33%-3.88%	2.20%-2.75%
Machinery and equipment	1.53%	1.53%
Transportation equipment	1.68%-2.35%	1.68%-2.35%
Other equipment	1.80%-2.27%	1.80%-2.27%

C. Material terms of right-of-use assets

The Group leases land, buildings, and equipment to serve as operating premises and equipment for plants and offices. The terms of lease contract generally range between 1 to 14 years, and the Company has the right to renew leases at the end of

lease terms. Also, the contract stipulates that the Group may not sublease leased assets to others without the permission of the lessor. As of December 12, 2024, there is no sign of impairments to right-of-use assets, so no impairment assessments have been made.

D. Sublease

The Group subleases the right to use buildings under operating leases with lease terms of 5 years. The maturity analysis of lease payments receivable under operating sublease lease is as follows:

	2024.12.31	2023.12.31
Year 1	\$ —	\$ 112
Between 1 and 5 years	—	—
	<u>\$ —</u>	<u>\$ 112</u>

E. Other lease information

In 2024 and 2023, the Group chose to apply recognition exemptions for short-term leases and qualifying low-value asset leases, and did not recognize related right-of-use assets and lease liabilities for these leases. Information about the relevant expenses are as follows:

	2024	2023
Short-term rental and leasing expenses	\$ 855	\$ 1,013
Low-value asset lease expenses	206	160
Variable lease payments not included in lease liability assessments.	289	231
	<u>\$ 1,350</u>	<u>\$ 1,404</u>
Total cash outflow for leases	<u>\$ (73,337)</u>	<u>\$ (72,985)</u>

(14) Investment Property, Net

A. The Company's investment properties are listed below:

	2024		
	Land	Buildings	Total
Cost:			
Beginning balance	\$ 82,543	\$ 104,963	\$ 187,506
Ending balance	<u>\$ 82,543</u>	<u>\$ 104,963</u>	<u>\$ 187,506</u>

	2024		
	Land	Buildings	Total
Accumulated depreciation:			
Beginning balance	\$ —	\$ 45,738	\$ 45,738
Increase	—	2,933	2,933
Ending balance	<u>\$ —</u>	<u>\$ 48,671</u>	<u>\$ 48,671</u>
Ending net amount	<u>\$ 82,543</u>	<u>\$ 56,292</u>	<u>\$ 138,835</u>

	2023		
	Land	Buildings	Total
Cost:			
Beginning balance	\$ 82,543	\$ 104,963	\$ 187,506
Ending balance	<u>\$ 82,543</u>	<u>\$ 104,963</u>	<u>\$ 187,506</u>
Accumulated depreciation:			
Beginning balance	\$ —	\$ 42,804	\$ 42,804
Increase	—	2,934	2,934
Ending balance	<u>\$ —</u>	<u>\$ 45,738</u>	<u>\$ 45,738</u>
Ending net amount	<u>\$ 82,543</u>	<u>\$ 59,225</u>	<u>\$ 141,768</u>

B. Lease revenue from investment properties and direct operating expenses:

	2024	2023
Lease revenue from investment properties	\$ 10,857	\$ 10,514
Direct operating expenses of investment properties that generate lease revenue	(2,933)	(2,934)
	<u>\$ 7,924</u>	<u>\$ 7,580</u>

C. As of December 31, 2024 and 2023, the total amount of lease payments to be received in the future for leasing investment properties under operating leases is as follows:

	2024.12.31	2023.12.31
Under 1 year	\$ 10,857	\$ 10,857
Between 1 to 5 years	—	10,857
	<u>\$ 10,857</u>	<u>\$ 21,714</u>

D. The Company's investment properties are depreciated based on the straight-line method according to an estimated useful lives of 35 years..

E. The fair value of the Company's investment properties on December 31 of 2023 is NT\$285,803 thousand, as valued by independent valuation experts. The valuation for December 31, 2024 and 2023 was made by referencing the market evidence of similar real estate transactions and showed no significant change from the basic estimation from December 31, 2023.

F. For the Company's provision of investment properties as pledged collateral for bank loans as of December 31 of 2024 and 2023, please refer to Note 8.

(15) Other Non-Current Assets

	2024.12.31	2023.12.31
Contract bond	360,000	144,000
Prepayments for business facilities	9,762	50,794
Long-term lease payments receivable	49,370	37,005
Others	46,823	41,524
	<u>\$ 465,955</u>	<u>\$ 273,323</u>

A. On December 25, 2023, the company signed a joint construction agreement with the landowners of the Nanshi Section in Zhonghe District, New Taipei City, and paid a joint construction guarantee deposit of NT\$360,000 thousand as stipulated in the contract. As of December 31, 2024, the full amount has been paid.

B. For the Company's provision of solar power generation equipment to financial institutions as pledged collateral for bank loans as of December 31, 2024 and 2023, please refer to Note 8.

(16) Short-term Loans

	2024.12.31	2023.12.31
<u>Secured Loans</u>		
Bank loans	<u>\$ 1,805,191</u>	<u>\$ 1,412,783</u>
<u>Unsecured Loans</u>		
Credit loans	259,000	129,500
Letter of credit purchase borrowing	182,208	149,660
	<u>441,208</u>	<u>279,160</u>
	<u>\$ 2,246,399</u>	<u>\$ 1,691,943</u>

	2024.12.31	2023.12.31
Interest rate range	2.07%~3.63%	1.95%~4.00%
Unspent amount	\$ 2,187,035	\$ 2,113,870
Secured borrowing situation	Note 8	Note 8

(17) Short-Term Notes and Bills Payable

	2024.12.31	2023.12.31
Commercial paper	\$ 80,000	\$ —
Less: Unamortized discounts	(199)	—
Net amount	\$ 79,801	\$ —
Interest rate range	1.85%	—
Unspent amount	\$ —	\$ 60,000
Secured borrowing situation	Note 8	Note 8

(18) Long-Term Bank Loans of Non-Current Borrowings

	2024.12.31	2023.12.31
<u>Secured Loans</u>		
Bank loans	\$ 14,647	\$ 17,434
Less: Current portion	(2,848)	(2,793)
	\$ 11,799	\$ 14,641
Interest rate range	2.28%	2.15%
Unspent amount	\$ —	\$ —
Secured borrowing situation	Note8	Note8

(19) Provisions

	2024.12.31	2023.12.31
Employee benefits	\$ 2,110	\$ 1,733
Decommission, restoration, and repair costs	28,731	30,463
Others	49,175	49,175
Non-Current	\$ 80,016	\$ 81,371

(20) Pensions

A. Defined contribution plans

(a) The pension system applicable to the Company in accordance with the "Labor Pension Act" is the defined contribution pension plan managed by the government. Under this plan, the Company have made monthly contributions equal to 6% of employees' salary as labor pension to employees' personal pension accounts of the Bureau of Labor Insurance.

(b) The Group recognized pension expenses of NT\$9,899 thousand and NT\$9,407 thousand in 2024 and 2023, respectively.

B. Defined benefit plans

The Group has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Group contributes an amount equal to 4% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Group does not have any right to intervene in the investments of the Funds.

(a) Recognized pension expenses regarding defined benefit plans are as follows:

	<u>2024</u>	<u>2023</u>
Current service cost	\$ 1,128	\$ 1,276
Net interest cost	<u>(24)</u>	<u>(12)</u>
Recognized in profit and loss	<u>1,104</u>	<u>1,264</u>

	<u>2024</u>	<u>2023</u>
Remeasured		
Plan asset compensation (excluding sums included in the net interest)	(13,952)	(1,439)
Actuarial loss (gain) - change in financial assumptions	(736)	137
Actuarial loss (gain) - experience adjustment	(14,383)	605
Recognized in other comprehensive income	(29,071)	(697)
Total	<u>\$ (27,967)</u>	<u>\$ 567</u>

The aforementioned pension expenses include the following items:

	<u>2024</u>	<u>2023</u>
Operating costs	\$ 852	\$ 974
Selling expenses	65	78
Administrative expenses	187	212
	<u>\$ 1,104</u>	<u>\$ 1,264</u>

(b)The amounts arising from the defined benefit plans were as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Present value of defined benefit obligations	\$(116,538)	\$(146,639)
Fair value of plan assets	147,388	147,513
Net defined benefit liabilities	<u>\$ 30,850</u>	<u>\$ 874</u>

(c)Movements in the present value of defined benefit obligations were as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 146,639	\$ 168,812
Current service cost	1,128	1,276
Interest expenses	1,799	2,039
Remeasured		
Actuarial loss (gain) - change in financial assumptions	(736)	137

