

Ta Chen Stainless Pipe Co., Ltd.

**Standalone Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying standalone financial statements of Ta Chen Stainless Pipe Co., Ltd. (the "Company"), which comprise the standalone balance sheets as of December 31, 2024 and 2023, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the standalone financial statements, including material accounting policy information.

In our opinion and based on our and other independent auditor's reports (please refer to Other Matter paragraph), the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2024 and 2023, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter of the Company's standalone financial statements for the year ended December 31, 2024 is described as follows:

Authenticity of Revenue Recognition from Specific Customers

Sales revenue of the Company comes primarily from the sale of stainless steel pipes and stainless steel pipe fittings. Since revenue from the specific customers is significant to the financial statements, considering that there is a presumed significant risk in revenue recognition, the authenticity of revenue recognition from the specific customers has been identified as a key audit matter. Refer to Note 4 (n) to the financial statements for the accounting policies on revenue recognition.

The main audit procedures that we performed in regard of the aforementioned key audit matter are as follows:

1. We obtained an understanding of and tested the effectiveness of the design of the relevant internal controls and implementation related to revenue recognition from specific customers.
2. We selected samples and checked the documents and payment status related to the sales revenue of the specific customers to verify the occurrence of the sales.

Other Matter

We did not audit the financial statements of some investees accounted for using the equity method included in the financial statements of the Company, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included herein is based solely on the reports of other auditors. As of December 31, 2024 and 2023, the total investment of these investments accounted for using the equity method was NT\$289,881 thousand and NT\$743,894 thousand, accounting for 0.33% and 0.88%, respectively, of total assets; for the year ended December 31, 2024 and 2023, the amount of the Company's share of comprehensive income of such subsidiaries was NT\$3,002 thousand and NT\$(126,222) thousand, accounting for 0.04% and (2.89%), respectively, of the Company's comprehensive income.

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

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the Company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chao-Chin Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2025

Notice to Readers

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

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

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 1,819,784	2	\$ 3,678,797	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	50,972	-	244,482	-
Financial assets at amortized cost - current (Notes 4, 11 and 31)	1,304,889	2	2,261,923	3
Notes receivable (Notes 4 and 9)	21,416	-	40,008	-
Accounts receivable, net (Notes 4, 9 and 23)	88,634	-	125,603	-
Accounts receivable from related parties (Notes 4, 9, 23 and 30)	6,009,546	7	5,861,223	7
Other receivables (Note 4)	20,607	-	32,355	-
Other receivables from related parties (Notes 4 and 30)	3,251,074	4	3,135,530	4
Inventories (Notes 4 and 10)	2,557,837	3	2,844,718	4
Prepayments (Note 17)	107,580	-	246,840	-
Total current assets	15,232,339	18	18,471,479	22
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	27,152	-	27,152	-
Financial assets at amortized cost - non-current (Notes 4, 11, 30 and 31)	243,171	-	384,596	1
Investment accounted for using the equity method (Notes 4, 12 and 31)	65,223,728	75	59,084,658	70
Property, plant and equipment (Notes 4, 13 and 31)	4,483,779	5	4,576,860	5
Investment properties (Notes 4, 14 and 31)	1,219,884	2	1,230,971	2
Right-of-use assets (Notes 4 and 15)	60,085	-	114,666	-
Other intangible assets (Notes 4 and 16)	1,593	-	26,721	-
Deferred tax assets (Notes 4 and 25)	242,703	-	320,242	-
Net defined benefit assets - non-current (Notes 4 and 21)	185,066	-	128,539	-
Other non-current assets	130,832	-	127,921	-
Total non-current assets	71,817,993	82	66,022,326	78
TOTAL	\$ 87,050,332	100	\$ 84,493,805	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 31)	\$ 7,187,944	8	\$ 9,988,603	12
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	93,145	-	-	-
Notes payable (Note 19)	69,517	-	105,289	-
Accounts payable (Notes 19 and 30)	156,029	-	123,746	-
Other payables (Note 20)	815,914	1	807,334	1
Current tax liabilities (Notes 4 and 25)	126,097	-	516,285	1
Lease liabilities - current (Notes 4 and 15)	40,063	-	50,368	-
Current portion of long-term borrowings (Notes 18 and 31)	605,524	1	492,860	-
Other current liabilities	23,370	-	12,683	-
Total current liabilities	9,117,603	10	12,097,168	14
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 31)	10,284,475	12	9,214,182	11
Deferred tax liabilities (Notes 4 and 25)	80,600	-	54,097	-
Lease liabilities - non-current (Notes 4 and 15)	22,470	-	68,361	-
Total non-current liabilities	10,387,545	12	9,336,640	11
Total liabilities	19,505,148	22	21,433,808	25
EQUITY (Note 22)				
Ordinary shares	24,342,606	28	24,342,606	29
Capital surplus	23,155,021	27	23,001,551	27
Retained earnings				
Legal reserve	4,752,560	6	4,217,219	5
Special reserve	-	-	64,308	-
Unappropriated earnings	14,271,510	16	14,079,877	17
Total retained earnings	19,024,070	22	18,361,404	22
Other equity	5,411,695	6	1,740,595	2
Treasury shares	(4,388,208)	(5)	(4,386,159)	(5)
Total equity	67,545,184	78	63,059,997	75
TOTAL	\$ 87,050,332	100	\$ 84,493,805	100

