FENG HSIN STEEL CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditor's Report

For the Years Ended December 31, 2024 and 2023

Company Address: No. 998, Sec. 1, Jiahou Rd.,
Houli Dist., Taichung City

Company Phone: (04) 2556-5101

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditor's Report

To the Board of Directors and Shareholders of Feng Hsin Steel Co., Ltd.:

Opinion

We have audited the financial statements of Feng Hsin Steel Co., Ltd. (“ the Company”), which comprise the statements of financial position as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audit results and the audit reports of other auditors (please refer to the Other Matters section), the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Feng Hsin Steel Co., Ltd. and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and 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, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee, and Statement on Internal Control (SIC) endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the ROC. Our responsibilities under those standards are further described in the section “Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements.” We are independent of the Company 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 reports of other auditors, we believe that we have obtained sufficient and appropriate audit evidence 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 of Feng Hsin Steel Co., Ltd. and its subsidiaries 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.

Valuation of Inventories

As of December 31, 2024, Feng Hsin Steel Co., Ltd. and its subsidiaries' net inventories amounted to NT$7,544,482 thousand, representing 28% of the total consolidated assets, which was material to the Consolidated Financial Statements. The Group manufactures and sells various types of steel products, with the main raw material being steel scrap. Since both raw materials and finished products are affected by international price fluctuations, material changes in inventory prices may be caused, making the calculation of net realizable values complex. Therefore, we determined valuation of inventories to be a key audit matter.

Our audit procedures included (but were not limited to) obtained an understanding of and testing the effectiveness of internal controls established by management for inventories, evaluating the appropriateness of accounting policies formulated by management for slow-moving and obsolete inventories, assessing management's inventory physical count plan, selecting significant inventory locations and conducting on-site observation of inventory physical count to verify the quantity and condition of inventories, and obtaining inventory aging reports to test the accuracy of inventory movement records. We recalculated the unit cost of inventories, evaluated the net realizable value used by management for inventory valuation, tested the selling prices, and performed analytical procedures on gross profit margins by product category. We also took the appropriateness of disclosure related to inventories in Note 6 of the financial statements into consideration.

Other Matters - Reference to the Audit of Other Auditors

Included in Feng Hsin Steel Co., Ltd.'s parent company-only financial statements, some of the investees' financial statements were not audited by us but by other auditors. Therefore, our opinion on the aforementioned parent-company-only financial statements, with respect to the amounts included in the financial statements of these investees, is based on the audit reports issued by other auditors. As of December 31, 2024 and 2023, the equity-accounted investments in these investees amounted to NT$1,074,091 thousand and NT$985,686 thousand, respectively, both representing 4% of the total assets. The share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method for the periods from for the years ended December 31, 2024 and 2023 amounted to NT$199,544 thousand and NT$120,915 thousand, respectively, representing 7% and 4% of profit before tax. The share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method amounted to NT$309 thousand and NT$141 thousand, respectively, both constituting 0% of the net amount of other comprehensive income.

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 International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and issued into effect by the Financial Supervisory Commission, 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 of the Group (including the Audit Committee) are responsible for overseeing the 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 auditor's 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 Standards on Auditing of the ROC 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 ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement 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 auditor's 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 auditor's 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 related notes), 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, and are solely responsible for forming the group 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 a statement confirming that the personnel subject to the independence rules of our firm have complied with the relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be considered to affect our independence, along with any related safeguards, where applicable.

We determined the key audit matters for the 2024 consolidated financial statements of Feng Hsin Steel Co., Ltd. and its subsidiaries from the matters communicated with those charged with governance. We describe these matters in our auditor's report unless law or regulation prohibits public disclosure of the matter or, in extremely rare circumstances, we determine that the adverse consequences of such communication would reasonably be expected to outweigh the public interest benefits of disclosure.

Other

Feng Hsin Steel Co., Ltd. has prepared its Parent-company-only Financial Statements for the years ended December 31, 2024 and 2023, for which we have issued audit reports with unqualified opinions for reference.

Ernst & Young, Taiwan

Chen Ming-Hung

Auditors:

Tu Chin-Yuan

February 25, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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.

Feng Hsin Steel Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NT$ thousands

Assets			December 31, 2024		December 31, 2023	
Code	Item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$1,171,339	4	$992,599	4
1120	Financial assets at fair value through other comprehensive income - current	4 and 6.2	576,091	2	1,130,016	4
1140	Contract assets-current	4 and 6.14.15	445,783	2	537,601	2
1150	Notes receivable-net	4 and 6.15	12,845	-	10,014	-
1170	Accounts receivable-net	4 and 6.3.15	1,969,168	8	1,947,572	7
1200	Other receivables	4	10,324	-	19,306	-
130x	Inventories	4 and 6.4	7,544,482	28	7,786,837	29
1410	Prepayment	6.5	580,512	2	534,608	2
1470	Other current assets		37,446	-	33,604	-
11xx	Total current assets		12,347,990	46	12,992,157	48
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	4 and 6.2	1,487,386	6	1,444,171	5
1550	Investment under equity method	4 and 6.6	1,559,345	6	1,526,279	6
1600	Property, plant and equipment	4 and 6.7	9,680,989	36	9,587,374	35
1755	Right-of-use assets	4 and 6.16	749,701	3	416,107	2
1760	Investment property-net	4 and 6.8	682,594	3	686,541	3
1840	Deferred income tax assets	4 and 6.20	107,094	-	102,228	-
1900	Other non-current assets	4 and 6.9.12	73,286	-	292,487	1
15xx	Total non-current assets		14,340,395	54	14,055,187	52
1xxx	Total assets		$26,688,385	100	$27,047,344	100

(Please refer to the Notes for Consolidated Financial Statements.)

Feng Hsin Steel Co., Ltd. and Subsidiaries

Consolidated Balance Sheets (Continued)

December 31, 2024 and 2023

Unit: NT$ thousands

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4 and 6.10	$987,596	4	$1,950,094	7
2130	Contract liabilities-current	4 and 6.14	82,850	-	77,630	-
2150	Notes payable		712	-	452	-
2170	Accounts payable	7	1,332,049	5	1,570,989	6
2200	Other payables	6.11	923,316	4	781,984	3
2230	Current income tax liabilities	4	282,927	1	278,418	1
2280	Lease liabilities - current	4 and 6.16	61,039	-	48,199	-
2300	Other current liabilities		2,515	-	1,999	-
21xx	Subtotal of current liabilities		3,673,004	14	4,709,765	17
	Non-current liabilities					
2570	Deferred income tax liabilities	4 and 6.20	32,835	-	29,544	-
2580	Lease liabilities - non-current	4 and 6.16	700,357	3	372,420	2
2640	Net defined benefit liabilities-non-current	4 and 6.12	20,230	-	5,730	-
2645	Deposits received		781	-	668	-
25xx	Subtotal of non-current liabilities		754,203	3	408,362	2
2xxx	Total liabilities		4,427,207	17	5,118,127	19
31xx	Equity attributed to the owner of parent company					
3100	Capital stock					
3110	Capital stock-common shares	6.13	5,815,994	22	5,815,994	21
3200	Capital surplus	6.13	454,672	2	454,032	2
3300	Retained earnings	6.13				
3310	Legal reserve		5,611,412	21	5,378,751	20
3320	Special reserve		55,951	-	198,786	1
3350	Unallocated earnings		10,569,674	39	10,137,605	37
33xx	Subtotal of retained earnings		16,237,037	60	15,715,142	58
3400	Other equity					
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income		(246,525)	(1)	(55,962)	-
3453	Gains (losses) on hedging instruments – associates and joint ventures accounted for using equity method		-	-	11	-
3400	Subtotal of other equity		(246,525)	(1)	(55,951)	-
3xxx	Total equity		22,261,178	83	21,929,217	81
	Total liabilities and equity		$26,688,385	100	$27,047,344	100

(Please refer to the Notes for Consolidated Financial Statements.)

Feng Hsin Steel Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands

Code	Item	Notes	2024		2023	
			Amount	%	Amount	%
4100	Operating revenue	4 and 6.14	$34,379,324	100	$34,882,023	100
5000	Operating cost	6.17 and 7	(30,724,826)	(90)	(31,326,299)	(90)
5900	Gross profit		3,654,498	10	3,555,724	10
6000	Operating expenses	6.17				
6100	Selling expenses		(418,523)	(1)	(414,505)	(1)
6200	Administrative expenses		(417,896)	(1)	(387,694)	(1)
6300	R&D expenses		(45,342)	-	(43,170)	-
	Total operating expenses		(881,761)	(2)	(845,369)	(2)
6900	Operating income		2,772,737	8	2,710,355	8
7000	Non-operating revenue and expenditure	4 and 6.18				
7100	Interest revenue		6,555	-	5,934	-
7010	Other revenue		148,871	1	134,667	-
7020	Other gains and losses		(29,491)	-	(13,134)	-
7050	Financial cost		(44,025)	-	(40,805)	-
7060	Shares of associates and joint ventures accounted for using equity method	6.6	144,219	-	104,904	-
	Total non-operating revenue and expenditure		226,129	1	191,566	-
7900	Net income		2,998,866	9	2,901,921	8
7950	Income tax expenses	4 and 6.20	(523,847)	(2)	(526,430)	(2)
8200	Current net profit		2,475,019	7	2,375,491	6
8300	Other comprehensive income	6.19				
8310	Items not re-classified into income					
8311	Remeasurement of defined benefit plans		(27,647)	-	(108,746)	-
8316	Equity instrument at fair value through other comprehensive income					
	Unrealized valuation gain or loss on investments		(79,646)	-	189,998	1
8320	Associates and joint ventures accounted for using Equity method					
	Other comprehensive income -Items not re-classified into income		295	-	411	-
8349	Income tax on items not reclassified to profit or loss		5,471	-	21,667	-
8300	Other comprehensive income for the period (net after tax)		(101,527)	-	103,330	1
8500	Total current comprehensive income		$2,373,492	7	$2,478,821	7
8600	Profit attributable to:					
8610	Owner of parent company		$2,475,019		$2,375,491	
8620	Non-controlling equity		-		-	
			$2,475,019		$2,375,491	
8700	Comprehensive income attributable to:					
8710	Owner of parent company		$2,373,492		$2,478,821	
8720	Non-controlling equity		-		-	
			$2,373,492		$2,478,821	
	EPS (NT$)	4 and 6.21				
9750	Basic EPS		$4.26		$4.08	
9850	Diluted EPS		$4.23		$4.06	

(Please refer to the Notes for Consolidated Financial Statements.)