	2024	2023
Actuarial loss (gain) - experience (adjustment)	(14,383)	605
Benefit payments - expenditure from plan assets	(17,909)	(26,230)
Ending balance	<u>\$ 116,538</u>	<u>\$ 146,639</u>

(d) Movements in the fair value of plan assets were as follows:

	2024	2023
Beginning balance	\$ 147,513	\$ 168,220
Interest Income	1,823	2,051
Fund attributed by employer	2,009	2,033
Remeasured		
Plan asset compensation (excluding sums included in the net interest)	13,952	1,439
Benefit payments - expenditure from plan assets	<u>(17,909)</u>	<u>(26,230)</u>
Ending balance	<u>\$ 147,388</u>	<u>\$ 147,513</u>

(e) The Company has been exposed to the following risks due to the Labor Standards Act:

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Company is exposed to the following risks:

- i. Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- ii. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

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

(f) The present value of the Group's defined benefit obligations were carried out by qualified actuaries. The principal assumptions made on the measurement date were as flows:

	Measurement date	
	2024.12.31	2023.12.31
Discount rate	1.40%	1.28%
Future salary growth rate	1.00%	1.00%

In the event that significant actuarial assumptions are subject to possible changes, if all other assumptions remain unchanged, the amount of increase (decrease) in present value of defined benefit obligations will be as follows:

	Effect on defined benefit obligations	
	2024.12.31	2023.12.31
Discount rate		
Increased by 0.25% and 0.5%, respectively	\$ (1,311)	\$ (1,526)
Decreased by 0.25% and 0.5%, respectively	\$ 1,334	\$ 1,552
Future salary growth rate		
Increased by 0.25% and 0.5%, respectively	\$ 1,045	\$ 1,208
Decreased by 0.25% and 0.5%, respectively	\$ (1,033)	\$ (1,195)

Since actuarial assumptions might be related to one another, it would be unlikely for only a single assumption to change. Therefore, the aforementioned sensitivity analysis, might not reflect the actual change in the present value of defined benefit obligations.

The Group expects to make contributions of NT\$2,010 thousand to defined benefit plans in the next year strating from December 31, 2024.

(21) Equity

A. Capital stock

	<u>2024.12.31</u>	<u>2023.12.31</u>
Authorized shares (thousand shares)	320,000	320,000
Authorized capital	\$ 3,200,000	\$ 3,200,000
Number of shares issued with payments received in full (thousand shares)	267,031	222,526
Issued share capital	\$ 2,670,313	\$ 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.

B. Capital surplus

	<u>2024.12.31</u>	<u>2023.12.31</u>
Additional paid-in capital arising from bonds conversion	\$ 232,709	\$ 232,709
Difference between consideration and carrying amount arising from the disposal of subsidiaries stock	36,010	36,010
Changes in equity of associates accounted for using equity method.	6,828	6,828
Interest compensation payable for convertible bonds	6,075	6,075
	<u>\$ 281,622</u>	<u>\$ 281,622</u>

Under the Company Act, where the Company incurs no loss, it may distribute its additional paid-in capital and endowments received by the Company by issuing new shares as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is

insufficient. The capital surplus from long-term investments may not be used for any purpose.

C. Retained earnings and dividend policy

In accordance with the earnings distribution policy stipulated in the Company's Articles of Incorporation, if the Company made gains that year, it shall distribute 1% to 5% of the earnings as employees' remuneration and no higher than 3% as directors' remuneration. However, in the event the Company has sustained cumulative losses, a proportion of profit shall be reserved in advance for compensation purposes before remunerations are calculated.

Employee remuneration may be paid in cash or stock shares, and shall be payable to employees of the Company that meet certain requirements. Directors' remuneration shall be paid in cash only.

Matters regarding the distribution of employees' and directors' remuneration shall be approved by over half of directors at board meetings with more than 2/3 of the directors present, and reported in the shareholders' meeting.

If the aforementioned Board of Directors has resolved to distribute employees' remuneration in stocks, they may determine whether to distribute new shares or purchase their own shares.

The Company's dividend policy takes into account the Company's capital needs and long-term financial planning, current and future development plans, investment environment and domestic/foreign competition, and shareholders' interests to decide the amount and method of surplus distribution. If there are earnings in the Company's annual accounting statement, 10% of the balance shall be added to the legal reserve after paying income tax and making up for losses in previous years, unless the legal reserve has reached the total paid-in capital. After making special reserve allowance or reversal according to the regulations of competent authorities, However, if there is a special surplus reserve for the net amount of other equity deductions accumulated in the previous period, the same amount of special surplus reserve shall be withdrawn from the undistributed surplus in the previous period. Items other than the current after-tax net profit are included in the amount of the undistributed surplus for the current period, and the undistributed surplus is

accumulated with the previous year, the Board of Directors shall draft an earnings distribution plan and submit it to the shareholder' meeting to resolve how to distribute the remaining earnings plus any unappropriated retained earnings from previous years.

Earnings can be distributed as cash dividends or stock dividend. If distributed, no less than 50% of distributable earnings for the current year shall be allocated as bonus dividends for shareholders. Bonus dividends to shareholders should be distributed as cash dividends in principle. If stock dividends are distributed, it should not exceed 50% of the total dividends.

The Board of Directors is authorized to carry out the aforementioned distribution of bonus dividends to shareholders as cash dividends based on resolutions agreed upon by over half of attending directors in Board meetings attended by at least 2/3 of directors and report such distributions in the shareholders' meeting.

In distributing earnings, the Company must set aside a special reserve based on net deductions of other shareholders' equity (such as the accumulated balance of financial statements translation differences of foreign operations or unrealized profit and loss of financial assets measured at fair value). If there are subsequent reversals of the equity deduction amount, the reversal amount may be added to distributable earnings.

The distribution of 2023 and 2022 earnings were adopted in the meeting of the Board of Directors on March 13, 2024 and March 13, 2023 were as follows:

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

Information on the resolution of the Board of Directors' and shareholders' meetings regarding the appropriation of earnings is available from the Market Observation Post System on the website of the TWSE.

D. Special reserve

	2024.12.31	2023.12.31
Special reserve recognized through IFRSs for the first time	\$ 102,504	\$ 102,504

The Company made special reserve allowance and reversal according to Jin-Guan Certificate Fa Zi No. 1010012865, Jin-Guan Certificate Fa Zi No. 1010047490, and the “Questions and Answers Regarding Special Reserve Allowance Based on the IFRSs”. If there is subsequent reversal based on the reduction of shareholders’ equity, the Company may make a special reserve allowance or reversal based on the rules of partial distributed surplus reversal.

E. Other equity interests

	2024		
	Foreign Currency Translation Reserve	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Beginning balance	\$ (26,497)	\$ 53,335	\$ 26,838
Exchange differences arising on translation of foreign operations	5,898	—	5,898
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	—	67,104	67,104
Share of other comprehensive income (loss) of and associates	12,669	—	12,669
Other comprehensive Income for the year, net of income tax	(3,713)	—	(3,713)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	—	(450)	(450)
Ending balance	\$ (11,643)	\$ 119,989	\$ 108,346

	2023		
	Foreign Currency Translation Reserve	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Beginning balance	\$ (17,640)	\$ 26,397	\$ 8,757
Exchange differences arising on translation of foreign operations	(7,186)	—	(7,186)
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	—	26,938	26,938
Share of other comprehensive income (loss) of and associates	(3,885)	—	(3,885)
Other comprehensive Income for the year, net of income tax	2,214	—	2,214
Ending balance	<u>\$ (26,497)</u>	<u>\$ 53,335</u>	<u>\$ 26,838</u>

F. Non-controlling interests

	2024	2023
Beginning balance	\$ 5,400	\$ 3,639
Shares attributable to non-controlling interests:		
Net profit (loss) of this year	874	1,787
Exchange differences on translation of foreign financial statements	251	(26)
Change in non-controlling interests	<u>3,000</u>	<u>—</u>
Ending balance	<u>\$ 9,525</u>	<u>\$ 5,400</u>

(22) Operating Revenue

A. Revenue from customer contracts

	2024	2023
Revenue from customer contracts		
Sales revenue	\$ 5,041,996	\$ 6,343,769
Construction revenue(Note)	(72)	489,616
Others	199,918	176,052
	<u>\$ 5,241,842</u>	<u>\$ 7,009,437</u>

For the income analysis of major products, please refer to Note 14 (3)

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

B. Contract balance

Information regarding the Group's revenue from customer contracts in 2024 and 2023 are as follows:

	<u>2024.01.01</u>	<u>2024.12.31</u>	<u>Variance</u>
Sale of goods	\$ 1,430	\$ 16	\$ (1,414)
Property sales	3,994	98,034	94,040
Others	<u>775</u>	<u>664</u>	<u>(111)</u>
	<u>\$ 6,199</u>	<u>\$ 98,714</u>	<u>\$ 92,515</u>

	<u>2023.01.01</u>	<u>2023.12.31</u>	<u>Variance</u>
Sale of goods	\$ 8,340	\$ 1,430	\$ (6,910)
Property sales	66,552	3,994	(62,558)
Others	<u>247</u>	<u>775</u>	<u>528</u>
	<u>\$ 75,139</u>	<u>\$ 6,199</u>	<u>\$ (68,940)</u>

Changes in contract liabilities are mainly due to the difference between the time when the contract obligations are met and the time when customers make payments.