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 30)	\$ 9,627,572	100	\$ 9,545,301	100
OPERATING COSTS (Notes 10, 21, 24 and 30)	<u>7,957,017</u>	<u>82</u>	<u>7,547,990</u>	<u>79</u>
GROSS PROFIT	<u>1,670,555</u>	<u>18</u>	<u>1,997,311</u>	<u>21</u>
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(744,402)	(8)	(985,218)	(10)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>985,218</u>	<u>10</u>	<u>1,927,123</u>	<u>20</u>
REALIZED GROSS PROFIT	<u>1,911,371</u>	<u>20</u>	<u>2,939,216</u>	<u>31</u>
OPERATING EXPENSES (Notes 21, 24 and 30)				
Selling and marketing expenses	135,559	1	101,019	1
General and administrative expenses	<u>655,098</u>	<u>7</u>	<u>585,754</u>	<u>6</u>
Total operating expenses	<u>790,657</u>	<u>8</u>	<u>686,773</u>	<u>7</u>
OTHER OPERATING INCOME, NET (Note 24)	<u>3,169</u>	<u>-</u>	<u>2,723</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>1,123,883</u>	<u>12</u>	<u>2,255,166</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES (Notes 7, 12, 24 and 30)				
Interest income	319,771	3	295,656	3
Other income	33,265	-	32,977	-
Other gains and losses	434,834	5	(4,552)	-
Finance costs	(366,693)	(4)	(327,472)	(3)
Share of profit or loss of subsidiaries and associates	<u>2,422,676</u>	<u>25</u>	<u>3,731,982</u>	<u>39</u>
Total non-operating income and expenses	<u>2,843,853</u>	<u>29</u>	<u>3,728,591</u>	<u>39</u>
PROFIT BEFORE INCOME TAX FOR THE YEAR	3,967,736	41	5,983,757	63
INCOME TAX EXPENSE (Notes 4 and 25)	<u>429,454</u>	<u>4</u>	<u>652,955</u>	<u>7</u>
NET PROFIT FOR THE YEAR	<u>3,538,282</u>	<u>37</u>	<u>5,330,802</u>	<u>56</u>

(Continued)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 50,825	-	\$ 470	-
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	(36,645)	-	20,744	-
Income tax expense (benefit) relating to items that will not be reclassified subsequently	(10,165)	-	(94)	-
	<u>4,015</u>	<u>-</u>	<u>21,120</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	3,543,130	37	121,215	1
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method	169,452	1	(1,112,288)	(11)
	<u>3,712,582</u>	<u>38</u>	<u>(991,073)</u>	<u>(10)</u>
Other comprehensive income(loss) for the year, net of income tax	<u>3,716,597</u>	<u>38</u>	<u>(969,953)</u>	<u>(10)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,254,879</u>	<u>75</u>	<u>\$ 4,360,849</u>	<u>46</u>
EARNINGS PER SHARE (New Taiwan dollars; Note 26)				
Basic	<u>\$ 1.53</u>		<u>\$ 2.30</u>	
Diluted	<u>\$ 1.53</u>		<u>\$ 2.29</u>	

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Retained Earnings					Other Equity					Treasury Shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements Foreign Operations	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total Other Equity			
BALANCE AT JANUARY 1, 2023	\$ 20,285,505	\$ 22,783,377	\$ 3,025,798	\$ 3,883,805	\$ 15,024,018	\$ 1,152,771	\$ (59,680)	\$ 1,640,060	\$ 2,733,151	\$ (4,473,674)	\$ 63,261,980	
Appropriation of 2022 earnings (Note 22)												
Legal reserve	-	-	1,191,421	-	(1,191,421)	-	-	-	-	-	-	
Special reserve	-	-	-	(3,819,497)	3,819,497	-	-	-	-	-	-	
Cash dividends distributed by the Company - NT\$2.4 per share	-	-	-	-	(4,868,521)	-	-	-	-	-	(4,868,521)	
Share dividends distributed by the Company - NT\$2 per share	4,057,101	-	-	-	(4,057,101)	-	-	-	-	-	-	
Net profit for the year ended December 31, 2023	-	-	-	-	5,330,802	-	-	-	-	-	5,330,802	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax (Note 22)	-	-	-	-	23,044	137,790	(1,924)	(1,128,863)	(992,997)	-	(969,953)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	5,353,846	137,790	(1,924)	(1,128,863)	(992,997)	-	4,360,849	
Cash dividends distributed by subsidiaries	-	248,425	-	-	-	-	-	-	-	-	248,425	
Difference between consideration and carrying amount of subsidiaries acquired	-	13,249	-	-	-	-	-	-	-	-	13,249	
Changes in percentage of ownership interests in subsidiaries	-	(43,553)	-	-	-	-	-	-	-	87,515	43,962	
Share-based payments	-	53	-	-	-	-	-	-	-	-	53	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(441)	-	441	-	441	-	-	
BALANCE AT DECEMBER 31, 2023	24,342,606	23,001,551	4,217,219	64,308	14,079,877	1,290,561	(61,163)	511,197	1,740,595	(4,386,159)	63,059,997	
Appropriation of 2023 earnings (Note 22)												
Legal reserve	-	-	535,341	-	(535,341)	-	-	-	-	-	-	
Special reserve	-	-	-	(64,308)	64,308	-	-	-	-	-	-	
Cash dividends distributed by the Company - NT\$1.2 per share	-	-	-	-	(2,921,113)	-	-	-	-	-	(2,921,113)	
Net profit for the year ended December 31, 2024	-	-	-	-	3,538,282	-	-	-	-	-	3,538,282	
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax (Note 22)	-	-	-	-	45,497	3,941,150	(41,482)	(228,568)	3,671,100	-	3,716,597	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	3,583,779	3,941,150	(41,482)	(228,568)	3,671,100	-	7,254,879	
Cash dividends distributed by subsidiaries	-	149,229	-	-	-	-	-	-	-	-	149,229	
Difference between consideration and carrying amount of subsidiaries acquired	-	7,774	-	-	-	-	-	-	-	-	7,774	
Changes in percentage of ownership interests in subsidiaries	-	(3,533)	-	-	-	-	-	-	-	(2,049)	(5,582)	
BALANCE AT DECEMBER 31, 2024	\$ 24,342,606	\$ 23,155,021	\$ 4,752,560	\$ -	\$ 14,271,510	\$ 5,231,711	\$ (102,645)	\$ 282,629	\$ 5,411,695	\$ (4,388,208)	\$ 67,545,184	