Feng Hsin Steel Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands

		Equity attributed to the owner of parent company							
				Retained earnings			Other equity item		
	Item	Capital stock	Capital surplus	Legal reserve	Special reserve	Unallocated earnings	Unrealized gains (losses) from financial Fair value transactions through Other comprehensive	Gains (losses) on hedging instruments	Total equity
Code		3100	3200	3310	3320	3350	3420	3450	3xxx
A1.	Balance on January 1, 2023	$5,815,994	$453,308	$5,068,002	$ -	$10,646,924	$(198,581)	$(205)	$21,785,442
	Appropriation and distribution of 2022 retained earnings								
B1.	Provision of legal reserve			310,749		(310,749)			-
B3.	Provision of special reserve				198,786	(198,786)			-
B5	Common share cash dividend					(2,326,398)			(2,326,398)
	Changes in other capital surplus								
C7	Changes in associates and joint ventures under the equity method		55			(9,372)			(9,317)
C17	Other changes in capital surplus		669						669
D1	Net profit for 2023					2,375,491			2,375,491
D3	Other comprehensive income for 2023					(86,884)	189,998	216	103,330
D5	Total current comprehensive income	-	-	-	-	2,288,607	189,998	216	2,478,821
Q1	Disposal of equity instruments at fair value through other comprehensive income					47,379	(47,379)		-
Z1	Balance on December 31, 2023	$5,815,994	$454,032	$5,378,751	$198,786	$10,137,605	$(55,962)	$11	$21,929,217
A1.	Balance on January 1, 2024	$5,815,994	$454,032	$5,378,751	$198,786	$10,137,605	$(55,962)	$11	$21,929,217
	Appropriation and distribution of 2023 retained earnings								
B1.	Provision of legal reserve			232,661		(232,661)			-
B5	Common share cash dividend					(2,035,598)			(2,035,598)
B17	Reversal of special reserve				(142,835)	142,835			-
	Changes in other capital surplus								
C7	Changes in associates and joint ventures under the equity method		(21)			(6,573)			(6,594)
C17	Other changes in capital surplus		661						661
D1	Net profit for 2024					2,475,019			2,475,019
D3	Other comprehensive income for 2024					(21,870)	(79,646)	(11)	(101,527)
D5	Total current comprehensive income	-	-	-	-	2,453,149	(79,646)	(11)	2,373,492
Q1	Disposal of equity instrument at fair value through other comprehensive income					110,917	(110,917)		-
Z1	Balance on December 31, 2024	$5,815,994	$454,672	$5,611,412	$55,951	$10,569,674	$(246,525)	$ -	$22,261,178

(Please refer to the Notes for Consolidated Financial Statements.)

Feng Hsin Steel Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands

Code	Item	2024	2023
AAAA	Cash flow from operating activities:		
A10000	Current income before tax	$2,998,866	$2,901,921
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expenses	1,192,573	1,156,509
A20200	Various amortizations	10,616	2,426
A20900	Interest expenses	44,025	40,805
A21200	Interest revenue	(6,555)	(5,934)
A21300	Dividend revenue	(118,759)	(110,393)
A22300	Share of profit of associates and joint ventures accounted for using equity metho	(144,219)	(104,904)
A22500	Loss (gain) on disposal of property, plant, and equipment	(1,077)	18,085
A30000	Changes in operating activities related to Current assets/Liabilities:		
A31125	Decrease in contract assets-current	91,818	103,114
A31130	Increase in notes receivable	(2,170)	(4,666)
A31150	(Increase) decrease in accounts receivable	(21,596)	76,342
A31180	Decrease in other receivables	8,983	3,162
A31200	Decrease (increase) in inventories	243,582	(1,556,237)
A31230	Increase in prepayments	(61,345)	(87,011)
A31240	Increase in other current assets	(3,842)	(10,029)
A32125	Increase (decrease) in contract liabilities-current	5,220	(5,923)
A32130	Increase in notes payable	260	119
A32150	(Decrease) increase in accounts payable	(238,940)	276,135
A32180	Increase (decrease) in other payables	141,948	(154,138)
A32230	Increase in other current liabilities	516	797
A32240	Decrease in net defined benefit liabilities	(13,147)	(103,016)
A33000	Cash inflow from operations	4,126,757	2,437,164
A33100	Interest collected	6,554	5,933
A33200	Dividends collected	118,759	116,693
A33300	Interest paid	(36,247)	(36,384)
A33500	Income tax paid	(515,442)	(564,304)
AAAA	Cash flow from operating activities	3,700,381	1,959,102

(Please refer to the Notes for Consolidated Financial Statements.)

Feng Hsin Steel Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands

Code	Item	2024	2023
BBBB	Cash flow from investing activities::		
B00020	Disposal of financial assets at fair value through other comprehensive income	431,064	424,972
B01800	Acquisition of investment under the equity method	(9,812)	(15,520)
B02700	Acquisition of property, plant, and equipment	(1,219,088)	(1,528,907)
B02800	Disposal of property, plant, and equipment	2,348	30
B06800	Decrease (increase) in other non-current assets	219,201	(31,986)
B07600	Dividends collected	114,666	172,975
BBBB	Net cash outflow from investing activities	(461,621)	(978,436)
CCCC	Cash flow from financing activities:		
C00100	Increase (decrease) in short-term loan	(962,498)	1,088,027
C03000	Increase in guarantee deposits received	113	637
C04020	Payment of lease liabilities	(62,037)	(50,014)
C04500	Cash dividends	(2,035,598)	(2,326,398)
CCCC	Net cash outflow from financing activities	(3,060,020)	(1,287,748)
EEEE	Net increase (decrease) in cash and cash equivalents	178,740	(307,082)
E00100	Balance of cash and cash equivalents, beginning	992,599	1,299,681
E00200	Balance of cash and cash equivalents, ending	$1,171,339	$992,599

(Please refer to the Notes for Consolidated Financial Statements.)

Feng Hsin Steel Co., Ltd. and Subsidiaries

Note to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Company History

Feng Hsin Steel Co., Ltd. (hereinafter referred to as "the Company") was established in 1969, originally engaged in the manufacturing, processing and trading of various triangle iron, angle iron, round iron, flat iron, iron plate, etc., the operation and investment of various incidental businesses.along with June 1989 The No. 2 Steel Rolling Mill was completed and put into operation, and officially entered the field of special steel to produce carbon steel and special steel. The Company No. 2 Steel Mill completed a hot test in 1997 and officially produced the special steel billet required for No. 2 Steel Rolling Mill and No. 1 Steel Rolling Mill, in order to control quality and reduce costs. 1991 and The Company shares were approved for listing by the competent authority in were officially listed on the Taiwan Stock Exchange on May 25, 1992. The registered office and the main business location are No. 998, Sec. 1, Jiahou Rd., Houli Dist., Taichung City.

2. Date and Procedures of Approval of the Financial Reports

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the years ended December 31, 2024 and 2023 were authorized for issue by the Board of Directors on February 25, 2025.

3. Application of New Standards, Amendments, and Interpretations

1. Changes in accounting policies resulting from initial application of International Financial Reporting Standards

The Group applied the International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and Statement on Internal Control (SIC) endorsed and issued by the Financial Supervisory Commission beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

2. Standards or interpretations issued, revised or amended, by the International Accounting Standards Board (IASB) which are endorsed by the Financial Supervisory Commission (FSC), but not yet adopted by the Group as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
1	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

(1) Lack of Exchangeability (Amendments to IAS 21)

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The above amendments are applicable for fiscal periods beginning on or after 1 January 2025 and have no material impact on the Group.

3. Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and Its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
d	Disclosure Initiative —Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

(a) IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and Its Associate or Joint Ventues

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)
FRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative— Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
(3) Clarify the treatment of non-recourse assets and contractually linked instruments.
(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards—Volume 11

(1) Amendments to IFRS 1
(2) Amendments to IFRS 7
(3) Amendments to Guidance on implementing IFRS 7
(4) Amendments to IFRS 9

(5) Amendments to IFRS 10
(6) Amendments to IAS 7

(g) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments include:
(1) Clarify the application of the 'own-use' requirements.
(2) Permit hedge accounting if these contracts are used as hedging instruments.
(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The abovementioned standards and interpretations issued by the IASB have not yet been endorsed by the FSC at the date when the Company financial statements were authorized for issue. The new or amended standards and interpretations have no material impact on the Company.

4. Summary of Significant Accounting Policies

1. Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and Statement on Internal Control (SIC) as endorsed by the Financial Supervisory Commission.

2. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

3. Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(1) Power over the investee (i.e. existing rights that give it the current ability to direct therelevant activities of the investee), and
(2) Exposure, or rights, to variable returns from its involvement with the investee, and
(3) The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(1) The contractual arrangement with the other vote holders of the investee
(2) Rights arising from other contractual arrangements
(3) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

(1) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(2) Derecognizes the carrying amount of any non-controlling interest;
(3) Recognizes the fair value of the consideration received;
(4) Recognizes the fair value of any investment retained;
(5) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retain earnings;
(6) The resulting difference is recognized in profit or loss

<u>The consolidated entities are as follows:</u>

Name of investor	Name of Subsidiary	Main Business	Percentage of Equity eldH 2024.12.31	2023.12.31
The Company	Great ortune olding imitedFHL	General investment	100% LIMITED	100% LIMITED

4. Foreign currency transactions

The Group consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(1) Exchange differences arising from foreign currency borrowings for the acquisition of assets that meet the requirements are treated as an adjustment to interest costs and capitalized as part of the cost of the borrowing for assets.

(2) Foreign currency items falling under the scope of International Financial Reporting Standards (IFRS) 9 are accounted for in accordance with the "Financial Instruments" accounting policies.

(3) When a reporting entity holds a portion of its net investment in foreign operations denominated in a foreign currency, any resulting exchange differences are initially recognized in other comprehensive income. Subsequently, upon disposal of the net investment, these exchange differences are reclassified from equity to the income statement.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

5. Classification of current and non-current assets and liabilities

All assets that meet one of the following criteria are classified as current assets; otherwise, they are classified as non-current assets:

(1) The group expects to realize the assets in its normal operating cycle or intends to sell or consume them.
(2) Holding the assets primarily for trading.
(3) The group expects to realize the assets within twelve months after the reporting period.
(4) Cash or cash equivalents, except that the assets are restricted from being exchanged or used to settle liabilities at least 12 months after the reporting period.