The amount of contract liabilities from the beginning of the year recognized in operating income in 2024 and 2023 is NT\$2,157 thousand and NT\$73,563 thousand, respectively.

(23) Interest Income

	<u>2024</u>	<u>2023</u>
Bank deposits	\$ 17,041	\$ 14,866
Other interest income	<u>6,788</u>	<u>16,783</u>
	<u>\$ 23,829</u>	<u>\$ 31,649</u>

(24) Other Income

	<u>2024</u>	<u>2023</u>
Rent income	\$ 11,007	\$ 10,728
Dividend income	35,880	45,034
Compensation income	253,798	757,746
Others income	<u>9,976</u>	<u>6,002</u>
	<u>\$ 310,661</u>	<u>\$ 819,510</u>

The compensation income was due to a tort lawsuit between the Company and four individuals, namely Ching-Huang Chien, Ching-Ming Chien, Ching-Hsing Chien, and Ching-Hui Chien, over the terms of the pre-sale agreement and supplementary agreement. A settlement was signed on record on September 14, 2023, and the Company had recognized the gain net of necessary costs and litigation expenses at a time when realization of such gain was assured.

(25) Other Gains and Losses, Net

	<u>2024</u>	<u>2023</u>
Gains (Loss) from disposals of property, plant and equipment	\$ (182)	\$ (381)
Gain (loss) on disposal of investments	51,146	(34,864)
Net foreign exchange gain (loss)	3,111	854
Gain (loss) on financial assets at fair value through profit or loss	50,424	2,171
Profit from lease modification	—	330
Other losses	(6,253)	(51,288)
	<u>\$ 98,246</u>	<u>\$ (83,178)</u>

(26) Finance Cost, Net

	<u>2023</u>	<u>2022</u>
Interest expense		
Borrowing interest expense	\$ 48,668	\$ 55,020
Lease liability expense	13,409	14,255
Others interest expense	42	37
Less: Qualifying asset capitalization amount	(20,349)	(7,206)
	<u>\$ 41,770</u>	<u>\$ 62,106</u>

(27) Employee Benefits, Depreciation, and Amortization Costs

	2024			2023		
	Belonging to operating costs	Belonging to operating expenses	Total	Belonging to operating costs	Belonging to operating expenses	Total
Employee benefits						
Salary expenses	\$ 195,964	\$ 86,120	\$ 282,084	\$ 185,079	\$ 85,120	\$ 270,199
Employee healthcare and labor insurance expenses	20,349	7,287	27,636	19,813	6,347	26,160
Pension expenses	7,819	5,547	13,366	7,614	5,249	12,863
Other employee benefit expenses	10,458	97,123	107,581	10,174	113,179	123,353
Depreciation expenses	123,900	14,414	138,314	123,818	14,432	138,250
Amortization expenses	9,136	60	9,196	8,223	1,721	9,944
Total	<u>\$ 367,626</u>	<u>\$ 210,551</u>	<u>\$ 578,177</u>	<u>\$ 354,721</u>	<u>\$ 226,048</u>	<u>\$ 580,769</u>

A. According to the Company's Articles of Incorporation, the Company shall allocate no 1% to 5% of profit as employees' compensation and no more than 3% of profit as directors' compensation for each profitable fiscal year after offsetting any cumulative losses.

	2024	2023
Employees' remuneration	<u>\$ 52,962</u>	<u>\$ 56,384</u>
Directors' remuneration	<u>\$ 31,777</u>	<u>\$ 42,288</u>

The aforementioned employee compensation for the years 2024 and 2023 was estimated at 5% and 4% of pre-tax profit, respectively, while directors' compensation was estimated at 3% of pre-tax profit. If there are any changes in the amounts after the approval and release of the annual financial reports, they will be accounted for as changes in accounting estimates and adjusted in the following year.

B. The company plans to hold a board meeting on April 17, 2025, to resolve the employee and director compensation for the year 2024. The employee and director compensation for the year 2023 was approved by the board of directors on March 13, 2024

	2024		2023	
	Employees'	Directors'	Employees'	Directors'
	remuneration	remuneration	remuneration	remuneration
(Expected)Approved amount	\$ 52,962	\$ 31,777	\$ 56,384	\$ 42,288

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2023.

Information relevant to the aforementioned employees and directors' compensation can be obtained from the "Market Observation Post System" on the website of the TWSE.

(28) Income Tax

A. Components of income tax expenses

	2024	2023
<u>Current income tax</u>		
Occurred in the current year	\$ 153,054	\$ 233,731
Additional undistributed earnings	(6,542)	—
Land Value Increment Tax	—	6,653
Adjustment of previous years	24	28
	<u>146,536</u>	<u>240,412</u>
<u>Deferred income tax</u>		
Origination and reversal of temporary differences	11,477	11,937
Total tax expenses	<u>\$ 158,013</u>	<u>\$ 252,349</u>

B. Income tax recognized in other comprehensive income

	2024	2022
Financial statements translation differences of foreign operations	<u>\$ 3,713</u>	<u>\$ (2,214)</u>

C. Adjustments to the income tax expenses recognized in profit and loss in the current year:

	<u>2024</u>	<u>2023</u>
Net profit before tax	\$ 984,955	\$ 1,321,920
Net profit before tax calculated based on the statutory tax rate	\$ 215,807	\$ 281,099
Effectuated tax amount from adjusted items:		
Effectuated items are not included in the calculation of taxable income	(51,914)	(39,758)
Origination and reversal of temporary differences	11,477	11,937
Loss carry forward	(11,862)	(7,743)
Additional undistributed earnings	(6,542)	—
Land Value Increment Tax	—	6,653
Adjustments in respect of prior years	24	28
Taxed separately	<u>1,023</u>	<u>133</u>
Income tax expenses recognized in profit and loss	<u>\$ 158,013</u>	<u>\$ 252,349</u>

The statutory tax rate applicable to the Group is 20% per the R.O.C. Income Tax Act, while the tax rate applicable to unappropriated retained earnings is 5%. Taxes incurred in other jurisdictions are calculated based on the tax rates applicable to each relevant jurisdiction.

The Company's application to repatriate offshore funds within a time limit according to the "Management, Utilization, and Taxation of Repatriated Offshore Funds Act" implemented in Taiwan on August 15, 2019 was approved. Since the day the act was implemented, the applicable tax rate was 8% in the first year and 10% in the second year, separate from the general income tax system. Within a year of repatriating funds, the Company needs to apply to participate in real investment from the Ministry of Economic Affairs. Only those who have completed this step will receive the 50% tax refund.

D. Information on the deduction of unused losses

Information about the Group's loss deduction as of December 31, 2024 is as follows:

Year of maturity	Amount not yet deducted
2030 to 2032	\$ 135,853

E. Deferred income tax assets and liabilities generated from temporary difference

	2024			
	Beginning balance	Recognized in profit and loss	Recognized in other Comprehensive income	Ending balance
<u>Deferred Tax Assets</u>				
Temporary differences				
Unrealized inventory valuation loss and idle loss	\$ 11,456	\$ (3,044)	\$ —	\$ 8,412
Others	1,547	(439)	—	1,108
	<u>\$ 13,003</u>	<u>\$ (3,483)</u>	<u>\$ —</u>	<u>\$ 9,520</u>
<u>Deferred Tax Liabilities</u>				
Temporary differences				
Properties, Plants and Equipment	\$ 162,405	\$ —	\$ —	\$ 162,405
Exchange difference of foreign operations	13,531	—	3,713	17,244
Effects of investment income tax recognized using the equity method	3,805	7,972	—	11,777
Others	—	22	—	22
	<u>\$ 179,741</u>	<u>\$ 7,994</u>	<u>\$ 3,713</u>	<u>\$ 191,448</u>
	2023			
	Beginning balance	Recognized in profit and loss	Recognized in other Comprehensive income	Ending balance
<u>Deferred Tax Assets</u>				
Temporary differences				
Unrealized inventory valuation loss and idle loss	\$ 16,184	\$ (4,728)	\$ —	\$ 11,456
Effects of investment income tax recognized using the equity method	5,081	(5,081)	—	—
Others	499	1,048	—	1,547
	<u>\$ 21,764</u>	<u>\$ (8,761)</u>	<u>\$ —</u>	<u>\$ 13,003</u>