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income profit before income tax	\$ 3,967,736	\$ 5,983,757
Adjustments for:		
Depreciation expenses	288,056	263,930
Amortization expense	34,697	34,671
Net (gain) loss on financial instruments at fair value through profit or loss	221,066	(137,474)
Finance costs	366,693	327,472
Interest income	(319,771)	(295,656)
Dividend income	(510)	(340)
Share of profit of subsidiaries and associates accounted for using the equity method	(2,422,676)	(3,731,982)
Gain on disposal of property, plant and equipment	(3,169)	(2,723)
Impairment loss on non-financial assets	44,022	118,011
Unrealized sales profit	744,402	985,218
Realized sales profit	(985,218)	(1,927,123)
Unrealized net (gain) loss on foreign currency exchange	(221,603)	301,346
Gain on modification of lease	(617)	-
Changes in operating assets and liabilities		
Notes receivable	18,592	(31,314)
Accounts receivable	41,336	(51,202)
Accounts receivable from related parties	68,912	1,835,684
Other receivables	(849)	35,026
Inventories	207,852	(166,272)
Prepayments	174,269	85,304
Net defined benefit assets	(5,702)	(18,809)
Notes payable	(27,190)	18,098
Accounts payable	32,283	16,570
Other payables	10,299	(665,925)
Other current liabilities	<u>10,687</u>	<u>(274)</u>
Cash generated from operations	2,243,597	2,975,993
Income tax paid	<u>(725,765)</u>	<u>(451,305)</u>
Net cash generated from operating activities	<u>1,517,832</u>	<u>2,524,688</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(1,415,476)
Proceeds from the disposal of financial assets at amortized cost	1,096,979	-
Purchase of financial assets at fair value through profit or loss	(66,480)	(80,869)
Proceeds from sale of financial assets at fair value through profit or loss	132,069	59,221
Payments for property, plant and equipment	(142,789)	(200,932)
Proceeds from disposal of property, plant and equipment	1,919	691
Increase in refundable deposits	(196)	(161,781)
Decrease in refundable deposits	1,676	\$ 8,793
Payments for investment properties	-	(1,331)
Others receivables-increase in loans to related parties	(114,429)	(2,454,950)
Payments for intangible assets	(9,322)	(10,423)

(Continued)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Increase in prepayments for equipment	\$ (8,794)	\$ (59,694)
Other dividends received	510	340
Interest received	329,788	273,052
Dividends received from subsidiaries	<u>665,654</u>	<u>844,249</u>
Net cash generated (used in) investing activities	<u>1,886,585</u>	<u>(3,199,110)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	16,055,847	17,864,885
Repayments of short-term borrowings	(18,856,506)	(13,071,861)
Proceeds from short-term bills payable	599,490	1,987,135
Repayments of short-term bills payable	(600,000)	(2,100,000)
Proceeds from long-term borrowings	3,935,000	12,051,920
Repayments of long-term borrowings	(2,757,659)	(12,016,102)
Repayment of the principal portion of lease liabilities	(47,693)	(40,680)
Dividends paid	(2,921,113)	(4,868,521)
Acquisition of additional interests in subsidiaries	(310,000)	(599,986)
Disposal of subsidiaries	-	7,906
Interest paid	<u>(360,796)</u>	<u>(206,556)</u>
Net cash used in financing activities	<u>(5,263,430)</u>	<u>(991,860)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,859,013)	(1,666,282)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,678,797</u>	<u>5,345,079</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,819,784</u>	<u>\$ 3,678,797</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)

Ta Chen Stainless Pipe Co., Ltd.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Ta Chen Stainless Pipe Co., Ltd. (the “Company”) was incorporated in November 1986. The Company is engaged in the manufacturing, processing and selling of stainless steel pipes and stainless steel pipe fittings, sale of stainless steel plates as well as the manufacturing and sale of venetian blinds.

The Company’s shares were listed and have been trading on the Taiwan Stock Exchange since October 1996.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The standalone financial statements were approved by the Company’s board of directors and authorized for issue on March 12, 2025.

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

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

The initial application of the revised IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on

January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of The Company as a whole, The Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal

or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The standalone financial statements have been prepared in accordance with the Regulations Govern in the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the standalone financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the standalone financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the standalone basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in the standalone financial statements.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are recognized in profit or loss for the period except for exchange difference arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated using the exchange rate at the date of the transaction.

For the purposes of presenting the standalone financial statements, the investments of the Company's foreign operations (including subsidiaries in other countries or those that use currencies that are different from the Company) are translated into the New Taiwan dollar using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials (including raw materials in transit), supplies, finished goods, merchandise, work-in-process, etc. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at moving average cost.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of other equity of

subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss been recognized in prior years.

Profits or losses resulting from downstream transactions are eliminated in full only in the standalone financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the standalone financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate and joint venture. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. 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 Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

h. Property, plant, and equipment

Property, plant and equipment are measured at cost less recognized accumulated depreciation.

Property, plant, and equipment in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

Depreciation of property, plant, and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include and held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, investment properties, right-of-use assets and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost, accounts receivable, and other receivables, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company evaluates expected credit losses on financial assets at amortized cost (including trade receivables) at the end of each reporting period.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and any associated liabilities for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

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

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on such financial liability.

Fair value is determined in the manner described in Note 29.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is

recognized in profit or loss.