All other assets are classified as non-current. A liability is classified as current when:

(1) The group expects to settle liabilities in its normal operating cycle.
(2) Holding the liabilities primarily for trading.
(3) The liabilities are due to be settled within twelve months after the reporting period.
(4) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial nstruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. The Group business model for managing the financial assets and,
B. The contractual cash flow characteristics of assets

<u>Financial assets measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
B. 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance). A gain or loss is recognized in profit or loss when derecognizing, amortizing process or recognizing the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. For purchased or originated credit-impaired financial assets, multiply the credit-adjusted effective interest rate by the amortized cost of the financial assets.
B. For financial assets that are not purchased or originated credit-impaired financial assets but subsequently become credit-impaired financial assets, the ompany applies the effective interest rate to the amortized cost of the financial asset in accordance with assets.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

A. The business model for managing assets: collecting contractual cash flows and selling financial assets.
B. 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.

Recognition of gain or loss related to this type of financial asset is described as follows:

A. Before derecognition or reclassification, gains or losses are recognized in other comprehensive income, except for impairment gains or losses and foreign currency translation gains or losses, which are recognized in profit or loss.
B. Upon derecognition, the cumulative gain or loss previously recognized in ther comprehensive income is reclassified from quity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method (effective interest rate multiplied by the total carrying amount of the financial assets), except:

   (a) When a financial asset is purchased or originated credit-impaired, multiply the credit-adjusted effective interest rate by the amortized cost of the financial assets.
   (b) When the financial asset is not purchased, but subsequently become credit-impaired, the effective interest rate is multiplied by the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition.are Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends represent a recovery of part of the cost of investment.

(2) Impairment of Assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost.

The Group measures expected credit losses of a financial instrument in a way that reflects:

A. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
B. Time value of money
C. Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since the initial recognition or a financial asset that is purchased or originated credit-impaired financial asset.

C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of Assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired.
B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred

C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Liabilities and Equity

Classification of iabilities or quityle

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument refers to any contract that recognizes the remaining quity after deducting all liabilities from assets. e the equity instrument issued by the group is recognized at the amount obtained after deducting the direct issuance costs.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest-bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of Assets and Liabilities

Reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

8. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(1) In the principal market for the asset or liability
(2) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants are in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

9. Inventories

Inventories are valued at lower cost and net realizable value item by item.

Costs incurred in bringing Inventories to its present location and condition are accounted for as follows:

Materials－Weighted average of actual procurements

Finished goods and work in process－Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Finished goods and work in process are accounted under the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

10. Investments accounted for using equity methodthe

The Group investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing of the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Group interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Capital Surplus or Retained Earnings and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro-rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

(1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

11. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, Plant and Equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	6～56 years
Machinery and equipment	3～41 years
Transportation equipment	416 years～
Office	3～17 years
Leasehold improvements	2～25 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

12. Investment property

The Group owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, Plant and Equipment for that model. If investment properties are held by a lessee as right-of-use assets and are not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	30～50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties. The Group transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

13. Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time.

The Company evaluates whether there are the following two factors throughout the period of use:

(1) The right to obtain substantially all of the economic benefits from the use of the identified assets, and
(2) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases for which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
(3) Amounts expected to be payable by the lessee under residual value guarantees
(4) The exercise price of a purchase option if the Group is reasonably certain to exercise that option
(5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(1) The amount of the initial measurement of the lease liability
(2) Any lease payments made at or before the commencement date, less any lease incentives received
(3) Any initial direct costs incurred by the lessee
(4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use by applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At the inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and presents them as receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

14. Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for a particular asset is required, the Group estimates the asset recoverable amount. If the result of the impairment test indicates that the carrying amount of the cash-generating unit to which assets or assets belong exceeds its recoverable amount, it is recognized as an impairment loss. An asset recoverable amount is the higher of an asset's net fair value or its value in use.

At the end of each reporting period, the Group assesses whether there is any indication that the previously recognized goodwill Assets may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash-generating unit, or groups of cash-generating units, to which goodwill belongs are tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is required to be recognized, the impairment loss is first allocated to reduce the carrying amount of goodwill and then to the other assets other than goodwill pro rata on the basis of the carrying amount of each asset in the unit. Impairment losses under goodwill cannot be reversed in future periods for any reason.

Impairment loss and its reversal from continuing operations are recognized in profit or loss.

15. Revenue recognition

The Group revenue arising from contracts with customers is primarily related to the sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is iron and steel, and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that, probably, a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period for the Group sale of goods is within 10 to 75 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after the transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides maintenance services for the sale of iron and steel. Such services are separately priced or negotiated and provided based on contract periods. As the Group provides maintenance services over the contract period, the customers simultaneously receive and consume the benefits provided by the Group. Accordingly, the performance obligations are satisfied over time, and the related revenue is recognized by straight-line method over the contract period.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financial component arises.

16. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

17. Retirement benefit plans

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements.

For the post-employment benefit plan which is a defined contribution plan, the Company's monthly employee pension contribution rate shall not be less than six percent of the employee's monthly salary, and the amount allocated is recognized as the current expense. For post-employment benefit plans that are defined benefit plans, are presented as actuarial reports at the end of the annual reporting period in accordance with the projected unit credit method. Remeasurement of the net defined benefit liabilities (assets) includes any changes in the plan assets compensation and the impact of the assets cap, less the amount of net interest included in the net defined benefit liabilities (assets) and actuarial gains and losses. The remeasurements of the net defined benefit liabilities (assets) are recognized in other comprehensive income and immediately recognized in retained earnings. Past service costs are recognized in profit or loss on the earlier date of the plan amendment or curtailment, and:

(1) When the plan amendment or curtailment occurs, and
(2) When date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

18. Income tax

Tax expense (profit) refers to the aggregate amount related to current income tax and deferred income tax included in the determination of current profit and loss.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

(1) The initial recognition of goodwill, or the initial recognition of assets or liabilities resulting from a business combination transaction that does not affect either the accounting profit or taxable profit or loss at the time of the transaction and does not give rise to an equivalent taxable and deductible temporary difference at that time.

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and, probably, the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that taxable profit will probably be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(1) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from how the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In accordance with the temporary exceptions of the "International Tax Reform-Pillar 2 Rule Template" (International Accounting Standards Amendment No. 12), the deferred tax assets and liabilities of pillar 2 income tax are not recognized, and their related information are not disclosed.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of the Group consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1. Judgment

In the process of applying the Group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(1) Investment property

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions cannot be sold separately, the property is classified as investment property in its entirety only if the owner-occupied portion is insignificant.

(2) Operating lease commitments-group as lessor

The Group has entered commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Revenue recognition-sales returns and discounts

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent, probably, a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(2) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that taxable profit will probably be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(3) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices decline. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Details of Significant Accounts

1. Cash and cash equivalents

	2024.12.31	2023.12.31
Cash on hand	$926	$926
Demand deposits	1,170,413	991,673
Total	$1,171,339	$992,599

2. Financial assets measured at fair value through other comprehensive income

	2024.12.31	2023.12.31
Equity instrument investments measured at fair value through other comprehensive income － Current:		
Listed companies stocks	$576,091	$1,130,016
Equity instrument investments measured at fair value through other comprehensive income － Non-current:		
Listed companies stocks	$404,119	$402,808
Unlisted companies stocks	1,083,267	1,041,363
Total	$1,487,386	$1,444,171

The Group's financial assets measured at fair value through other comprehensive income were not pledged.

Information on the Group holding of investments under other comprehensive income using fair value's equity instruments for the years ended December 31, 2024 and 2023 is as follows:

	January 1, 2024~ December 31, 2024	January 1, 2023~ December 31, 2023
Related to investments still held on the date of assets liabilities	$118,759	$108,520
Related to investments derecognized in the current period	-	1,873
Dividend revenue recognized in the current period	$118,759	$110,393

Information on the Group disposal of investments under other comprehensive income using fair value's equity instruments for the years ended December 31, 2024 and 2023 is as follows:

	January 1, 2024~ December 31, 2024	January 1, 2023~ December 31, 2023
Fair value at the date of derecognition	$431,064	$436,462
Cumulative gains on disposal of other equity interests transferred to retained earnings	110,917	47,379

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

3. Accounts receivable

	2024.12.31	2023.12.31
Accounts receivable	$1,971,286	$1,949,690
Less: loss allowance	(2,118)	(2,118)
Total	$1,969,168	$1,947,572

The Group's accounts receivable were not pledged.

The Group typically offers credit terms ranging from 10 to 75 days to customers. As of December 31, 2024 and December 31, 2023, the total carrying amounts were NT$1,971,286 thousand and NT$1,949,690 thousand, respectively. For information related to the allowance for losses for the years ended December 31, 2024 and 2023, please refer to Note 6.15. For credit risk-related information, please refer to Note 12.

4. Inventories

	2024.12.31	2023.12.31
Raw materials	$3,227,172	$3,717,464
Supplies	262,938	279,738
Work in process	2,573,086	2,271,299
Finished goods	1,481,286	1,518,336
Total	$7,544,482	$7,786,837

The Group recognized the cost of inventories amounting to NT$30,724,826 thousand and NT$31,326,299 thousand as expenses for 2024 and 2023, respectively.

The above inventories were not pledged.

5. Prepayments

	2024.12.31	2023.12.31
Factory supplies	$548,899	$488,722
Prepayments of purchases	21,002	25,540
Other prepayments	10,611	20,346
Total	$580,512	$534,608

The above prepayments were not pledged.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	2024.12.31		2023.12.31	
Investee	Carrying amount	Percentage of ownership(%)	Carrying amount	Percentage of ownership(%)
Investment in associates:				
Listed companies:				
Taiwan Steel Union Co., Ltd.	$1,074,091	24.05	$985,686	23.97
Unlisted companies:				
Fengyu Resource Co., Ltd.	485,254	29.08	540,593	29.08
Total	$1,559,345		$1,526,279	

The Group received dividends of NT$114,666 thousand and NT$172,975 thousand from Taiwan Steel Union Co., Ltd. for 2024 and 2023, respectively.