	2023			
	Beginning balance	Recognized in profit and loss	Recognized in other Comprehensive income	Ending balance
<u>Deferred Tax Liabilities</u>				
Temporary differences				
Properties, Plants and Equipment	\$ 162,405	\$ —	\$ —	\$ 162,405
Exchange difference of foreign operations	15,745	—	(2,214)	13,531
Effects of investment income tax recognized using the equity method	—	3,805	—	3,805
Others	629	(629)	—	—
	<u>\$ 178,779</u>	<u>\$ 3,176</u>	<u>\$ (2,214)</u>	<u>\$ 179,741</u>

F. Impacted by the COVID-19 pandemic, the Company's declared profit-seeking enterprise income tax payable for 2022 and 2021 was approved on May 30, 2023, and June 7, 2022 by National Taxation Bureau of Taipei, Ministry of Finance to pay in 36 installments. As of December 31, 2024, the tax payable has been paid as follows:

	Year	
	2022	2021
Income tax payable	\$ 76,175	\$ 87,096
Number of Income tax paid	\$ 40,204	\$ 72,580
Number of installments paid	19 installments	30 installments

G. Income tax assessment

As of December 31, 2024, the tax collection agency approved Company's profit-seeking enterprise income tax settlement declaration to 2022.

(29) Earnings Per Share

	For the Years ended December 31,	
	2024	2023
Basic EPS (\$):		
Income attributable to owners of parent	\$ 826,068	\$ 1,067,784
Weighted average number of ordinary shares in issue used in calculating basic EPS (in thousands)	267,031	267,031
Basic EPS (\$) after tax	\$ 3.09	\$ 4.00

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 December 31, 2023, has been retroactively adjusted based on the earnings capitalization ratio.

(30) Adjustments in Liabilities From Financing Activities

	<u>2024.01.01</u>	<u>Cash Flow</u>	<u>Non-cash changes</u>	<u>2024.12.31</u>
			<u>Others</u>	
Short-term loans	\$ 1,691,943	\$ 554,456	\$ —	\$ 2,246,399
Short-term notes and bills payable	—	79,801	—	79,801
Long-term loans (including long-term liabilities, current portion)	17,434	(2,787)	—	14,647
Lease liabilities	532,965	(71,987)	54,397	515,375
Guarantee deposits received	17,083	(10,500)	—	6,583
Total liabilities from financing activities	<u>\$ 2,259,425</u>	<u>\$ 548,983</u>	<u>\$ 54,397</u>	<u>\$ 2,862,805</u>

	<u>2023.01.01</u>	<u>Cash Flow</u>	<u>Non-cash changes</u>	<u>2023.12.31</u>
			<u>Others</u>	
Short-term loans	\$ 2,534,979	\$ (843,036)	\$ —	\$ 1,691,943
Short-term notes and bills payable	36,985	(36,985)	—	—
Long-term loans (including long-term liabilities, current portion)	20,172	(2,738)	—	17,434
Lease liabilities	587,738	(71,581)	16,808	532,965
Guarantee deposits received	20,083	(3,000)	—	17,083
Total liabilities from financing activities	<u>\$ 3,199,957</u>	<u>\$ (957,340)</u>	<u>\$ 16,808</u>	<u>\$ 2,259,425</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of Related Parties and Their Relationship with the Group

Name of related parties	Relationship with the group
Mayer Corporation Development International Limited	Subsidiaries
Mei Kong Development Ltd. (hereby referred to as Mei Kong Development)	Subsidiaries
Grand Tech Precision Manufacturing (Thailand) Co., Ltd. (hereby referred to as Grand Tech Precision)	Affiliated companies
Diamond Precision Steel Corp. (hereby referred to as KY-Diamond)	Affiliated companies
Diamond Steel Tube Co., Ltd. (Vietnam)	Affiliated companies
LUEN JIN ENTERPRISE CO., LTD. (hereby referred to as Luen Jin Enterprise)	Affiliated companies
Durban Development Co., Ltd.	Other related parties
ATHENA INFORMATION SYSTEMS INTERNATIONAL CO., LTD.	Other related parties
Miramar Hospitality Co., Ltd. (hereby referred to as Miramar Hospitality)	Other related parties
TZE SHIN INTERNATIONAL CO., LTD. (hereby referred to as TZE SHIN International)	Other related parties
Yuanqi Development Consultancy Co., Ltd.	Other related parties
Wong Wing Lun	Other related parties
Directors, president, vice president, and other executive officers	Key management

(2) Significant Transactions with Related Parties

In 2024 and 2023, the Group conducted the following operating transactions with the related parties of non-merged companies:

A. Sales Revenue

	2024	2023
Affiliated companies	\$ 97,353	\$ 167,780

The Group's transactions with the above-mentioned related parties are handled based on conditions agreed upon by both parties.

B. Accounts Receivable

	<u>2024.12.31</u>	<u>2023.12.31</u>
Affiliated companies	\$ 8,221	\$ 9,369

C. Real estate under construction

	<u>2024.12.31</u>	<u>2023.12.31</u>
Affiliated companies	\$ 1,762	\$ 200

D. Other Receivable (Including amounts loaned)

	<u>2024.12.31</u>	<u>2023.12.31</u>
General payment		
Subsidiaries	\$ 184	\$ 172
Affiliated companies	74	98
Amount loaned		
Subsidiaries	<u>19,973</u>	<u>18,712</u>
Subtotal	20,231	18,982
Less: Allowance for impairment loss	<u>(20,157)</u>	<u>(18,884)</u>
	<u>\$ 74</u>	<u>\$ 98</u>

E. Prepayments

	<u>2024.12.31</u>	<u>2023.12.31</u>
Other related parties	\$ 4,400	\$ —

F. Refundable Deposits

	<u>2024.12.31</u>	<u>2023.12.31</u>
Other related parties	\$ 5	\$ 5

G. Contract Liabilities

	<u>2024.12.31</u>	<u>2023.12.31</u>
Other related parties	\$ —	\$ 7

H. Accounts Payable

	<u>2024.12.31</u>	<u>2023.12.31</u>
Other related parties	\$ —	\$ 105

I. Other payables to related parties

	2024.12.31	2023.12.31
Other related parties	\$ 12	\$ 13

J. Others income

	2024	2023
Affiliated companies	\$ —	\$ 2
Other related parties	612	—
	<u>\$ 612</u>	<u>\$ 2</u>

K. Lease Revenue

	2024	2023
Affiliated companies	\$ 112	\$ 180

L. Interest expense

	2024	2023
Other related parties	\$ —	\$ 2,630

M.Dividend Income

	2024	2023
Investment reductions under the equity method		
Grand Tech Precision	\$ 39,850	\$ 32,646
KY-Diamond	55,822	54,444
Luen Jin Enterprise	2,610	7,830
	<u>98,282</u>	<u>94,920</u>
Other Income		
TZE SHIN INTERNATIONAL	21, 275	—
Other related parties	413	—
	<u>21, 688</u>	<u>—</u>
	<u>\$ 119,970</u>	<u>\$ 94,920</u>

N. Endorsements/guarantees

Counterparty of endorsements/ guarantees	Counterparty of endorsements and guarantees	2024.12.31	2023.12.31
Mei Kong Development	Durban Development Co., Ltd.	\$ 2,350,000	\$ —

O. Others

i. Operating costs

	2024	2023
Affiliated companies	\$ (828)	\$ (91)
Other related parties	131	623
	\$ (697)	\$ 532

ii. Operating expenses

	2024	2023
Other related parties	\$ 333	\$ 281

iii. Property Transaction

	Transaction Target	2024	2023
Other related parties	Shares of a Non-Publicly Traded Company	\$ 10,967	\$ —

	Gain or Loss on Disposal	
	2024	2023
Other related parties	\$ (812)	\$ —

iv. The Group and Durban Development Co., Ltd. revised the contract for the joint construction of a residential building on the land in Xitou Section, Qidu District, Keelung City, on February 4, 2021. Under this agreement, the Group will receive a construction property ownership area of 1.32 ping per ping of buildable land for registration.