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, including foreign exchange forward swap contracts and foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

m. Hedge accounting

The Company designates certain hedging instruments, which include derivatives as cash flow hedges.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that is designated and qualified as cashflow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

n. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of stainless steel pipes, stainless steel fittings, stainless steel plates, and venetian blinds. Sales of the aforementioned goods are recognized as revenue

when the terms of trading are met or the goods are received by the buyers since the significant risks and rewards of ownership of the goods are transferred to the buyers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Accounts receivable are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

o. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, The Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payment that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all borrowing costs are recognized in profit or loss in the year in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 320	\$ 320
Checking accounts and demand deposits	1,212,119	2,972,262
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>607,345</u>	<u>706,215</u>
	<u>\$ 1,819,784</u>	<u>\$ 3,678,797</u>

The market rate intervals of bank time deposit at the end of the year were as follows:

	December 31	
	2024	2023
Bank time deposit	1.52%-5.03%	5.7%-5.89%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets - current</u>		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ <u>19</u>	\$ <u>135,837</u>
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	<u>50,953</u>	<u>108,645</u>
	<u>\$ 50,972</u>	<u>\$ 244,482</u>
<u>Financial liabilities - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	<u>\$ 93,145</u>	<u>\$ -</u>

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

December 31, 2024

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	USD to NTD	2025.01-2025.07	USD 120,000/NTD 3,830,510

December 31, 2023

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	USD to NTD	2024.01-2024.08	USD 100,000/NTD 3,154,700

The Company entered into forward foreign exchange contracts to hedge the exposure risk arising from exchange rate fluctuations for foreign-currency denominated assets and liabilities.

The net gain (loss) attributable to the above derivative contracts in 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Interest rate swap contracts	\$ (730)	\$ (8,081)
Mutual funds	7,897	5,592
Foreign exchange forward contracts	<u>(371,759)</u>	<u>(45,474)</u>
	<u>\$ (364,592)</u>	<u>\$ (47,963)</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Year Ended December 31	
	2024	2023
<u>Non-current</u>		
Domestic investments		
Unlisted shares	<u>\$ 27,152</u>	<u>\$ 27,152</u>

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

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Notes receivable</u>		
Notes receivable - operating	\$ <u>21,416</u>	\$ <u>40,008</u>
<u>Accounts receivable (including related parties)</u>		
At amortized cost		
Gross carrying amount	\$ 6,100,410	\$ 5,989,056
Less: Allowance for impairment loss	<u>(2,230)</u>	<u>(2,230)</u>
	<u>\$ 6,098,180</u>	<u>\$ 5,986,826</u>

The average credit period of the sale of goods is 30-180 days. No interest was charged on accounts receivable. The allowance for impairment loss was recognized based on estimated irrecoverable amounts determined by reference to the accounts' aging analysis, past default experience with the respective customers and analysis of those customers' current financial positions.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information or its own trading records to rate its customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Company annually.

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

The Company applies the simplified approach for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date and GDP forecasts. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status for notes receivable and the provision for loss allowance based on invoice date for accounts receivable are not further distinguished according to the Company's different customer base.

The Company writes off an account receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of notes receivable and accounts receivable based on the Company's provision matrix:

Notes Receivable

The Company assessed that the notes receivable were not past due based on the past due status; thus, the Company did not recognize an expected credit loss for notes receivable as of December 31, 2024 and 2023.

Accounts Receivable (including related parties)

December 31, 2024

	Invoice date to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%	0%	0%	0.07%	
Gross carrying amount	\$ 1,343,360	\$ 794,985	\$ 764,032	\$ 3,198,033	\$ 6,100,410
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,230)</u>	<u>(2,230)</u>
Amortized cost	<u>\$ 1,343,360</u>	<u>\$ 794,985</u>	<u>\$ 764,032</u>	<u>\$ 3,195,803</u>	<u>\$ 6,098,180</u>

December 31, 2023

	Invoice date to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%	0%	0%	0.07%	
Gross carrying amount	\$ 1,350,434	\$ 616,278	\$ 673,958	\$ 3,348,386	\$ 5,989,056
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,230)</u>	<u>(2,230)</u>
Amortized cost	<u>\$ 1,350,434</u>	<u>\$ 616,278</u>	<u>\$ 673,958</u>	<u>\$ 3,346,156</u>	<u>\$ 5,986,826</u>

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 2,230	\$ 8,641
Less: Amounts written off	<u>-</u>	<u>(6,411)</u>
Balance at December 31	<u>\$ 2,230</u>	<u>\$ 2,230</u>

10. INVENTORIES

	December 31	
	2024	2023
Finished goods	\$ 593,264	\$ 501,918
Merchandise	322,888	557,388
Work in progress	579,379	786,307
Raw materials	944,237	976,476
Materials	6,555	6,651
Raw materials in transit	<u>111,514</u>	<u>15,978</u>
	<u>\$ 2,557,837</u>	<u>\$ 2,844,718</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 was \$7,957,017 thousand and \$7,547,990 thousand, respectively, including loss on inventory, prepayment for goods impairment and obsolescence loss of \$44,022 thousand and \$118,011 thousand, respectively.

11. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Current</u>		
Pledged time deposits	\$ 555,498	\$ 483,662
Pledged demand deposits (reserve account)	355,971	366,888
Time deposits with original maturities of 3 months or less	<u>393,420</u>	<u>1,411,373</u>
	<u>\$ 1,304,889</u>	<u>\$ 2,261,923</u>
<u>Non-current</u>		
Pledged demand deposits (reserve account)	\$ 80,453	\$ 220,398
Refundable deposits	<u>162,718</u>	<u>164,198</u>
	<u>\$ 243,171</u>	<u>\$ 384,596</u>

- a. As of December 31, 2024 and 2023, the interest rates of time deposits were 0.15%-5.56% p.a. and 0.54%-5.68% p.a., respectively.
- b. Refer to Note 31 for information related to financial assets at amortized cost pledged as collateral.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Investments in subsidiaries	\$ 64,985,759	\$ 58,592,941
Investments in associates	<u>237,969</u>	<u>491,717</u>
	<u>\$ 65,223,728</u>	<u>\$ 59,084,658</u>