The fair value with publicly quoted market prices: Taiwan Steel Union Co., Ltd. is listed on the Taiwan Stock Exchange. The Group's investments accounted for using equity method in this entity had a fair value of NT$3,077,238 thousand and NT$2,442,659 thousand as of December 31, 2024 and December 31, 2023, respectively.

The Group investments in Taiwan Steel Union Co., Ltd. and Fengyu Resource Co., Ltd. were not individually material. The following table summarizes the financial information of the Group's investment in the associate by total share of equity interests:

	2024	2023
Profit from continuing operations	$144,219	$104,904
Other comprehensive income (post-tax)	236	329
Total comprehensive income	$144,455	$105,233

The aforementioned associate had no contingent liabilities or capital commitments as of December 31, 2024 and 2023, nor were there any pledges provided.

As of December 31, 2024 and December 31, 2023, the investments accounted for using the equity method in Taiwan Steel Union Co., Ltd. were NT$1,074,091 thousand and NT$985,686 thousand, respectively. For the years ended December 31, 2024 and 2023, the share of profits of associates and joint ventures accounted for using the equity method were NT$199,544 thousand and NT$120,915 thousand, respectively. The share of other comprehensive income of associates and joint ventures accounted for using the equity method were NT$309 thousand

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

and NT$141 thousand, respectively. These amounts were recognized based on others' audited financial statements.

7. Property, plant and equipment

	Land	Buildings and structures	Machinery & equipment	Office equipment	Transportation equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
Costs:								
2024.01.01	$1,288,353	$4,529,073	$17,103,126	$58,643	$456,779	$383,417	$315,799	$24,135,190
Additions	-	2,952	458,636	136	12,190	-	745,174	1,219,088
Disposals	-	(2,517)	(25,901)	(1,307)	(6,870)	-	-	(36,595)
Other changes	4,825	162,414	135,743	-	35,792	-	(754,235)	(415,461)
2024.12.31	$1,293,178	$4,691,922	$17,671,604	$57,472	$497,891	$383,417	$306,738	$24,902,222
Depreciation:								
2024.01.01	$ -	$1,723,839	$12,323,570	$25,850	$364,259	$110,298	$ -	$14,547,816
Depreciation	-	160,516	922,861	3,750	22,968	17,705	-	1,127,800
Disposals	-	(741)	(25,214)	(1,307)	(6,835)	-	-	(34,097)
Other changes	-	-	(420,286)	-	-	-	-	(420,286)
2024.12.31	$ -	$1,883,614	$12,800,931	$28,293	$380,392	$128,003	$ -	$15,221,233
Costs:								
2023.01.01	$1,288,353	$3,565,992	$17,595,994	$48,773	$453,825	$338,043	$502,798	$23,793,778
Additions	-	217,312	485,640	7,000	5,570	4,633	808,752	1,528,907
Disposals	-	(13,536)	(618,362)	-	(2,616)	-	-	(634,514)
Other changes	-	759,305	(360,146)	2,870	-	40,741	(995,751)	(552,981)
2023.12.31	$1,288,353	$4,529,073	$17,103,126	$58,643	$456,779	$383,417	$315,799	$24,135,190
Depreciation:								
2023.01.01	$ -	$1,592,500	$12,603,984	$22,870	$343,915	$93,643	$ -	$14,656,912
Depreciation	-	134,798	930,094	2,980	22,960	16,655	-	1,107,487
Disposals	-	(3,459)	(608,203)	-	(2,616)	-	-	(614,278)
Other changes	-	-	(602,305)	-	-	-	-	(602,305)
2023.12.31	$ -	$1,723,839	$12,323,570	$25,850	$364,259	$110,298	$ -	$14,547,816
Net carrying amount:								
2024.12.31	$1,293,178	$2,808,308	$4,870,673	$29,179	$117,499	$255,414	$306,738	$9,680,989
2023.12.31	$1,288,353	$2,805,234	$4,779,556	$32,793	$92,520	$273,119	$315,799	$9,587,374

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

There is no capitalization of interest due to purchase of property, plant and equipment.

As of December 31, 2024 and December 31, 2023, the Group recorded an amount of NT$149,811 thousand for land classified as farmland, with ownership temporarily registered in the name of another individual. The Group has obtained a commitment letter for unconditional transfer of each respective land in the future.

The Group's property, plant and equipment were not pledged.

8. Investment property

Investment properties include investment properties owned by the Group. The Group has entered into commercial property lease contracts for investment properties owned by itself with terms ranging from 1 to 10 years. These leases include a clause to enable adjustments to the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Costs:			
2024.01.01	$506,477	$192,233	$698,710
Additions-from acquisitions	-	-	-
2024.12.31	$506,477	$192,233	$698,710
Depreciation:			
2024.01.01	$ -	$ 12,169	$ 12,169
Depreciations of the year	-	3,947	3,947
2024.12.31	$ -	$ 16,116	$ 16,116
Cost:			
2023.01.01	$506,477	$192,233	$698,710
Additions-from acquisitions	-	-	-
2023.12.31	$506,477	$192,233	$698,710
Depreciation:			
2023.01.01	$ -	$ 8,222	$ 8,222
Depreciation for the year	-	3,947	3,947
2023.12.31	$ -	$ 12,169	$ 12,169
Net carrying amount:			
2024.12.31	$506,477	$176,117	$682,594
2023.12.31	$506,477	$180,064	$686,541

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	2024	2023
Rental revenue from investment property	$5,210	$2,988
Less: Direct operating expenses incurred for investment properties generating rent income for the period	-	-
Direct operating expenses incurred for investment properties not generating rent income for the period	(2,378)	(3,245)
Total	$2,832	$(257)

The Group's investment properties were not pledged.

Investment properties held by the Group are not measured under fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The investment properties held by the Group were appraised by independent external valuation experts, and the appraised fair values as of December 31, 2024 and December 31, 2023 were:

2024.12.31

Item	Valuation Method	Valuation Amount	Valuation Time
A	Comparison method and land development analysis method	$1,687,346	December 2024
B	Comparison method and cost method	94,514	December 2024
C	Comparison method and income method	519,761	December 2024
		$2,301,621	

2023.12.31

Item	Valuation Method	Valuation Amount	Valuation Time
A	Comparison method and land development analysis method	$895,315	December 2021
B	Comparison method and cost method	69,333	December 2021
C	Comparison method and income method	331,010	August 2021
		$1,295,658	

Items A, B, and C, as of December 31, 2023, referenced the Ministry of the Interior's Real Estate Transaction Actual Price Inquiry Service Network to check recent transaction prices in similar locations, which are comparable to the fair values assessed by external appraisal experts in the most recent period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. Other non-current assets

	2024.12.31	2023.12.31
Advance payments in equipment	$39,564	$265,167
Refundable deposits	20,036	13,634
Others	13,686	13,686
Total	$73,286	$292,487

10. Short-term loans

	Interest Rates (%)	2024.12.31	2023.12.31
Unsecured bank loans	0.89%-5.58%	$987,596	$1,950,094

As of December 31, 2024 and December 31, 2023, the Group's unused credit lines of short-term borrowings amounted to approximately NT$10,362,037 thousand and NT$7,486,225 thousand, respectively.

11. Other payables

	2024.12.31	2023.12.31
Accrued salary and bonus	$331,381	$320,970
Accrued utilities	311,436	235,259
Accrued discount	119,077	121,306
Accrued remuneration to directors	48,690	48,185
Freight payable	16,412	10,972
Others	96,320	45,292
Total	$923,316	$781,984

12. Retirement benefit plans

Defined contribution plan

The Group's employee retirement plan established in accordance with the "Labor Pension Act" is a defined contribution plan. According to the provisions of the Act, the Company's monthly labor pension contribution rate shall not be less than 6% of the employee's monthly salary. In accordance with the provisions of the Act, the Company has established employee retirement regulations and contributes 6% of each employee's salary to their individual retirement account with the Labor Insurance Bureau every month.

The Group recognized expenses for the defined contribution plan amounting to NT$31,355 thousand and NT$29,265 thousand for 2024 and 2023, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Defined benefits plan

The Company's employee retirement plan established in accordance with the "Labor Standards Act" is a defined benefit plan. Employee pension payments are calculated based on the years of service and the average monthly wage at the time when retirement is approved. For the first 15 years (inclusive) of service, 2 base units are granted for each completed year. For service years exceeding 15 years, 1 base unit is granted for each additional completed year, with maximum accumulation limited to 45 base units. In accordance with the Labor Standards Act, the Group contributes 2% of total monthly salaries to the pension fund, which is deposited in a dedicated account at the Bank of Taiwan in the name of the Labor Retirement Reserve Supervision Committee. Additionally, before the end of each fiscal year, the Group estimates the balance of the aforementioned labor retirement reserve account. If the balance is insufficient to pay the estimated retirement benefits for employees who meet retirement conditions in the following year according to the calculation described above, the Group will make a lump-sum contribution to cover the difference before the end of March of the following year.

Asset allocation is carried out by the Ministry of Labor in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The fund is invested through self-management and entrusted management approaches, adopting both active and passive medium to long-term investment strategies. Considering market, credit, and liquidity risks, the Ministry of Labor establishes fund risk limits and control plans to achieve target returns with sufficient flexibility without assuming excessive risk. Regarding the utilization of the fund, the minimum annual return distributed shall not be less than the return calculated based on the local banks' two-year time deposit rate. If there is a shortfall, it will be covered by the National Treasury after approval by the competent authority. As the Group has no right to participate in the operation and management of the fund, it cannot disclose the classification of the fair value of plan assets in accordance with Paragraph 142 of IAS 19. As of December 31, 2024, the Group's defined benefit plan was expected to contribute NT$4,274 thousand in the subsequent year.