(3) Key Management Compensation

	2024	2023
Salary and short-term employee benefits	\$ 79,929	\$ 86,378
Post-Employment Benefits	685	526
	<u>\$ 80,614</u>	<u>\$ 86,904</u>

The remuneration of directors and other key management are determined based on individual performance and market trends by the remuneration committee.

8. PLEDGED ASSETS

The book value of the Group's assets pledged to financial institutions as collateral for long or short-term loans, presale buyer trust funds for construction projects, and restrictions on repatriated overseas funds on December 31, 2024 and 2023 are detailed below:

	2024.12.31	2023.12.31
Inventories (for construction business)	\$ 701,614	\$ 164,689
Other financial assets - bank deposits	38,726	80,111
Other financial assets - current financial assets at fair value through profit and loss	127,075	165,951
Other financial assets - current investments in equity instruments designated at fair value through other comprehensive income	150,875	117,860
Other financial assets – non current financial assets at fair value through profit and loss	109,729	83,256
Finance lease receivables	37,253	38,223
Properties, plants and equipment	617,778	575,994
Investment property	138,835	141,768
	<u>\$ 1,921,885</u>	<u>\$ 1,367,852</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMPACT COMMIMENTS

(1)(1)On April 5, 2017, the Securities and Futures Commission of Hong Kong, through the Market Misconduct Tribunal, ruled that Mayer Holdings Limited (Cayman) and nine of its current and former senior executives had breached the disclosure obligations under the Securities and Futures Ordinance. As a result, they were sanctioned with prohibitions from engaging in related business activities and imposed a fine totaling HKD 10.2 million.

The Company has engaged legal counsel to represent the Company's President and other involved personnel in filing an appeal to the Court of Appeal of the High Court of Hong Kong. The case is currently pending further directions from the Court of Appeal. As of December 31, 2024, the Company had recognized cumulative legal expenses amounting to HKD 6,976 thousand in connection with the aforementioned case.

(2) As of December 31, 2024 and 2023, the unused balances of letters of credit issued by the Group were NT\$133,725 thousand and NT\$96,096 thousand, respectively.

(3) As of December 31, 2024 and 2023, the balance of guaranteed notes issued by the Group for bank borrowings, procurement of materials, and endorsements/guarantees were NT\$4,008,240 thousand and NT\$3,809,680 thousand, respectively.

(4) As of December 31, 2024 and 2023 the Group's contracted and unpaid amount for the procurement of machinery and equipment and land development was NT\$1,732,039 thousand and NT\$467,295 thousand, respectively.

10. SIGNIFICANT DISASTER LOSS: None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE:

On December 25, 2023, the company signed a joint construction agreement with the landowners of the Nanshi Section in Zhonghe District, New Taipei City, and paid a joint construction guarantee deposit of NT\$360,000 thousand as stipulated in the contract.

On February 17, 2025, the company was informed that Company A had filed a petition with the court for a provisional injunction and provisional attachment of the land assets under the joint construction agreement. The Taiwan Taipei District Court has approved the provisional injunction and attachment.

In response, the company filed a petition with the court for compulsory enforcement based on a promissory note issued by the landowners, which was granted on February 20, 2025. The company has demanded that the landowners terminate the joint construction agreement with Company A. If the termination cannot be successfully executed, the landowners must refund the company's joint construction guarantee deposit in accordance with the contract. The company will proceed with the project once the situation becomes clearer and is also considering legal action to protect its rights and interests.

12. OTHERS:

(1) Capital Risk Management

The Group needs to maintain enough capital to support expansions and improvements of plants and equipment. Therefore, the Group's capital management is to ensure that it has necessary financial resources and operating plans to meet the needs of working capital, capital expenditures, research and development expenses, debt repayment, and dividend expenditures in the next 12 months.

(2) Financial Instruments

A. Financial instruments by category

	<u>2024.12.31</u>	<u>2023.12.31</u>
<u>Financial Assets</u>		
Designated at amortized cost (Note 1)	\$ 1,582,032	\$ 1,862,578
Designated at fair value through profit or loss	645,866	639,657
Designated at fair value through other comprehensive income	359,468	281,780
<u>Financial Liabilities</u>		
Designated by amortized cost (Note 2)	\$ 2,626,384	\$ 2,159,029

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

Note 2: The balance includes financial liabilities at amortized cost such as current borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, guarantee deposits received, and non-current portion of non-current borrowings.

B. Fair value information

(a) 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 fair value.

(b) Financial instruments measured at fair value

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

i.Level 1 fair value measurements are quoted prices in active markets for identical assets or liabilities (unadjusted)

ii.Level 2 fair value measurements are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (price) or indirectly (derived from price).

iii.Level 3 fair value measurement refers to fair value evaluation techniques not based on the input value of assets or liabilities based on observable market data (unobservable input value).

	2024.12.31			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed company stocks	\$ 213,506	\$ —	\$ —	\$ 213,506
Domestic non-listed company stocks	—	—	431,393	431,393
Fund beneficiary certificate	967	—	—	967
	\$ 214,473	\$ —	\$ 431,393	\$ 645,866
Financial assets at fair value through other comprehensive income				
Domestic listed company stocks	\$ 200,388	\$ —	\$ —	\$ 200,388
Domestic non-listed company stocks	—	—	2,275	2,275
Foreign non-listed company stocks	—	—	156,805	156,805
	\$ 200,388	\$ —	\$ 159,080	\$ 359,468
	2023.12.31			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed company stocks	\$ 289,999	\$ —	\$ —	\$ 289,999
Domestic non-listed company stocks	—	—	349,658	349,658
	\$ 289,999	\$ —	\$ 349,658	\$ 639,657
Financial assets at fair value through other comprehensive income				
Domestic listed company stocks	\$ 145,582	\$ —	\$ —	\$ 145,582
Domestic non-listed company stocks	—	—	1,303	1,303
Foreign non-listed company stocks	—	—	134,895	134,895
	\$ 145,582	\$ —	\$ 136,198	\$ 281,780

There have been no transfers between Level 1 and Level 2 of the Group's financial assets and liabilities measured at fair value on a repetitive basis in 2024 and 2023.

Adjustment of financial instruments measured at Level 3 fair value.

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

Financial assets at fair value through profit or loss were adjusted as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 349,658	\$ 398,782
Addition	34,984	—
Disposal Price	(10,967)	—
Capital reduction and refund of shares	—	(20,029)
Gains (loss) on disposals of investments	(812)	(3,547)
Finance measured at fair value through profit or loss	58,530	(25,548)
Unrealized gains (losses) from assets		
Ending balance	<u>\$ 431,393</u>	<u>\$ 349,658</u>

Investments in equity instruments measured at fair value through other comprehensive income were adjusted as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 136,198	\$ 136,101
Capital reduction and refund of shares	(10,930)	—
Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income	33,812	97
Ending balance	<u>\$ 159,080</u>	<u>\$ 136,198</u>

(c) Evaluation techniques and assumptions used to measure fair value

The Group determines the fair value of its financial assets and liabilities through the following methods and assumptions:

The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market prices (including listed corporate bonds, agency bonds, stocks of listed companies, and government bonds).

The fair value of unlisted companies without an active market are estimated using the market method, which is based on parameters such as recent fundraising activities, valuation of similar companies, technological development of the company, market conditions, and other economic indicators.

C. Financial risk management purpose and policy

The objective of the Group's financial risk management is to manage operation-related foreign currency risk, interest rate risk, credit risk, and liquidity risk. To reduce relevant financial risks, the Group is committed to identifying, evaluating, and avoiding market uncertainties in order to reduce potential negative impacts of market changes on the Company's financial performance.

The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. In executing financial plans, the Group must strictly follow financial operating procedures regarding overall financial risk management and division of power and responsibilities.

(a) Market risk

Market risk to the Group is the risk that the fair value or cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprise of mainly currency risk, interest rate risk, and other price risks.

i. Currency risk

The Group's operation and net investments by foreign operating institutions are mainly conducted in foreign currencies, which expose the Group to currency risk. The Company's foreign currency receivables are the same as

some of the foreign currency payables, with certain positions resulting in a natural hedging effect. Also, the net investment of foreign operating institutions is a strategic investment, so the Group has not hedged against it.

Currency risk sensitivity analysis calculated based on information on the Group's foreign currency financial assets and liabilities with significant impact:

Unit: \$1000 in each foreign
currency

(Foreign currency: functional currency)	2024.12.31			
	Foreign currency	Exchange rate	Degree of variation	Effects on profit and loss (NTD)
<u>Financial Assets</u>				
Monetary items				
USD: NTD	\$ 372	32.78	1%	\$ 122
USD: VND	228	25,490	1%	75
<u>Financial Liabilities</u>				
USD: VND	\$ 11	25,490	1%	\$ 4
HKD: NTD	12,500	4.225	1%	528

Unit: \$1000 in each foreign
currency

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

ii. Interest rate risks

Interest rate risk is the risk that a change in market interest rates will reduce the fair value of financial instruments. The Group's exposure to interest rate risk is primarily due to fixed-income investments and fixed-rate borrowings.