- a. Investments in subsidiaries

	<u>December 31</u>			
	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Percentage of Ownership (Note 1)</u>	<u>Amount</u>	<u>Percentage of Ownership (Note 1)</u>
Ta Chen International, Inc. ("TCI")	\$ 55,677,240	100%	\$ 50,489,504	100%
Ta Chen (B.V.I.) Holdings Ltd. ("Ta Chen BVI")	2,317,562	100%	1,952,236	100%
Brighton-Best International (Taiwan) Inc. ("BBI-TW") (Note 3)	6,374,292	42.72%	5,685,474	42.72%

(Continued)

	December 31			
	2024		2023	
	Amount	Percentage of Ownership (Note 1)	Amount	Percentage of Ownership (Note 1)
Yinrong (Shanghai) Investment Management Limited	\$ 6,849	100%	\$ 6,141	100%
Wei Mei Roller Blind Co., Ltd. (Note 4)	206,830	100%	80,291	70%
Ta Chen (Hong Kong) Limited (“TCHK”)	262,320	100%	235,639	100%
Ta Chen Lung Mei Home Life Co., Ltd. (Note 2)	133,622	99.99%	136,587	99.96%
Right Way Industrial Co., Ltd. (Note 3)	7,044	0.26%	7,069	0.26%
	<u>\$ 64,985,759</u>		<u>\$ 58,592,941</u>	

(Concluded)

Note 1: The proportion of ownership and voting rights of the subsidiaries as of the balance sheet date.

Note 2: In 2024, Ta Chen Lung Mei Home Life Co., Ltd. used capital reduction to cover losses and conducted a cash capital increase. The Company did not participate in the cash capital increase according to the shareholding ratio, resulting in an increase in its shareholding percentage to 99.99%.

Note 3: The Company has the practical ability to control BBI-TW and Right Way Industrial Co., Ltd. and deem them as subsidiaries.

Note 4: The Company originally held a 70% equity stake in Wei Mei and, in 2024, acquired the remaining 30% equity from an unrelated party and completed a cash capital increase, resulting in holding 100% ownership.

See Tables 8 and 9 for the information on investees and the places of incorporation and principal places of business.

b. Investments in associates

	December 31	
	2024	2023
<u>Associate that is individually material</u>		
TY Steel Co., Ltd.	<u>\$ 178,297</u>	<u>\$ 428,925</u>
<u>Associate that is not individually material</u>		
Ta Chen Green System Co., Ltd.	57,907	59,497
City Mocean Co., Ltd.	<u>1,765</u>	<u>3,295</u>
	<u>59,672</u>	<u>62,792</u>
	<u>\$ 237,969</u>	<u>\$ 491,717</u>

Associate that is individually material:

Name	Nature of Activities	Principal Place of Business	Percentage of ownership	
			December 31, 2024	December 31, 2023
TY Steel Co., Ltd. (TY Steel)	Manufacture and sale of billets	Thailand	38.75%	38.75%

Refer to Table 8 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associate.

13. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 1 for the movements of property, plant and equipment in 2024 and 2023.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	2-50 years
Buildings	
Main buildings	10-50 years
Motorized power equipment	5-10 years
Engineering systems	2-25 years
Machinery and equipment	2-25 years
Electrical equipment	2-20 years
Transportation equipment	2-5 years
Office equipment	2-10 years
Molding equipment	2-10 years
Leasehold improvements	2-25 years
Other equipment	2-20 years

Refer to Note 31 for the carrying amount of property, plant and equipment pledged as collateral for bank borrowings.

14. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 806,845	\$ 320,113	\$ 1,126,958
Reclassified	67,338	54,906	122,244
Additions	-	1,331	1,331
Balance at December 31, 2023	<u>\$ 874,183</u>	<u>\$ 376,350</u>	<u>\$ 1,250,533</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 8,569	\$ 8,569
Depreciation expenses	-	10,993	10,993
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 19,562</u>	<u>\$ 19,562</u>

(Continued)

	Land	Buildings	Total
Carrying amount at December 31, 2023	\$ <u>874,183</u>	\$ <u>356,788</u>	\$ <u>1,230,971</u>
<u>Cost</u>			
Balance at January 1 and December 31, 2024	\$ <u>874,183</u>	\$ <u>376,350</u>	\$ <u>1,250,533</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 19,562	\$ 19,562
Depreciation expenses	<u>-</u>	<u>11,087</u>	<u>11,087</u>
Balance at December 31, 2024	\$ <u>-</u>	\$ <u>30,649</u>	\$ <u>30,649</u>
Carrying amount at December 31, 2024	\$ <u>874,183</u>	\$ <u>345,701</u>	\$ <u>1,219,884</u> (Concluded)

Investment properties are depreciated using the straight-line method over their estimated useful lives of 15-50 years.

As of December 31, 2024 and 2023, the fair value of the investment properties were \$1,631,583 thousand and \$1,390,838 thousand, respectively, the fair value is determined with reference to the actual selling price of similar properties in the vicinity of The Company's investment properties.