As of December 31, 2024, the Group's defined benefits plan was expected to mature in seven years

The following table summarizes the costs of defined benefit plans recognized in profit or loss:

	2024	2023
Current service costs	$6,534	$5,876
Net interest on net defined benefit (assets) liabilities	43	(1,232)
Total	$6,577	$4,644

Reconciliations of the present values of defined benefit obligations and the fair values of plan assets are as follows:

	2024.12.31	2023.12.31	2023.01.01
Present value of defined benefit obligations	$799,777	$753,855	$666,869
Fair value of plan assets	(779,547)	(748,125)	(763,370)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliations of net defined benefit liabilities (assets)	20,230	5,730	(96,501)
Less: Due within 1 year	-	-	-
Net defined benefit liabilities (assets) - Non-current	$20,230	$5,730	$(96,501)

Reconciliations of net defined benefit liabilities (assets):

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
2023.01.01	$666,869	$(763,370)	$(96,501)
Current service costs	5,876	-	5,876
Interest expenses (revenues)	8,100	(9,332)	(1,232)
Subtotal	13,976	(9,332)	4,644
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	20	-	20
Actuarial gains and losses arising from changes in financial assumptions	42,275	-	42,275
Experience adjustments	72,973	-	72,973
Remeasurement of defined benefit assets	-	(6,522)	(6,522)
Subtotal	115,268	(6,522)	108,746
Benefits payable	(42,258)	36,258	(6,000)
Contributions by employer	-	(5,159)	(5,159)
2023.12.31	$753,855	$(748,125)	$5,730
Current service costs	6,534	-	6,534
Interest expense (revenue)	8,775	(8,732)	43
Subtotal	15,309	(8,732)	6,577
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in financial assumptions	57,923	-	57,923
Experience adjustments	37,765	-	37,765
Remeasurement of defined benefit assets	-	(68,041)	(68,041)
Subtotal	95,688	(68,041)	27,647
Benefits payable	(65,075)	50,394	(14,681)
Contributions by employer	-	(5,043)	(5,043)
2024.12.31	$799,777	$(779,547)	$20,230

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The following key assumptions are used to determine the Company's defined benefit plan:

	2024.12.31	2023.12.31
Discount rate	1.60%	1.20%
Expected rate of salary increases	3.00%	1.50%

Sensitivity analysis of each significant actuarial assumption:

	2024		2023	
	Increase in defined benefit obligations	Decrease in defined benefit obligations	Increase in defined benefit obligations	Decrease in defined benefit obligations
Discount rate increase by 0.25%	$ -	$13,822	$ -	$13,392
Discount rate decrease by 0.25%	14,202	-	13,769	-
Future salary increase by 0.25%	13,972	-	13,694	-
Future salary decrease by 0.25%	-	13,670	-	13,385

The aforementioned sensitivity analysis is conducted under the assumption that other assumptions remain unchanged, analyzing the potential impact on defined benefit obligations when a single actuarial assumption (such as the discount rate or expected salary) undergoes a reasonably possible change. The analysis is limited by the fact that some of the actuarial assumptions are correlated and, in practice, changes in only a single actuarial assumption rarely occur.

There was no change in the methods and assumptions used in preparing the sensitivity analyzes compared to the previous period.

13. Equity

(1) Common stock

As of December 31, 2024 and December 31, 2023, the Company's authorized share capital amounted to NT$7,000,000 thousand, with a par value of NT$10 per share. The total issued shares amounted to 581,599,424 shares, resulting in paid-in share capital of NT$5,815,994 thousand. Each share is entitled to one voting right and a right to receive dividends.

(2) Capital surplus

	2024.12.31	2023.12.31
Additional paid-in capital	$271,134	$271,134
Treasury share transactions	175,263	175,263
Gains on disposal of assets	665	665

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Donated assets	218	218
Share of changes in net assets of associates and joint ventures accounted for using the equity method	34	55
Others	7,358	6,697
Total	$454,672	$454,032

According to the Company Act, apital surplus may not be used except deficit of the Company. cto offset a When a company incurs no loss, it may distribute the capital in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Legal reserve

In accordance with the Company Act, after the current period's earnings are taxed out, the Company should first offset the deficit and then set aside 10% of the remaining balance as legal reserve in the next period. Legal reserve may be used to offset a deficit. If the Company has no deficit, the excess of the legal reserve over 25% of the Company's paid-in capital may be distributed in new shares or cash in proportion to the shareholders' original shares.

(4) Special reserve

Pursuant to existing regulations, the Company is required to set aside an additional special capital reserve equivalent to the net debit balance of the other components of stockholders’ equity that occurred during the financial year. For the subsequent decrease in the deduction amount to stockholders’ equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

(5) Earnings distribution and dividend policy

the According to the Company’s Articles of Incorporation, current year’s earnings, if any, shall be distributed in the following order:

A. Payment of taxes in accordance with the law.
B. Offsetting losses of previous years.
C. Legal reserve.
D. Other provides for or reverses Special reserve in accordance with the law or the order of the competent authority.
E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders’ meeting.

As the Company’s industry is mature and the Company makes stable profits, most of the dividends will be distributed to shareholders as cash dividends. However, when there is significant capital expenditure, no more than 70% of total dividends can be distributed as stock dividends to shareholders.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

According to the Company Act, Legal reserve should contribute until its total amount reaches the total amount of its capital. The legal reserve can be used to offset a deficit. If the Company has no deficit, the excess of the legal reserve over 25% of the Company's paid-in capital may be distributed in new shares or cash in proportion to the shareholders' original shares.

The Company's Board of Directors on February 25, 2025, proposed, and the Annual General Meeting of Shareholders on May 31, 2024, resolved, the appropriation and distribution of earnings for 2024 and 2023, respectively. The appropriation and distribution of earnings and dividends per share are listed as follows:

	Appropriation of earnings		Dividends per share (NT$)	
	2024	2023	2024	2023
Legal reserve	$255,749	$232,661		
Special reserve appropriated (reversed)	190,573	(142,835)		
Common stock- cash dividend	2,035,598	2,035,598	$3.5	$3.5

Please refer to Note 6.17 for information regarding the basis of estimation and amounts of recognized for employee and director remunerations.

14. Operating revenues

	2024	2023
Revenue from contracts with customers		
Sales of goods	$34,226,535	$34,726,695
Revenue from services rendered	152,789	155,328
Total	$34,379,324	$34,882,023

The Group’s revenues from contracts with customers for the years ended December 31, 2024 and 2023 were as follows:

(1) Disaggregation of revenues

A. The Group is a single operating segment. Please refer to the preceding paragraph for the revenue information disclosed by the reportable segment.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. For the years ended December 31, 2024 and 2023, the types of revenues from contracts with customers were all recognized at a point in time as revenues.

(2) Contract balances

A. Contract assets－Current

	2024.12.31	2023.12.31	2023.01.01
Sales of goods	$445,783	$537,601	$640,715

The explanation of significant changes in the Group's contract asset balances for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Opening balance reclassified to accounts receivable for the period	$(537,601)	$(640,715)
Increase in receivables (excluding the account incurred and transferred to accounts receivable)	445,783	537,601

B. Contract liabilities－Current

	2024.12.31	2023.12.31	2023.01.01
Sales of goods	$82,850	$77,630	$83,553

The changes in the Group's contract liability balances for the years ended December 31, 2024 and 2023 were mainly due to the impact of rebar product orders, delivery schedules required by customers and project progress.

(3) Transaction price allocated to unsatisfied performance obligations

As of December 31, 2024 and 2023, since the original expected duration of the Group's customer contracts for the sale of goods is within 1 year, there was no need to provide relevant information on unfulfilled performance obligations.

(4) Assets recognized from costs of obtaining or fulfilling customer contracts

None.

15. Expected credit losses (gains)

The Group had no expected credit losses for 2024 and 2023.

Please refer to Note 12 for more details on credit risk.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group's contract assets and receivables (including notes receivable and accounts receivable) all use the amount of lifetime expected credit losses to measure the allowance loss. The relevant explanations on the assessment of the allowance loss amount as of December 31, 2024 and 2023 are as follows:

(1) The historical credit loss experience of contract assets shows that there is no significant difference in loss patterns among different customer groups. Therefore, without segmenting into groups, the allowance for losses is measured based on expected credit loss rates. The relevant information is as follows:

	2024.12.31	2023.12.31
Gross carrying amount	$445,783	$537,601
Expected credit loss rate	0%	0%
Loss allowance	-	-
Total	$445,783	$537,601

(2) For receivables, the Group considers factors such as counterparties' credit ratings, geographical regions, and industry sectors to group them, and uses a provision matrix to measure the allowance for losses. The relevant information is as follows:

2024.12.31

	Not overdue	Days Overdue					
	(note)	Less than 30 days	31-60 days	61-90 days	91-120 days	Less than 121 days	Total
Gross carrying amount	$1,967,561	$16,570	$ -	$ -	$ -	$ -	$1,984,131
Loss rate	0-1%	-%	-%	-%	-%	-%	
Lifetime credit losses	(2,118)	-	-	-	-	-	(2,118)
Carrying amount	$1,965,443	$16,570	$ -	$ -	$ -	$ -	$1,982,013

2023.12.31

	Not overdue	Days Overdue					
	(note)	Less than 30 days	31-60 days	61-90 days	91-120 days	Less than 121 days	Total
Gross carrying amount	$1,931,894	$27,810	$ -	$ -	$ -	$ -	$1,959,704
Loss rate	0-1%	-%	-%	-%	-%	-%	
Lifetime credit losses	(2,118)	-	-	-	-	-	(2,118)
Carrying amount	$1,929,776	$27,810	$ -	$ -	$ -	$ -	$1,957,586

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Note: The Group's notes receivable are all within the due date, and the lifetime expected credit losses for receivables are all credit losses recognized for previous years.

The information on changes in the allowance for losses on the Group's contract assets, notes receivable, and accounts receivable for the years ended December 31, 2024 and 2023 is as follows:

	Contract assets	Receivables
2024.01.01	$ -	$2,118
Increase (reversal) for the period	-	-
Written off due to unrecoverability	-	-
2024.12.31	$ -	$2,118
2023.01.01	$ -	$2,118
Increase (reversal) for the period	-	-
Written off due to unrecoverability	-	-
2023.12.31	$ -	$2,118

16. Leases

(1) The Group as lessee

The Group leases various assets, including real estate and machinery and equipment. The lease terms range from 1 to 50 years.

The effects of leases on the Group's financial position, financial performance and cash flows are as follows:

A. Amount recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	2024.12.31	2023.12.31
Land	$633,805	$298,119
Buildings	114,230	115,633
Machinery and equipment	1,666	2,355
Total	$749,701	$416,107

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group added right-of-use assets amounting to NT$394,420 thousand and NT$120,321 thousand for the years ended December 31, 2024 and 2023, respectively.

(b) Lease liabilities

	2024.12.31	2023.12.31
Lease liabilities		
Current	$61,039	$48,199
Non-current	700,357	372,420
Total	$761,396	$420,619

For the Group's interest expenses on lease liabilities for the years ended December 31, 2024 and 2023, please refer to Note 6.18(3) Finance Costs; for the maturity analysis of lease liabilities as of December 31, 2024 and 2023, please refer to Note 12.5 Liquidity Risk Management.