The sensitivity analysis of interest rate risk is based on changes in the fair value of fixed-income investments at the balance sheet date. If interest rates increase/decrease by 0.25% with all other variables remaining constant, the Group's net profit in 2024 and 2023 will be reduced by NT\$4,174 thousand and NT\$1,572 thousand, respectively.

iii. Other price risks

The price risk of the Group's equity instruments comes mainly from financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive gains and losses. All major equity instrument investments must be approved by the Company's Board of Directors.

The sensitivity analysis of equity instrument price risk is based on changes in fair value at the balance sheet date. If the price of equity instruments increased/decreased by 5%, the Group's net profit in 2024 and 2023 will be increased by NT\$10,744 thousand and NT\$14,462 thousand, respectively, with other comprehensive profit and loss increasing by NT\$9,996 thousand and NT\$7,279 thousand, respectively.

(b) Credit risk

Credit risk refers to the risk of a counterparty breaching contractual obligations, causing financial losses to the Group. The Group's exposure to credit risk comes mainly from receivables from operating activities, bank deposits from investment activities, fixed-income investments, and other financial instruments. Operation-related credit risk and financial credit risk are managed separately.

i. Operation-related credit risk

The Group has established operation-related credit risk management procedures to maintain the quality of accounts receivable.

Risk assessments of individual customers takes into account multiple factors that can affect a customer's ability to make payments, including the customer's financial situation, credit rating by credit rating agencies, credit rating by the Group, transaction history, and current economic situation. The Group will also use certain credit enhancement tools like prepayments and credit insurance to reduce the credit risk of specific customers.

Concentrations of credit risk are limited given that the Group's customer base is large and unrelated. As of December 31, 2024 and 2023, the ratio of the total accounts receivable from the Group's top ten customers to the total accounts receivable was 54% and 37%, respectively.

ii. Financial credit risk

The credit risk of bank deposits and other financial instruments are assessed and monitored by the Group's finance department. Because the Group's transaction partners and counterparties are all banks with high credit quality and financial institutions of investment grade, there is no significant default risk, and therefore no significant credit risk.

(c) Liquidity risk management

The Group's purpose for managing liquidity risk is to maintain cash and cash equivalents, highly liquid securities, and sufficient bank financing limits needed for operations to ensure that the Group has sufficient financial flexibility.

The following table summarizes the analysis of financial liabilities within the agreed repayment period of the Group based on maturity date and undiscounted maturity amount:

	2024.12.31				Total
	Less than 1 year	2 to 3 years	4 to 5 years	Over 5 years	
<u>Non-Derivative Financial</u>					
<u>Liabilities</u>					
Short-term loans	\$ 2,246,399	\$ —	\$ —	\$ —	\$ 2,246,399
Short-Term Notes and Bills Payable	79,801	—	—	—	79,801
Notes and accounts payable (including related parties)	84,530	—	—	—	84,530
Other payables (including related parties)	194,424	—	—	—	194,424
Lease liabilities	61,012	114,695	119,044	220,624	515,375
Long-term liabilities,current portion	2,848	5,894	5,905	—	14,647
	<u>\$ 2,669,014</u>	<u>\$ 120,589</u>	<u>\$ 124,949</u>	<u>\$ 220,624</u>	<u>\$ 3,135,176</u>

	2023.12.31				Total
	Less than 1 year	2 to 3 years	4 to 5 years	Over 5 years	
<u>Non-Derivative Financial</u>					
<u>Liabilities</u>					
Short-term loans	\$ 1,691,943	\$ —	\$ —	\$ —	\$ 1,691,943
Notes and accounts payable (including related parties)	230,138	—	—	—	230,138
Other payables (including related parties)	202,431	—	—	—	202,431
Lease liabilities	55,444	102,648	100,747	274,126	532,965
Long-term liabilities,current portion	2,793	5,770	6,023	2,848	17,434
	<u>\$ 2,182,749</u>	<u>\$ 108,418</u>	<u>\$ 106,770</u>	<u>\$ 276,974</u>	<u>\$ 2,674,911</u>

13. SUPPLEMENTARY DISCLOSURES:

When preparing the consolidated financial report, all major transactions between the parent and subsidiary companies and their balances have been eliminated.

(1) Information on major transactions and (2) invested businesses:

- A. Loans to others : Please refer to Table 1.
- B. Provision of endorsements/guarantees to others : Please refer to Table 2.
- C. Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint venture equity) : Please refer to Table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of paid-in capital or more: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more : Please refer to Table 4.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchase or sale of goods from or to related parties reaching at least NT\$100 million or 20% of paid-in capital: None.
- H. Receivables from related parties reaching at least NT\$100 million or 20% of paid-in capital: None.
- I. Entities engaged in derivative trading: None.
- J. Business relations and important transactions between parent and subsidiary companies : Please refer to Table 5.
- K. Names, locations, and other information of investee companies (excluding the investees in Mainland China) : Please refer to Table 6.

(3) Information on investments in Mainland China

- A. The name, primary operations, paid-in capital, investment methods, capital remittances, shareholding ration, investment gains and losses, ending investment book value, remitted investment gains, and invest limit in Mainland China of investees in Mainland China : None.

B. Direct or indirect significant transactions with investees in Mainland China via a third region and the prices, payment terms, and unrealized gains and losses of such transactions : None.

(4) Information on major shareholders (the names and number/percentage of shares held of shareholders that hold over 5% shares) : Please refer to Table 7.

14. DEPARTMENTAL INFORMATION

(1) Operating Segments

Information provided to chief operating decision makers for allocating resources and evaluating departmental performance, focusing on each type of product or service delivered or provided. In accordance with IFRS 8 - "Operating Segments", department in the Group that should be reported are described as follows:

A. Steel department: This department is primarily for the production and sales of black steel pipes, zinc-coated steel pipes, and stainless-steel coils for Pipes.

B. Real estate investment department: This department is primarily engaged in the procurement of construction land to build public housing in independent or joint construction projects, as well as the development, leasing, and purchase and sale of properties.

C. Investment department: This department is primarily for business regarding holding companies and operating investments.

D. Mineral trade department: This department is primarily engaged in mineral resources trading.

E. Hotel services department: This department primarily handles hotel operations.

(2) Department revenue and operating results

Information on the revenue and operating results of the Group's departments are as follows:

2024						
Revenue	Steel Department	Real Estate Investment Department	Direct Investment Department	Hotel Services Department	Inter-department write-offs	Total
Revenue from external customers	\$ 5,041,996	\$ (72)	\$ 1,491	\$ 198,427	\$ —	\$ 5,241,842
Inter-department revenue	—	—	—	22	(22)	—
	<u>\$ 5,041,996</u>	<u>\$ (72)</u>	<u>\$ 1,491</u>	<u>\$ 198,449</u>	<u>\$ (22)</u>	<u>\$ 5,241,842</u>
Operating income	<u>\$ 409,912</u>	<u>\$ (869)</u>	<u>\$ 8,195</u>	<u>\$ 69,952</u>	<u>\$ 882</u>	<u>\$ 488,072</u>
Recognize shares in the net benefits of affiliated companies and joint ventures using the equity method	\$ 208,759	\$ —	\$ —	\$ —	\$ (102,842)	\$ 105,917
Total tax expenses	<u>\$ 154,510</u>	<u>\$ 2,417</u>	<u>\$ 63</u>	<u>\$ 1,023</u>	<u>\$ —</u>	<u>\$ 158,013</u>
2023						
Revenue	Steel Department	Real Estate Investment Department	Direct Investment Department	Hotel Services Department	Inter-department write-offs	Total
Revenue from external customers	\$ 6,343,769	\$ 489,616	\$ —	\$ 176,052	\$ —	\$ 7,009,437
Inter-department revenue	—	—	—	—	—	—
	<u>\$ 6,343,769</u>	<u>\$ 489,616</u>	<u>\$ —</u>	<u>\$ 176,052</u>	<u>\$ —</u>	<u>\$ 7,009,437</u>
Operating income	<u>\$ 358,641</u>	<u>\$ 92,818</u>	<u>\$ 15,271</u>	<u>\$ 51,935</u>	<u>\$ 285</u>	<u>\$ 518,950</u>
Recognize shares in the net benefits of affiliated companies and joint ventures using the equity method	\$ 197,275	\$ —	\$ —	\$ —	\$ (100,180)	\$ 97,095
Total tax expenses	<u>\$ 222,440</u>	<u>\$ 29,771</u>	<u>\$ 5</u>	<u>\$ 133</u>	<u>\$ —</u>	<u>\$ 252,349</u>