Refer to Note 31 for the carrying amount of investment properties pledged as collateral for bank borrowings.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amount</u>		
Land	\$ 14,344	\$ 23,920
Buildings	40,950	82,573
Transportation equipment	<u>4,791</u>	<u>8,173</u>
	\$ <u>60,085</u>	\$ <u>114,666</u>
For the Year Ended December 31		
	2024	2023
Additions to right-of-use assets	\$ <u>7,725</u>	\$ <u>116,276</u>
Depreciation charge for right-of-use assets		
Land	\$ 9,576	\$ 10,682
Buildings	32,248	29,571
Transportation equipment	<u>3,382</u>	<u>1,973</u>
	\$ <u>45,206</u>	\$ <u>42,226</u>

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amount</u>		
Current	\$ 40,063	\$ 50,368
Non-current	\$ 22,470	\$ 68,361

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2024	2023
Land	1.55%-1.58%	1.55%-1.58%
Buildings	1.56%-1.83%	1.56%-1.81%
Transportation equipment	1.81%	1.81%

c. Material leasing activities and terms

The Company leases land and buildings for the use of plants, warehouses and dormitories. The ranges of lease terms for right-of-use assets were as follows:

Land	3 to 50 years
Buildings	3 years
Transportation equipment	3 years

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	\$ 26,381	\$ 28,239
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 6,097	\$ 7,048
Total cash outflow for leases	\$ (81,660)	\$ (77,850)

The Company's leases of certain plant and office equipment qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2023	\$ -
Additions	10,343
Reclassified	<u>58,478</u>
Balance at December 31, 2023	<u>\$ 68,821</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ -
Amortization	34,425
Reclassified	<u>7,675</u>
Balance at December 31, 2023	<u>\$ 42,100</u>
Carrying amount at December 31, 2023	<u>\$ 26,721</u>
<u>Cost</u>	
Balance at January 1, 2024	\$ 68,821
Additions	9,322
Decrease	<u>(75,617)</u>
Balance at December 31, 2024	<u>\$ 2,526</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	\$ 42,100
Amortization	34,450
Decrease	<u>(75,617)</u>
Balance at December 31, 2024	<u>\$ 933</u>
Carrying amount at December 31, 2024	<u>\$ 1,593</u>
Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:	
Computer Software	1.5-2 years

17. PREPAYMENTS AND OTHER ASSETS

	<u>December 31</u>	
	2024	2023
Prepayments		
Prepaid purchases	\$ 94,195	\$ 230,232
Prepaid insurance	8,884	8,730
Other prepayments	<u>4,501</u>	<u>7,878</u>
	<u>\$ 107,580</u>	<u>\$ 246,840</u>

18. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2024	2023
Revolving bank borrowings	\$ 5,645,000	\$ 8,845,000
Borrowings of usance L/C	<u>1,542,944</u>	<u>1,143,603</u>
	<u>\$ 7,187,944</u>	<u>\$ 9,988,603</u>

The interest rates of short-term borrowings at the end of the reporting period were as follows:

	<u>December 31</u>	
	2024	2023
Revolving bank borrowings	1.50%-2.03%	1.40%-1.93%
Borrowings of usance L/C	1.79%-1.84%	1.68%-1.75%

b. Long-term borrowings

	<u>December 31</u>	
	2024	2023
<u>The Company</u>		
1) Syndicated bank loan - 2023		
a) Loan (A) medium-term and long-term secured borrowings	\$ 4,000,000	\$ 4,000,000
b) Loan (B) medium-term and long-term secured borrowings	900,000	900,000
c) Loan (C) medium-term and long-term secured borrowings	3,700,000	1,000,000
2) Unsecured loan		
Due from June 2026 to August 2027, interest rates at 1.84%-2.05% p.a. and 1.71%-1.89% p.a. as of December 31, 2024 and 2023, respectively.	1,200,000	2,350,000
		(Continued)

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
3) Secured loan		
Due from April 2026 to December 2029, interest rates at 1.92%-2.24% p.a. and 1.78%-2.08% p.a. as of December 31, 2024 and 2023, respectively.	\$ 1,106,847	\$ 1,479,506
	<u>10,906,847</u>	<u>9,729,506</u>
Less: Unamortized arrangement fees of long-term borrowings	<u>16,848</u>	<u>22,464</u>
	10,889,999	9,707,042
Less: Current portions	<u>605,524</u>	<u>492,860</u>
Long-term borrowings	<u>\$ 10,284,475</u>	<u>\$ 9,214,182</u>
		(Concluded)

The main purposes of the syndicated loan and medium-term and long-term loans are to enhance operating revolving funds and arrange for capital expenditures in accordance with the long-term financial plans of the Company. The details are as follows:

The Company entered into a syndicated loan agreement (credit facility of up to \$15.6 billion) with a syndicate of banks on January 2023 (due in January 2028).

The credit line and credit used as of December 31, 2024 and 2023 were as follows:

	Credit Line (In Thousands)	<u>Credit used</u>		Loan Period	Interest Rate
		<u>December 31, 2024</u>	<u>December 31, 2023</u>		
Loan (A)	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	Within 5 years from the first drawdown date until the maturity date, inclusive of a grace period of 24 months.	2.23% and 2.03% as of December 31, 2024 and 2023
Loan (B)	2,000,000	900,000	900,000	Within 5 years from the first drawdown date until the maturity date.	2.27% and 2.08% as of December 31, 2024 and 2023
Loan (C)	9,600,000	3,700,000	1,000,000	Within 5 years from the first drawdown date until the maturity date.	2.23%-2.24% and 2.03% as of December 31, 2024 and 2023
	<u>\$ 15,600,000</u>	<u>\$ 8,600,000</u>	<u>\$ 5,900,000</u>		

Repayment terms were as follows:

Loan (A): Within 24 months from the first drawdown date until the maturity date, repayable in seven semiannual installments. The first two installments each repays 5% of the unsettled balance of principal; the third to sixth installments each repays 10% of the unsettled balance of principal; and the seventh installment repays 50% of the unsettled balance of principal (all the outstanding principal remained).

Loan (B) and Loan (C):

- a) Within 24 months from the first drawdown date until the maturity date, repayable in seven semiannual installments. The first two installments each repays 5% of the

unsettled balance of principal; the third to sixth installments each repays 10% of the unsettled balance of principal; and the seventh installment repays 50% of the unsettled balance of principal.

- b) On the date of the reduction, the outstanding principal balance of the credit in respect of such credit shall be settled in advance of the outstanding principal, interests and related expenses in excess of the amount of credit after such reduction, if the amount of the credit is exceeded by the amount of the credit after such reduction. The preceding advance settlement shall not be subject to the prior settlement clause of Article 19 of the Joint Credit Agreement.
- c) Credit lines have been reduced and cannot be used for any further action. The Company should settle each loan or other agreed settlement under the joint letter of credit on the expiry date set out in each application.