B. Amounts recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2024	2023
Land	$53,650	$40,705
Buildings	6,487	3,681
Machinery and equipment	689	689
Total	$60,826	$45,075

C. Income and expenses related to leasing activities

	2024	2023
Expenses on short-term leases	$5,871	$5,676
Variable lease payment expenses not included in the measurement of lease liabilities	3,167	2,052

D. Cash outflow related to lease activities

The Group's total cash outflows for leases for the years ended December 31, 2024 and 2023 were NT$68,596 thousand and NT$56,894 thousand, respectively.

E. **Other Information about leasing activities**

(a) Variable lease payments

Some of the Group's Property, plant and equipment lease agreements contain variable payment terms that are linked to certain percentages of sales generated from sales revenues , which is very common in the industry of the Group.
As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities. The Group expects that, for every sales increase of NT$100 thousands, the rental payments will increase by NT$9~15 thousands.

(b) Extension and termination options

Some of the Group's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(c) Residual value guarantees

None.

(2) The Group as lessor

Please refer to Note 6.8 for relevant disclosures regarding investment properties owned by the property. Investment properties owned by the Group are classified as operating leases because they have not transferred substantially all the risks and rewards incidental to ownership of the underlying assets.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	2024	2023
Lease income recognized from operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$5,210	$2,988

For relevant disclosures regarding property, plant and equipment leased out under operating leases in accordance with IAS 16, please refer to Note 6(8). The Group has entered into operating lease contracts. The undiscounted lease payments to be received as of December 31, 2024 and 2023, as well as the total amounts for the remaining years, are as follows:

	2024.12.31	2023.12.31
Not later than one year	$6,826	$4,708
Later than one year but not later than two years	6,582	5,189
Later than two years but not later than three years	6,465	4,997
Later than three years and not later than four years	6,077	4,782
Later than four years but not later than five years	3,741	4,476
Later than five years	16,300	14,795
Total	$45,991	$38,947

17. Summary of employee benefits, depreciation, and amortization expenses by function

Function / Nature	2024.01.01-2024.12.31			2023.01.01-2023.12.31		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Total
Employee benefit expenses						
Salaries	$832,000	$276,414	$1,108,414	$794,631	$271,765	$1,066,396
Labor and health insurance	70,235	19,596	89,831	69,167	20,361	89,528
Pensions	31,712	6,219	37,931	28,371	5,538	33,909
Other employee benefits expenses	48,840	11,128	59,968	45,373	10,399	55,772
Depreciation	1,088,803	103,770	1,192,573	1,065,721	90,788	1,156,509
Amortization	10,393	223	10,616	2,426	-	2,426

The numbers of employees of the Group as of December 31, 2024 and 2023 were 985 and 970, respectively.

According to the Group's Articles of Incorporation, if there are profits for year, no less than 2% shall be allocated for employee remuneration and no more than 2% for director remuneration. However, when there are accumulated losses, the amount needed to offset these losses shall be reserved in advance. The aforementioned employee remuneration shall be paid in cash, subject to a resolution passed by the Board of Directors with at least two-thirds of directors present and approval from a majority of those attending, and reported to the shareholders' meeting. Information regarding employee and director remunerations approved by the Board of Directors can be found on the "Market Observation Post System" on the website of the Taiwan Stock Exchange.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For 2024, the Group estimated employee and director remunerations at 7.16% and 1.46% respectively, based on the Group's profit for the year. The Group recognized employees and director remuneration amounting to NT$235,042 thousand and NT$48,000 thousand, respectively, based on the Group's profit for the year. The aforementioned amounts were recognized in salaries and wages.

The Board of Directors of the Group resolved to distribute NT$235,042 thousand and NT$48,000 thousand in cash as employee and directors remuneration for 2024, respectively. Any difference between the estimated amount and the actual amount of cash distribution resolved by the Board of Directors shall be recognized as profit or loss in the following year.

The actual amounts of employee and director remunerations distributed for 2023 were NT$221,567 thousand and NT$47,500 thousand, respectively. There was no material difference between these amounts and the amounts recognized as expenses in the financial statements for 2023.

18. Non-operating income and expenses

(1) Other revenue

	2024	2023
Dividend revenue	$118,759	$110,393
Rental revenue	5,210	2,988
Other revenue - others	24,902	21,286
Total	$148,871	$134,667

(2) Other gains and losses

	2024	2023
Net gains (losses) on disposal of property, plant, and equipment	$1,077	$(18,085)
Net foreign exchange gain (loss)	26,894	18,507
Miscellaneous expenditure	(57,462)	(13,556)
Total	$(29,491)	$(13,134)

(3) Financial costs

	2024	2023
Interest on bank loans	$35,631	$37,143
Interest on lease liabilities	8,394	3,662
Total financial costs	$44,025	$40,805

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

19. Other comprehensive income components

The components of the comprehensive income for the year ended December 31, 2024 were as follows:

	Generated for the period	Adjustments for reclassification for the period	Other comprehensive income	Income tax benefits (expenses)	After-tax amount
Items not reclassified to profit or loss:					
Remeasurements of defined benefit plans	$(27,647)	$ -	$(27,647)	5,530	$(22,117)
Unrealized valuation gain or loss from investments in equity instruments measured at fair value through other comprehensive income	(79,646)	-	(79,646)	-	(79,646)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	295	-	295	(59)	236
Total	$(106,998)	$ -	$(106,998)	5,471	$(101,527)

The components of the comprehensive income for the year ended December 31, 2023 were as follows:

	Generated for the period	Adjustments for reclassification for the period	Other comprehensive income	Income tax benefit (expense)	After-tax amount
Items not reclassified to profit or loss:					
Remeasurements of defined benefit plans	$(108,746)	$ -	$(108,746)	$21,749	$(86,997)
Unrealized valuation gain or loss from investments in equity instruments measured at fair value through other comprehensive income	189,998	-	189,998	-	189,998
Share of other comprehensive income of associates and joint ventures using the equity method	411	-	411	(82)	329
Total	$81,663	$ -	$81,663	$21,667	$103,330

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

20. Income tax expenses

The main components of income tax expenses (benefits) for 2024 and 2023 were as follows

(A) Income tax recognized in profit or loss

	2024	2023
Current income tax expenses:		
Current income taxes payable	$552,330	$553,022
Adjustment to current income tax for prior years	(32,379)	(26,679)
Deferred income tax expenses:		
Deferred income tax related to the origination and reversal of temporary differences	3,896	87
Income tax expenses	$523,847	$526,430

(B) Income tax recognized in other comprehensive income

	2024	2023
Deferred income tax expense (interest):		
Remeasurements of defined benefit plans	$(5,530)	$(21,749)
Share of other comprehensive income of associates and joint ventures using the equity method	59	82
Income tax related to other components of other comprehensive income	$(5,471)	$(21,667)

(C) The reconciliation between income tax expenses and accounting profits multiplied by the applicable tax rates is as follows:

	2024	2023
Accounting profit from continuing operations before tax	$2,998,866	$2,901,921
Tax at domestic rates applicable to profits in the country concerned	$599,773	$580,383
Adjustments to current income tax for prior periods	(32,379)	(26,679)
Tax effect of losses (revenues) exempt from taxation	(43,950)	(43,059)
Additional tax on unappropriated retained earnings	-	15,288
Tax effect of expenses not deductible for tax purposes	403	497
Total tax expenses recognized in profit or loss	$523,847	$526,430

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(D) Deferred income tax assets (liabilities) balances related to the following items:

January 1, 2024 ~ December 31, 2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Temporary differences				
Employee benefits payable	$6,434	$(155)	$ -	$6,279
Unrealized foreign exchange gains	509	(1,111)	-	(602)
Investments accounted for using the equity method	55,453	-	-	55,453
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - cash flow hedges.	(3)	-	3	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - remeasurement of defined benefit plans	(131)	-	(62)	(193)
Net defined benefit liabilities - non-current	(29,410)	(2,630)	-	(32,040)
Remeasurement of defined benefit plans	30,125	-	5,530	35,655
Difference in book-tax depreciations	9,707	-	-	9,707
Deferred tax expenses (gains)		$(3,896)	$5,471	
Net deferred tax assets	$72,684			$74,259
The information presented in the balance sheet is as follows:				
Deferred tax assets	$102,228			$107,094
Deferred tax liabilities	$29,544			$32,835

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

January 1, 2023 ~ December 31, 2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Temporary differences				
Employee benefits payable	$5,820	$614	$ -	$6,434
Unrealized foreign exchange gains	(90)	599	-	509
Investments accounted for using the equity method	55,450	3	-	55,453
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - cash flow hedges.	51	-	(54)	(3)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - remeasurement of defined benefit plans	(103)	-	(28)	(131)
Net defined benefit liabilities - non-current	(28,107)	(1,303)	-	(29,410)
Remeasurement of defined benefit plans	8,376	-	21,749	30,125
Difference between book-tax depreciation	9,707	-	-	9,707
Deferred tax expenses (gains)		$(87)	$21,667	
Net deferred tax assets	$51,104			$72,684
The information presented in the balance sheet is as follows:				
Deferred tax assets	$79,404			$102,228
Deferred tax liabilities	$28,300			$29,544

Income tax declaration and examination

As of December 31, 2024, the Company's income tax declarations in Taiwan for the years up to 2021 have been assessed and approved.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

21. EPS

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued upon conversion of all dilutive potential ordinary shares into ordinary shares.

	2024	2023
(1) Basic earnings per share		
Profit attributable to the Company's ordinary shareholders	$2,475,019	$2,375,491
Weighted average number of common shares for basic EPS (thousands)	581,599	581,599
Basic earnings per share (NT$)	$4.26	$4.08
(2) Diluted earnings per share		
Profit attributable to the Company's ordinary shareholders	$2,475,019	$2,375,491
Weighted average number of common shares for basic EPS (thousands)	581,599	581,599
Effect of dilution:		
Employee bonuses-shares (thousands)	3,672	3,272
Weighted average number of ordinary shares after dilution (thousands)	585,271	584,871
Diluted earnings per share (NT$)	$4.23	$4.06

There have been no significant transactions affecting the outstanding ordinary shares or potential ordinary shares between the reporting date and the date on which the financial statements were authorized for issue.