(3) Revenue from primary goods and services

Analysis of the Group's revenue from primary goods and services are as follows:

	2024	2023
Steel	\$ 5,041,996	\$ 6,343,769
Construction	(72)	489,616
Hotel	198,427	176,052
Investments	1,491	—
	<u>\$ 5,241,842</u>	<u>\$ 7,009,437</u>

(4) Regional information

Revenue from external customers	2024	2023
Taiwan	\$ 4,853,781	\$ 6,591,726
Vietnam	230,837	254,925
Thailand	105,113	110,015
Others	52,111	52,771
	<u>\$ 5,241,842</u>	<u>\$ 7,009,437</u>

Non-current assets	2024.12.31	2023.12.31
Taiwan	\$ 3,305,029	\$ 2,954,609
Vietnam	42,523	47,626
	<u>\$ 3,347,552</u>	<u>\$ 3,002,235</u>

(5) Information on primary customers

The following is a list of primary customers whose annual amount of sales account for more than 10% of the Group's net operating revenue on the balance sheet in 2024 and 2023:

Name of customer	2024		2023	
	Amount of sales	Percentage of net sales %	Amount of sales	Percentage of net sales %
Company A	\$ 527,511	10.06	\$ 482,676	6.89
Company Z	59,247	1.13	847,618	12.09
	<u>\$ 586,758</u>	<u>11.19</u>	<u>\$ 1,330,294</u>	<u>18.98</u>

Mayer Steel Pipe Corporation and subsidiaries
Loans to others
January 1 to December 31, 2024

Table1

In Thousands of New Taiwan Dollars

No. (Note 1)	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the current period	Ending balance (Note 2)	Actual amount drawn down	Interest rate range	Nature of loan	Transaction amount	Reason for short-term financing	Allowance for loss provision	Collateral		Limit on loans granted to a single party (Note 4)	Limit on total lender's loans granted (Note 5)
													Name	Value		
0	Mayer Steel Pipe Corporation	Mayer Corporation Development International Limited	Other receivables	Yes	\$ 20,003	\$ 19,973	\$ 19,973	1.22% (Note6)	Note 3	—	In response to the short-term financing needs of subsidiaries	\$ 19,973	—	—	\$ 458,156	\$ 1,832,624
0	Mayer Steel Pipe Corporation	Mei Kong Development Ltd.	Other receivables	Yes	300,000	300,000	22,000	3%	Note 3	—	In response to the short-term financing needs of subsidiaries	—	—	—	458,156	1,832,624
0	Mayer Steel Pipe Corporation	Ding Bang Development Co., Ltd.	Other receivables	No	105,650	105,650	—	12%-18%	Note 3	—	In response to short-term financing needs	—	—	—	458,156	1,832,624

Note 1: How to fill out the number column:

1. Issuer is 0.

2. Investees are numbered in order starting from '1'.

Note 2: Funds available for loans to others approved by the Board of Directors.

Note 3: Those in need of short-term financing.

Note 4: The Group's financing limit for a single enterprise must not exceed 10% of its net worth according to most recent financial report.

Note 5: The Group's financing limit must not exceed 40% of its net worth according to most recent financial report.

Note6: Mayer Corporation Development International Limited entered liquidation on March 27, 2017, so imputed interests have been suspended since April 2017.

Mayer Steel Pipe Corporation and subsidiaries
Provision of endorsements/guarantees to others
January 1 to December 31, 2024

Table 2

In Thousands of New Taiwan Dollars

No. (Note 1)	Provider of endorsements / guarantees Name of company	Entity for which the endorsement/guarantee is made		Limit on endorsements / guarantees to a single enterprise (Note 3)	Highest outstanding balance of endorsements / guarantees in the current period	Ending balance of endorsements / guarantees	Actual amount drawn down	Endorsed / guaranteed amount with property as collateral	Cumulative endorsed / guaranteed amount as a percentage of the net value in the most recent financial statement	Maximum endorsed/guar anteed amount (Note 4)	Parent company to subsidiary	Subsidiary to parent company	To Mainland China
		Name of company	Relation to the Company (Note 2)										
0	Mayer Steel Pipe Corporation	Mei Yi Architecture Co.,Ltd.	2	\$ 4,581,560	\$ 72,820	\$ 72,820	\$ -	\$ -	1.59%	\$ 4,581,560	Yes	No	No
0	Mayer Steel Pipe Corporation	Yuan Yi Architecture Co., Ltd.	1	4,581,560	196,900	196,900	-	-	4.30%	4,581,560	No	No	No
0	Mei Kong Development Ltd.	Durban Development Co., Ltd.	1	2,781,737 (Note5)	2,350,000	2,350,000	448,800	-	422.40%	2,781,737 (Note6)	No	No	No

Note 1: How to fill out the number column:

1. Issuer is 0.
2. Investees are numbered in order starting from '1'.

Note 2: Relationships between endorser/guarantor and the entity for which the endorsement/guarantee is made are classified into the following seven categories:

1. Companies with business interactions with the Company.
2. Companies in which the Company directly or indirectly holds more than 50% of voting shares.
3. Companies that in directly or indirectly hold more than 50% of the Company's voting shares.
4. Companies in which the Company directly or indirectly holds more than 90% of voting shares.
5. Companies providing mutual endorsements/guarantees between industry peers or joint applicants for purposes of undertaking a construction project.
6. Companies where all capital-contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide performance guarantees of sales contracts for pre-sale homes according to the Consumer Protection Act for one another.

Note 3: The Company's endorsement/guarantee limit for a single firm shall not exceed the Company's net worth according to the most recent financial report.

Note 4: The Company's endorsement/guarantee limit must not exceed 100% of its net worth according to the most recent financial report.

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
Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint venture equity)
December 31, 2024

Table 3

In Thousands of New Taiwan Dollars

Holding company	Type and name of securities	Relation with the Company	General ledger account	End of period			Fair Value	Note
				Share	Book value	Percentage (%)		
Mayer Steel Pipe Corporation	IBF Financial Holdings Co., Ltd.		Current financial assets at fair value through profit or loss	9,000,000	\$ 134,550	0.25	\$ 134,550	8,500 thousand shares pledged
	AEROSPACE INDUSTRIAL DEVELOPMENT CORP.		"	780,000	34,983	0.08	34,983	
	Xpec Entertainment Inc.		"	70,225	—	0.04	—	
	Compal Electronics, Inc.		"	200,000	7,530	—	7,530	
	TCB Income Optimization Multi-asset Fund - A Non-interest distribution (NTD)		"	100,000	967	—	967	
	Tze Shin International Co., Ltd.	Chairman is the same person	Current financial assets at fair value through other comprehensive income	9,430,000	200,388	4.99	200,388	7,100 thousand shares pledged
	Taiwan Stock Exchange Corporation		Non-current financial assets at fair value through profit or loss	739,353	125,976	0.06	125,976	560 thousand shares pledged
	Durban Development Co., Ltd.	Chairman is the same person	"	3,440,531	19,718	3.75	19,718	
	Miramar Resort Co., Ltd.		"	2,389,500	403	9.00	403	
	Taiwan Navigator Asset Investment Limited		"	18,000,000	285,296	14.06	285,296	
Genesis Capital Holdings Limited	"		3,151	—	4.51	—		
Jia Ruei Investment Development Co., Ltd.		Non-current financial assets at fair value through other comprehensive income	2,040,000	89,111	6.07	89,111		
CSGT (SHENZHEN) Co., Ltd.		"	20,000	457	2.50	457		
Mei Kong Development Ltd.	Jia Ruei Investment Development Co., Ltd.		Non-current financial assets at fair value through other comprehensive income	1,538,862	67,237	4.58	67,237	
	Singleton Co. Ltd.		"	1,276,600	2,275	16.08	2,275	
Mayer Inn Corporation	ADATA Technology Co., Ltd.		Current financial assets at fair value through profit or loss	270,000	21,168	0.09	21,168	
	HON HAI PRECISION IND. CO., LTD.		"	70,000	12,880	—	12,880	
	TATUNG COMPANY		"	50,000	2,395	—	2,395	
Miramar Development Limited	Oasis Eden Properties Limited		Current financial assets at fair value through profit or loss	1,750	—	13.46	—	

Note: For information about investments in subsidiaries and affiliated companies, please refer to Table 6

Mayer Steel Pipe Corporation and subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
January 1 to December 31, 2024

Table 4

In Thousands of New Taiwan Dollars

Acquired company	Name of property	Transaction date of date of occurrence	Transaction amount	Payment delivery (Note)	Counterparty	Relation to the Company	Data transferred before transaction with related parties				Reference for price determination	Purpose of acquisition and usage	Other matters of agreement
							Owner	Relation to the Company	Date of transfer	Amount			
Mayer Steel Pipe Corporation	Land plots No. 154 and 158 of the Chongde Section in Xizhi District, along with 14 plots including No. 137 and 8 plots including No. 153-1.	2024.12	\$ 1,552,554	\$ 207,189	Yang Ze-Shi	None	—	—	—	—	According to a professional appraisal company, the valuation of a total of 29 land plots, including No. 137 of the Chongde Section in Xizhi District, amounts to NT\$1,732,687 thousand and NT\$1,746,933 thousand, respectively.	The land is intended for the construction and sale of residential buildings.	—

Note: Payment delivery status as of December 31, 2024.