Under the syndicated loan agreement, the land, buildings and other facilities were pledged as collateral.

The syndicated loan agreement contains certain financial covenants as follows:

- a) Current ratio: At least 120%
- b) Debt ratio: No more than 290%
- c) Interest coverage ratio: At least 2 times
- d) Tangible net worth: At least \$13.5 billion
- f) All of the liabilities and interest expenses attributed to the application of IFRS 16 are excluded from the computation of debt ratio and interest coverage ratio above.

The Company is required to comply with those financial covenants in each of its annual audited financial statements and the reviewed consolidated financial statements for the second quarter.

As of and for the year ended December 31, 2024, the Company had complied with the above requirements.

19. NOTES PAYABLE AND ACCOUNTS PAYABLE

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Notes payable</u>		
Operating	\$ 51,600	\$ 70,124
Non-operating	<u>17,917</u>	<u>35,165</u>
	<u>\$ 69,517</u>	<u>\$ 105,289</u>

a. Notes payable

The non-operating notes payable listed above were used for purchasing property, plant, and equipment.

b. Accounts payable

Accounts payable resulted from operating activities. The Company has financial risk management

policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	December 31	
	2024	2023
Other payables		
Employees' compensation	\$ 592,450	\$ 581,797
Salaries and incentive bonus	78,962	82,480
Remuneration of directors	24,000	24,000
Interest payables	15,402	17,120
Labor and health insurance payables	13,869	13,836
Payables for annual leave	12,680	12,680
Other	<u>78,551</u>	<u>75,421</u>
	<u>\$ 815,914</u>	<u>\$ 807,334</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The Company adopted the defined benefit plan under the Labor Standards Act, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company makes contributions, equal to 15% of total monthly salaries, to a pension fund, for which the contributions are deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the standalone balance sheets were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 290,751	\$ 311,351
Fair value of plan assets	<u>(475,817)</u>	<u>(439,890)</u>
Net defined benefit assets	<u>\$ (185,066)</u>	<u>\$ (128,539)</u>

Movements of net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance on January 1, 2023	\$ 315,599	\$ (424,859)	\$ (109,260)
Service cost			
Current service cost	3,391	-	3,391
Net interest expense (income)	<u>3,945</u>	<u>(5,446)</u>	<u>(1,501)</u>
Recognized in profit or loss	<u>7,336</u>	<u>(5,446)</u>	<u>1,890</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,651)	(3,651)
Actuarial loss - changes in financial assumptions	3,094	-	3,094
Actuarial loss - experience adjustments	<u>88</u>	<u>-</u>	<u>88</u>
Recognized in other comprehensive income	<u>3,182</u>	<u>(3,651)</u>	<u>(469)</u>
Contributions from the employer	<u>-</u>	<u>(20,700)</u>	<u>(20,700)</u>
Benefits paid	<u>(14,766)</u>	<u>14,766</u>	<u>-</u>
Balance on December 31, 2023	311,351	(439,890)	(128,539)
Service cost			
Current service cost	2,962	-	2,962
Net interest expense (income)	<u>3,503</u>	<u>(5,067)</u>	<u>(1,564)</u>
Recognized in profit or loss	<u>6,465</u>	<u>(5,067)</u>	<u>1,398</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(39,894)	(39,894)
Actuarial gain - changes in financial assumptions	(8,229)	-	(8,229)
Actuarial gain - experience adjustments	<u>(2,702)</u>	<u>-</u>	<u>(2,702)</u>
Recognized in other comprehensive income	<u>(10,931)</u>	<u>(39,894)</u>	<u>(50,825)</u>
Contributions from the employer	<u>-</u>	<u>(7,100)</u>	<u>(7,100)</u>
Benefits paid	<u>(16,134)</u>	<u>16,134</u>	<u>-</u>
Balance on December 31, 2024	<u>\$ 290,751</u>	<u>\$ (475,817)</u>	<u>\$ (185,066)</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2024	2023
Operating costs	\$ 884	\$ 1,190
Selling and marketing expenses	119	155
General and administrative expenses	<u>395</u>	<u>545</u>
	<u>\$ 1,398</u>	<u>\$ 1,890</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk

The plan assets are invested in domestic and foreign equity and, debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

A decrease in the government and corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk

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

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rate	1.5%	1.125%
Expected rate of salary increase	2.5%	2.5%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate		
0.25% increase	<u>\$ (5,291)</u>	<u>\$ (6,140)</u>
0.25% decrease	<u>\$ 5,446</u>	<u>\$ 6,334</u>
Expected rate of salary increase/decrease		
0.25% increase	<u>\$ 5,301</u>	<u>\$ 6,142</u>
0.25% decrease	<u>\$ (5,177)</u>	<u>\$ (5,985)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Expected contributions to the plans for the next year	\$ <u>8,953</u>	\$ <u>14,433</u>
Average duration of the defined benefit obligation	7.5 years	8.1 years

22. EQUITY

a. Ordinary shares

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Number of shares authorized (in thousands)	<u>3,200,000</u>	<u>3,200,000</u>
Shares authorized	\$ <u>32,000,000</u>	\$ <u>32,000,000</u>
Number of shares issued and fully paid (in thousands)		
Ordinary shares	<u>2,434,261</u>	<u>2,434,261</u>
Shares issued		
Ordinary shares	\$ <u>24,342,606</u>	\$ <u>24,342,606</u>

b. Capital surplus

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 22,054,172	\$ 22,054,172
Treasury share transactions	1,039,443	890,214
The difference between the consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	21,023	13,249
Expired employee share options	13,503	13,503
<u>May only be used to offset a deficit</u>		
Shares of changes in capital surplus of subsidiary	<u>26,880</u>	<u>30,413</u>
	\$ <u>23,155,021</u>	\$ <u>23,001,551</u>

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a

distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 24(h).