7. Related Party Transactions

Information on related parties that had significant transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Name of related parties	Relationship with the Group
Taiwan Steel Union Co., Ltd.	Associate of the Group
Taiwan Steel Resources Co., Ltd.	A subsidiary of an associate of the Company

Material transactions with related parties

(1) Accounts payable

	2024.12.31	2023.12.31
Associate of the Company	$2,702	$2,708
Subsidiary of an associate of the Company	5,539	3,806
Total	$8,241	$6,514

(2) Other transactions

The Group commissioned Taiwan Steel Union Co., Ltd. to handle dust collection and transportation, and recognized manufacturing expenses of NT$26,137 thousand and NT$36,759 thousand for 2024 and 2023, respectively. As of December 31, 2024 and 2023, amounts of NT$2,702 thousand and NT$2,708 thousand remained unpaid, respectively, both which were recognized in accounts payable.

The Group engaged Taiwan Steel Resources Co., Ltd. to handle the disposal of reducing slag. For the years ended December 31, 2024 and 2023, the Group recognized manufacturing expenses of NT$52,293 thousand and NT$46,924 thousand, respectively. As of December 31, 2024 and December 31, 2023, unpaid amounts of NT$5,539 thousand and NT$3,806 thousand, respectively, were recognized in accounts payable.

(3) Remuneration of key management personnel

	2024	2023
Short-term employee benefits	$101,407	$88,973
Post-employment benefits	444	313
Total	$101,851	$89,286

8. Pledged Assets

The Group has pledged the following assets as collateral:

	Carrying amount		
Item	2024.12.31	2023.12.31	Purpose
Other non-current assets	$13,686	$13,686	Performance bond

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

1. As of December 31, 2024 and 2023, NT$13,002,260 thousand and NT$12,886,200 thousand of guarantee notes issued for borrowings had not been retrieved and canceled, respectively.

2. For the application of the "Implementation Measures for Import Goods Release Before Tax" when importing goods, the guarantee letters issued by banks amounted to NT$30,000 thousand as of both December 31, 2024 and 2023.

3. Amounts of unused letters of credit were as follows: (in thousands of foreign currency units)

Currency	2024.12.31	2023.12.31
USD	$13,902	$17,036
JPY	31,796	10,120
EUR	591	945
CNY	8,317	23,072

No deposits have been paid for the above unused letters of credit.

4. The Group has signed the following significant purchase contracts (in thousands of foreign currency units)

Contract party	Contract content	Total contract price	Amount paid	Outstanding contract balance as of Dec 31, 2024
Company A	Slag pot carrier	CNY13,861	CNY5,544	CNY8,317

10. Significant Disaster Losses

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

11. Significant Events after the Reporting Period

None.

12. Other

1. Categories of financial instruments

Financial Assets	2024.12.31	2023.12.31
Financial assets measured at FVOCI	$2,063,477	$2,574,187
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	1,170,413	991,673
Contract assets	445,783	537,601
Notes and accounts receivable	1,982,013	1,957,586
Other receivables	10,324	19,306
Other financial assets -Non-current	13,686	13,686
Sub-total	3,622,219	3,519,852
Total	$5,685,696	$6,094,039

	2024.12.31	2023.12.31
Financial liabilities		
Financial liabilities measured at amortized cost:		
Short-term borrowings	$987,596	$1,950,094
Notes and accounts payable	1,332,761	1,571,441
Other payables	923,316	781,984
Lease liabilities	761,396	420,619
Total	$4,005,069	$4,724,138

2. Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on the borrowings and investments with variable interest rates as of the end of the reporting period, under the assumption that, a change of 10 basis points of interest rates in a reporting period.

The sensitivity analysis of the change in the relevant risks from January 1 to December 31, 2024 and 2023 before tax is as follows:

January 1 to December 31, 2024

Main Risk	Extent of variation	Profit or loss sensitivity	Equity sensitivity
Foreign currency risk	NTD/USD exchange rate +/-1%	+/-$338	$ -
Interest rate risk	Market rate +/− 10 basis points	-/+ $988	$ -

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

January 1 to December 31, 2023

Main Risk	Extent of variation	Profit or loss sensitivity	Equity ensitivitys
Foreign currency risk	NTD/USD exchange rate +/-1%	+/-$1,049	$ -
Interest rate risk	Market rate +/− 10 basis points	-/+ $1,950	$ -

Equity price risk

The fair value of the Group’s listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group’s listed and unlisted equity securities are classified under held for trading financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group’s senior management on a regular basis. The Group’s board of directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through other comprehensive income could have an impact of NT$9,802 thousand and NT$15,328 thousand on the equity attributable to the Group from January 1 to December 31, 2024 and 2023, respectively.

4. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, accounts and notes receivables and lease receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, ratings from credit rating agencies, historical experiences, prevailing economic condition and the Group’s internal rating criteria, etc. Certain counter parties’ credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2024 and December 31, 2023, the percentages of contract assets and receivables of the Group's top ten customers to the Group's contract assets and receivable balances were 34.47% and 31.80%, respectively. The credit concentration risk of the remaining contract assets and accounts receivable is relatively insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group’s treasury in accordance with the Group’s policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

5. Liquidity risk management

The Group objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank loans. The table below summarizes the maturity profile of the Company’s financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
2024.12.31					
Short-term borrowings	$1,012,747	$ -	$ -	$ -	$1,012,747
Notesand accounts payable	1,332,761	-	-	-	1,332,761
Other payables	923,316	-	-	-	923,316
Lease liabilities(note)	73,222	139,845	85,764	596,787	895,618
2023.12.31					
Short-term borrowings	$1,988,350	$ -	$ -	$ -	$1,988,350
Notes and accounts payable	1,571,441	-	-	-	1,571,441
Other payables	781,984	-	-	-	781,984
Lease liabilities(note)	52,392	102,528	47,606	288,528	491,054

Note: The following table provides further information on the maturity analysis of liabilities:

	Lease Expiration period of Liabilities					
	< 1 year	2-5 years	6-10 years	11-15 years	> 15 years	Total
2024.12.31	$73,222	$225,609	$225,967	$214,245	$156,575	$895,618
2023.12.31	$52,392	$150,134	$60,524	$60,524	$167,480	$491,054

Derivative financial instruments

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Reconciliation of liabilities arising from financing activities

Adjustment information of liabilities on December 31, 2024:

	Short-term borrowings	Lease liabilities	Total
2024.01.01	$1,950,094	$420,619	$2,370,713
Cash flows	(962,498)	(62,037)	(1,024,535)
Non-cash changes	-	402,814	402,814
2024.12.31	$987,596	$761,396	$1,748,992

Adjustment information of Liabilities on December 31, 2023:

	Short-term borrowings	Lease liabilities	Total
2023.01.01	$862,067	$346,650	$1,208,717
Cash flows	1,088,027	(50,014)	1,038,013
Non-cash changes	-	123,983	123,983
2023.12.31	$1,950,094	$420,619	$2,370,713

7. Fair value of financial instruments

(1) Valuation techniques and assumptions applied for fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.

B. The fair value of assets and liabilities, which are traded in an active market with standard terms and conditions, is determined by reference to quoted market prices (e.g., listed equity securities and bonds).

C. The fair value of equity instruments without market quotations (including unquoted public company and private company equity securities) is estimated using the market method valuation techniques based on parameters such as prices based on market transactions of identical or comparable entities, equity instruments and relevant information of other (e.g., inputs such as discount for lack of marketability, P/E ratio of similar entities and price-book ratio of similar entities).

D. The fair value of debt instruments without market quotations, bank loans, and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instruments (such as yield curves published by the TPEx, average prices for commercial paper and credit risk, etc.)

(2) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group financial assets measured at amortized cost approximates their fair value.

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (9) for the fair value measurement hierarchy for the financial instruments of the Group.

8. Derivatives

As of December 31, 2024 and December 31, 2023, the Group did not hold any derivative instruments for trading.

9. Fair value hierarchy

(1) Definition of fair value hierarchy

All fair value disclosures required by assets and liabilities are based on the lowest level input that is significant to the overall fair value. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities available at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(2) **Hierarchy information of fair value**

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group’s assets and liabilities measured at fair value on a recurring basis is as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	2024.12.31			
	Level 1	Level 2	Level 3	Total
Fair value Assets:				
Through Other comprehensive income, equity instruments measured at fair value through other comprehensive income	$980,210	$ -	$1,083,267	$2,063,477

	2023.12.31			
	Level 1	Level 2	Level 3	Total
Fair value Assets:				
Through Other comprehensive income, equity instruments measured at fair value through other comprehensive income	$1,532,824	$ -	$1,041,363	$2,574,187

Transfers between Level 1 and Level 2 fair value hierarchy

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 in the fair value hierarchy for the Group's assets and liabilities measured at recurring fair value.

Reconciliation for fair value measurements categorized within Level 3 of the fair value hierarchy

The reconciliation of the opening balances and the closing balances of the Group's assets and liabilities measured at recurring fair value categorized within Level 3 of the fair value hierarchy is as follows:

	Assets
	Through other comprehensive income according to fair value
	Stock
2024.01.01	$1,041,363
Total gains (losses) recognized for 2024	
Recognition under other comprehensive income (reported as "unrealized gain (loss) on valuation of investments in equity through fair value")	41,904

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

2024.12.31	$1,083,267

	Assets
	Through other comprehensive income according to fair value
	Stock
2023.01.01	$1,004,000
Total gains (losses) recognized for 2023:	
Recognition under other comprehensive income (reported as "unrealized gain (loss) on valuation of investments in equity through fair value")	41,009
Reclassification	(3,646)
2023.12.31	$1,041,363

Information on significant unobservable inputs of Level 3 fair value hierarchy

The significant unobservable inputs used in Level 3 recurring fair value measurements of the Group's assets are shown in the following table:

December 31, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of inputs and fair value relationship
Financial assets:					
Financial assets at FVOCI					
Shares and others	Market approach	Discount for lack of marketability and minority interest	10%-30%	The higher the degree of lack of marketability, the lower the estimated fair value	A 10% increase (decrease) in the discount for lack of marketability and minority interest would result in a decrease (increase) in the Group's equity by NT$108,327 thousand

December 31, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between input and fair values	Sensitivity analysis of inputs and fair value relationship
Financial assets:					
Financial assets at FVOCI					

Shares and others	Market approach	Discount for lack of liquidity and minority equity interest	10%-30%	The higher the degree of lack of liquidity, the lower the estimated fair value	A 10% increase (decrease) in the liquidity discount and minority equity interest would result in a decrease (increase) in the Group's equity by NT$104,136 thousand

<u>The valuation process for fair value measurements categorized within Level 3 of the fair value hierarchy</u>

The Group's Finance Department is responsible for validating fair value measurements by using independent source data to ensure valuation results align with market conditions, confirming that data sources are independent, reliable, and consistent with other resources, and represent executable prices. The department analyzes the value changes of assets and liabilities that require remeasurement or reassessment according to the Group's accounting policies at each reporting date to ensure the reasonableness of valuation results.