Mayer Steel Pipe Corporation and subsidiaries
Business relations and important transactions between parent and subsidiary companies
January 1 to December 31, 2024

Table 5

In Thousands of New Taiwan Dollars

No. (Note 1)	Company name	Counterparty	Relationship with company (Note 2)	Transaction			
				General ledger account	Amount	Transacti on terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Mayer Steel Pipe Corporation	Mei Kong Development Ltd.	1	Leasing revenue	\$ 114	Note 4	—
0	Mayer Steel Pipe Corporation	Mei Kong Development Ltd.	1	Interest Income	499	Note 6	0.01
0	Mayer Steel Pipe Corporation	Mei Kong Development Ltd.	1	Other receivables	22,000	Note 6	0.27
0	Mayer Steel Pipe Corporation	Mayer Inn Corporation	1	Entertainment expenses	7	Note 5	—
0	Mayer Steel Pipe Corporation	Mayer Inn Corporation	1	Rravel expenses	16	Note 5	—
0	Mayer Steel Pipe Corporation	Mei Yi Architecture Co.,Ltd.	1	Leasing revenue	114	Note 4	—
0	Mayer Steel Pipe Corporation	Miramar Development Limited	1	Other receivables	30	Note 5	—
0	Mayer Steel Pipe Corporation	Miramar Development Limited	1	Leasing revenue	114	Note 4	—
0	Mayer Steel Pipe Corporation	Miramar Development Limited	1	Others income	540	Note 7	0.01

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

1. Parent company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

Note 2: Transactions can be divided in to the following three categories (please indicate the category):

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

Note 3: The percentage of transaction amount to the consolidated total revenue or total assets are calculated as the ending balance to the consolidated total assets for asset liability accounts. For profit and loss accounts, it is calculated as the cumulated amount during the period to the consolidated total revenue.

Note 4: Revenue from sub-leasing offices and expenses for advances.

Note 5: The transaction terms with related parties are determined by mutual agreement.

Note 6: Amount loaned.

Note 7: It pertains to management service income.

Mayer Steel Pipe Corporation and subsidiaries
Names, locations, and other information of investee companies - excluding investees in Mainland China
January 1 to December 31, 2024

Table 6-1

In Thousands of New Taiwan Dollars

Name of investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held at the end of the period			Net profit (loss) of investee for the current period	Investment (loss) profit recognized by the company	Note
				Balance sheet date	End of last year	Number of shares	Percentage	Book value			
Mayer Steel Pipe Corporation	Mayer Corporation Development International Limited	British Virgin Islands	Holding, various investment business	\$ 390,881	\$ 390,881	5,550,000	100.00	\$ — (Note 1)	\$ —	\$ —	Subsidiaries
	Vietnam Mayer Co., Ltd.	Vietnam	Processing and sales of steel pipes, steel plates and other metal products	212,601	212,601	—	100.00	285,737	33,307	33,307	Subsidiaries
	Glory World Development Limited	British Virgin Islands	Various investment business	259,121	259,121	8,881,539	50.21	— (Note 2)	(1,729)	(868)	Subsidiaries
	Mei Kong Development Ltd.	Taiwan	Various investment and property development business	510,149	510,149	505,000,000	100.00	546,507	1,524	1,524	Subsidiaries
	Miramar Development Limited	Hong Kong	Various investment business	498,923	498,923	17,100,000	90.00	41,717	9,399	8,459	Subsidiaries
	Mayer Inn Corporation	Taiwan	General hospitality business and international trade	324,800	374,800	10,000,000	100.00	164,825	60,149	60,149	Subsidiaries
	Mei Yi Architecture Co.,Ltd.	Taiwan	Housing and Building Development and Rental	45,000	18,000	4,500,000	90.00	44,009	(663)	(596)	Subsidiaries
	Grand Tech Precision Manufacturing (Thailand) Co., Ltd.	Thailand	Processing and sales of steel pipes, steel plates and other metal products	179,688	179,688	17,350,000	45.01	240,885	89,558	40,310	Investees evaluated using the equity method
	Diamond Precision Steel Corp.	Cayman Islands	Various investment business	106,248	106,248	3,527,500	42.50	233,743	145,930	62,020	Investees evaluated using the equity method
	Luen Jin Enterprise Co., Ltd.	Taiwan	Manufacture of Other Metals	156,600	156,600	6,525,000	30.00	154,088	14,850	4,455	Investees evaluated using the equity method
Glory World Development Limited	Sinowise Development Limited	British Virgin Islands	Trading of on-ferrous metals and other mineral resources	236,731	236,731	7,550,000	100.00	— (Note 3)	—	—	Note 6 Indirect investments in sub-subsidiaries
	Elternal Galaxy Limited	British Virgin Islands	Trading of on-ferrous metals and other mineral resources	291,617	291,617	9,350,000	100.00	— (Note 4)	(1,729)	—	Note 6 Indirect investments in sub-subsidiaries

Mayer Steel Pipe Corporation and subsidiaries
Names, locations, and other information of investee companies - excluding investees in Mainland China
January 1 to December 31, 2024

Table 6-2

Name of investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held at the end of the period			Net profit (loss) of investee for the current period	Investment (loss) profit recognized by the company	Note
				Balance sheet date	End of last year	Number of shares (1000 shares)	Percentage	Book value			
Glory World Development Limited	Grace Capital Group Limited	Samoa	Trading of on-ferrous metals and other mineral resources	2,099	2,099	70,000	100.00	— (Note 5)	—	Note 6	Indirect investments in sub-subsidiaries

Note 1: Mayer Corporation Development International Limited (BVI) entered liquidation on March 27, 2017 and was therefore not included as an entity in the consolidated report. As a result, the balance of NT\$(62,785) thousand from the net book equity value of NT\$ (82,942) thousand minus other receivables transferred to allowance for loss of NT\$20,157 thousand was transferred under “other non-current liabilities, others”.

Note 2: Glory World Development Limited was struck off by the local government on November 3, 2020 and was therefore not included as an entity in the preparation of this report. As a result, the net book equity value was transferred under other non-current liabilities, others NT\$12,613 thousand.

Note 3: Transferred to other non-current liabilities, others NT\$843 thousand.

Note 4: Transferred to other non-current liabilities, others NT\$22,367 thousand.

Note 5: Transferred to other non-current liabilities, others NT\$217 thousand.

Note 6: The profit and loss of the investee company has been included in its investment company and will not be expressed separately.

Mayer Steel Pipe Corporation and subsidiaries
Information on major shareholders
December 31, 2024

Table 7

Name of major shareholders	Shareholding	
	Shares held (thousand shares)	Percentage (%)
Yuan Chuan Steel Corporation	44,355	16.61
Tze Shin International Co., Ltd.	20,520	7.68
Sian Da Investment Co., Ltd.	18,982	7.10

Note 1: Taiwan Depository & Clearing Corporation calculates the information of the shareholders holding 5% or more of the Company's non-physical common shares and special shares which have been registered in dematerialized form (including treasury shares) based on the last business day of every quarter. The stock recorded in the Company's financial statements may differ from the shares which have been registered in dematerialized form because of different basis of preparation.

Note 2: If the shareholders deliver shareholdings to the trust, the above information shows the trustor's separate account opened by the trustee. As to insiders' equity declaration of shareholdings over 10% under securities trading laws, the shareholders' shareholdings include their own shareholdings and shares delivered to the trust with the right to decide how to use the trust property. For information related to insiders' equity declaration, please refer to the Market Observation Post System.