(3) Hierarchical information of assets and liabilities not measured at fair value but subject to fair value disclosure

	2024.12.31			
	Level 1	Level 2	Level 3	Total
Assets with fair value disclosed only:				
Investment properties (Note 6.8)	$ -	$ -	$2,301,621	$2,301,621
Investments accounted for using the equity method (Note 6.6)	3,077,238	-	-	3,077,238

	2023.12.31			
	Level 1	Level 2	Level 3	Total
Assets with fair value disclosed only:				
Investment properties (Notes 6.8)	$ -	$ -	$1,295,658	$1,295,658
Investments accounted for using the equity method (Note 6.6)	2,442,659	-	-	2,442,659

10. Significant assets and liabilities denominated in foreign currencies assets and liabilities

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Unit: NT $thousands

	2024.12.31			2023.12.31		
	Foreign currencies	Exchange Rate	NTD	Foreign currencies	Exchange Rate	NTD
Assets						
Monetary item:						
USD	$12,971	32.7400	$424,674	$6,459	30.6450	$197,942

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities						
Monetary item:						
USD	$11,902	32.8400	$390,831	$9,832	30.8050	$302,847

Due to the wide variety of functional currencies of the Group standard-alone, it is not possible to disclose the exchange gains and losses information of monetary financial assets and financial liabilities by each foreign currency with significant impact. The Group foreign exchange gains for the years 2024 and 2023 are NT $26,894 thousand and NT $18,507 thousand, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

11. Capital management

The primary objective of the Group capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Supplementary Disclosures

1. Information at significant transactions

(1) Financing provided to others: None.

(2) Endorsements/guarantees provided for other parties: None.

(3) Marketable securities held at the end of the period:

Holding Company	Type of Securities	Name of Securities Company	Relationship with Issuer	Account Name	Ending Balance				Remarks
					Shares	Carrying amount	Holding %	Fair value	
Feng Hsin Steel Co., Ltd.	Stock	Formosa Taffeta Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	3,162,000	$58,023	0.19%	$58,023	
		China Steel Corporation	-	Financial assets at fair value through other comprehensive income-current	21,090,000	414,418	0.13%	414,418	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Holding Company	Type of Securities	Name of Securities Company	Relationship with Issuer	Account Name	Ending Balance Shares	Carrying amount	Holding %	Fair value	Remarks
		YungShin Global Holding Corporation	-	Financial assets at fair value through other comprehensive income-current	1,923,000	103,650	0.72%	103,650	
				Total		$576,091			
Feng Hsin Steel Co., Ltd.	Stock	Chien Shing Harbor Service	-	Financial assets at fair value through other comprehensive income- non-current	8,737,696	$404,119	9.96%	$404,119	
		Fengshuo Investment Co. Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	3,640,000	217,974	18.20%	217,974	
		Gwo Uei Metals Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	4,940,000	50,347	15.44%	50,347	
		Kuo Hui Iron & Steel Co., Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	3,800,000	33,259	19.00%	33,259	
		China Trade and Development Corporation	-	Financial assets at fair value through other comprehensive income- non-current	1,925	25	-	25	
		Pro-Ascentek Investment Corporation	-	Financial assets at fair value through other comprehensive income- non-current	10,000,000	108,176	8.33%	108,176	
		Wen-Shan Enterprise Co.,	-	Financial assets at fair value through other comprehensive income- non-current	15,840,000	114,452	18.00%	114,452	
Great Fortune Holding Limited	Stock	Shihlien China Holding Co., Ltd.		Financial assets at fair value through other comprehensive income- non-current	27,033,543	559,034	4.87%	559,034	
				Total		$1,487,386			

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of paid-in capital:

Seller	Type & Name of Securities	Account Name	Trading counterpart (Note 1)	Relationship (Note 1)	Beginning		Acquisition		Disposal				Ending	
					Shares	Amount	Shares	Amount	Quantity of shares	Selling price	Book cost	Profit or loss from disposal	Quantity of shares	Amount
Feng Hsin Steel Co., Ltd.	Stock - Tung Ho Steel Enterprise Co., Ltd.	Financial assets at fair value through other comprehensive income - current	N/A	N/A	4,546,070	$321,407	N/A		4,546,070	$341,344	$243,264	$98,080	-	$ -

Note 1: For securities accounted for as investments using the equity method, these two columns must be filled in; otherwise, they can be left blank.

(5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of paid-in capital:

Unit: NTD Thousand

Acquirer	Property	Date of Transaction	Transaction amount	Payment Status	Counterparty	Payment Status	Transaction Counterparty				Price Reference	Purpose of Acquisition and Status of Utilization	Other agreed matters
							Owner	Relationship with Issuer	Date of Transfer	Amount			
Feng Hsin Steel Co., Ltd.	Right-of-use assets - Land	2024/8/7	$389,295	Payment according to the agreement	Da Sheng Transportation Co., Ltd.	Unrelated party	N/A	N/A	N/A	N/A	Appraisal report issued by Weiming Real Estate Appraiser Firm and Current Market Price	Operational use	None

(6) Disposal of individual real estate at prices of at least NT$300 million or 20% of paid-in capital: None.

(7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of paid-in capital: None.

(8) Receivables from related parties amounting to at least NT$100 million or 20% of paid-in capital: None.

(9) Trading in derivative instruments: None.

(10) Other: Business relationships and material intercompany transactions (amounting to NT$100 million or more than 20% of the paid-in capital): None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

2. Information on investees

Information on investees over which the Group has significant influence or control, directly or indirectly, is as follows (excluding investees in Mainland China):

Investor	Investee	Location	Main Businesses	Initial Investment Amount		End-of-period Holdings			Investee's Profits (Losses)	Investment Gains (Losses) Recognized	Remarks
				End of Period	End of Prior Year	Shares	Ratio	Carrying Amount			
Feng Hsin Steel Co., Ltd.	Great Fortune Holding Limited	Offshore Chamber, P.O. Box217, Apia, Samoa	General investment	$971,367	$971,367	31,406,834	100.00%	$604,538	$44,413	$44,413	Subsidiaries
Feng Hsin Steel Co., Ltd.	Taiwan Steel Union Co., Ltd.	No. 36, Siangong N. 1st Rd., Shengang Township, Changhua County	General business and hazardous business waste disposal, non-ferrous metals (zinc oxide), non-metallic mineral products manufacturing and trading business	$479,976	$470,164	26,758,587	24.05%	$1,074,091	$831,086	$199,544	Associates
Feng Hsin Steel Co., Ltd.	Fong yu Resources Co., Ltd.	No. 789, Xiangong N. 4th Rd., Shengang Township, Changhua County	General business and hazardous business waste disposal	$584,878	$584,878	58,161,000	29.08%	$485,254	$(190,250)	$(55,325)	Associates

Note: The recognition of the investment profit or loss for each entity is already included in the investment profit or loss of the subsidiary, respectively, and is eliminated in the consolidated financial statements.

3. Information on investments in mainland China

(1) The Group invests indirectly in mainland China through Great Fortune Holding Limited. The related information is as follows:

Investee in China	Main Businesses	Paid-in Capital	Method of Investment	Cumulative Amount Remitted from Taiwan at Beginning of Period	Investment Flows		Cumulative Amount Remitted from Taiwan at End of Period	Investee's Profit/Loss for the Period	The Company's Direct or Indirect Shareholding (%)	Investment Income (Loss) Recognized	Ending Balance of Investment Book Value (Note 1)	Repatriated Income by the End of the Period
					Outflows	Inflows						
Shihlien Chemical Industrial Jiangsu Co.	Sodium carbonate, raw material for glass production	USD 800,000,000	Indirect investment in China via a third-region entity	$895,531 (USD27,352,800)	-	-	$895,531 (USD27,352,800)	Note 1	2.83%	$ -	$488,816	$ -
Huaian Shihyuan Brine Co., Ltd.	Brine, raw material for producing sodium carbonate	USD 32,000,000	Indirect investment in China via a third-region entity	$48,678 (USD1,486,800)	-	-	$48,678 (USD1,486,800)	Note 1	3.94%	$ -	$26,595	$ -

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Accumulated outflow of investment from Taiwan to Mainland China at the end of the period (Note 3)	Ministry of economic affairs investment commission, MOEA investment amount (Note 3)	Upper limit on investment in mainland china according to ministry of economic affairs investment commission, MOEA The lender's net accounts value×60%
$944,209 (USD 28,839,600)	$944,209 (USD 28,839,600)	$13,356,707 (Note 2)

Note 1: The Group's subsidiary's investment in Mainland China was made indirectly through financial assets at fair value through other comprehensive income investee established in the third region.
Note 2: Pursuant to the Investment Commission, Ministry of Economic Affairs, R.O.C., the Company's investment in Mainland China is limited to 60% of net worth or consolidated net worth.
Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial statement reporting date.

(2) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: None.

4. Information on major shareholders

Name of major shareholders \ Shares	Shares Held	Shareholding
Cheng Chuang Investment Co., Ltd.	33,984,000	5.84%

14. Segment Information

1. The Group revenue is mainly derived from manufacturing, processing and trading of various angle iron, round iron, flat iron and other products. The management has determined that the Group is a single operating segment.

2. Geographical information

(1) Revenue from external customers:

	January 1, 2024~ December 31, 2024	January 1, 2023~ December 31, 2023
Taiwan	$31,312,521	$31,597,182
Export sales-Asia	1,344,722	1,643,122
Export sales-Other	1,722,081	1,641,719
total	$34,379,324	$34,882,023

The revenue information above is based on the location of the customers.

(2) Non-current assets:

	2024.12.31	2023.12.31
Taiwan	$11,186,570	$10,982,509

3. Information about major customers

The Group did not have any single customer, sales revenue, that accounted for more than 10% of the net income in the income statement in 2024 and 2023.