In line with current and future development plans, the Company's dividend policy is to allocate no less than 20% of the distributable earnings as shareholders' dividends and bonuses, taking into consideration the investment environment, funding needs, domestic and foreign competitive conditions and shareholders' interests. Dividends can be distributed in the form of cash or shares, out of which no less than 20% of the total dividends distributed should be in the form of cash.

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

Under Rule issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs (IFRS Accounting Standards), the Corporation should appropriate or reverse a special reserve. In addition, in accordance with the Standards, the difference between the market value of the Company's shares held by the subsidiaries at the end of the year and the carrying amount of the Company's shares is recognized as a special reserve based on the proportion of the Company's shareholding. If the market value of the Company's shares recovers, a portion of the amount will be transferred from the special reserve to unappropriated earnings in proportion to the Company's ownership percentage.

The appropriations of earnings for 2023 and 2022, approved in the shareholders' meetings on June 19, 2024 and June 26, 2023, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended December 31</u>	<u>For the Year Ended December 31</u>	<u>For the Year Ended December 31</u>	<u>For the Year Ended December 31</u>
	2023	2022	2023	2022
Legal reserve	\$ 535,341	\$ 1,191,421		
Special reserve reversed	(64,308)	(3,819,497)		
Cash dividends	2,921,113	4,868,521	\$ 1.2	\$ 2.4
Share dividends	-	4,057,101	-	2.0

The appropriations of earnings for 2024 was proposed by the Company's board of directors on March 12, 2025. The appropriations were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 358,378	
Appropriate Special reserve	626,382	
Cash dividends	2,677,687	\$ 1.1

The appropriation of earnings for 2024 is subject to resolution of the shareholders in their meeting to be held in 2025.

d. Other equity items

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 1,290,561	\$ 1,152,771
Exchange differences on translating the financial statements of foreign operations	3,543,130	121,215
Shares from subsidiaries accounted for using the equity method	<u>398,020</u>	<u>16,575</u>
Balance at December 31	<u>\$ 5,231,711</u>	<u>\$ 1,290,561</u>

2) Unrealized gain and losses on financial assets at fair value through other comprehensive income

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (61,163)	\$ (59,680)
Recognized for the year		
Shares from subsidiaries accounted for using the equity method	(41,482)	(1,924)
Realized transfer to retained earnings	<u>-</u>	<u>441</u>
Balance at December 31	<u>\$ (102,645)</u>	<u>\$ (61,163)</u>

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 511,197	\$ 1,640,060
Shares from subsidiaries accounted for using the equity method	<u>(228,568)</u>	<u>(1,128,863)</u>
Balance at December 31	<u>\$ 282,629</u>	<u>\$ 511,197</u>

e. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares at January 1 and December 31, 2024	<u>290,352</u>
Number of shares at January 1, 2023	241,960
Increase during the year	<u>48,392</u>
Number of shares at December 31, 2023	<u>290,352</u>

BBI-TW and Ta Chen Empire Co., Ltd. (TCE) held shares of the Company and classified them as financial assets at FVTPL and financial assets at FVTOCI. The Company recognized treasury shares by ownership percentage of BBI-TW.

For the purpose of investment, related information regarding shares of the Company held by subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
<u>December 31, 2024</u>			
BBI-TW	<u>167,204</u>		\$ <u>5,057,917</u>
TCE	<u>123,148</u>		\$ <u>3,725,239</u>
Belonging to the Company	<u>124,358</u>	\$ <u>4,388,208</u>	\$ <u>3,761,826</u>
<u>December 31, 2023</u>			
BBI-TW	<u>167,204</u>		\$ <u>6,621,273</u>
TCE	<u>123,148</u>		\$ <u>4,876,676</u>
Belonging to the Company	<u>124,300</u>	\$ <u>4,386,159</u>	\$ <u>4,922,272</u>

Treasury shares held by BBI-TW and TCE are bestowed shareholders' rights because the ownership percentage held by the Company was under 50%.

23. REVENUE

	<u>For the Year Ended December 31</u>	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	\$ <u>9,627,572</u>	\$ <u>9,545,301</u>

Contract balances

	<u>December 31</u>		<u>January 1, 2023</u>
	2024	2023	
Accounts receivable (Note 9)	\$ <u>6,098,180</u>	\$ <u>5,986,826</u>	\$ <u>8,072,654</u>

Refer to Statement 13 for segment revenue information.

24. PROFIT BEFORE INCOME TAX

a. Other operating income, net

	<u>For the Year Ended December 31</u>	
	2024	2023
Net gain on disposal of property, plant and equipment	\$ <u>3,169</u>	\$ <u>2,723</u>

b. Interest income

For the Year Ended December 31
2024 **2023**

Bank deposits and financial assets at amortized cost	\$ <u>319,771</u>	\$ <u>295,656</u>
--	-------------------	-------------------

c. Other income

For the Year Ended December 31
2024 **2023**

Rental income	\$ 26,423	\$ 26,169
Dividends	510	340
Others	<u>6,332</u>	<u>6,468</u>
	<u>\$ 33,265</u>	<u>\$ 32,977</u>

d. Other gains and losses

For the Year Ended December 31
2024 **2023**

Foreign exchange gains	\$ 2,583,199	\$ 2,749,293
Foreign exchange losses	(1,784,057)	(2,705,751)
Net loss on fair value changes of financial instruments at FVTPL	(364,592)	(47,963)
Others	<u>284</u>	<u>(131)</u>
	<u>\$ 434,834</u>	<u>\$ (4,552)</u>

e. Finance costs

For the Year Ended December 31
2024 **2023**

Interest on bank loans	\$ 371,760	\$ 323,261
Interest on lease liabilities	1,489	1,883
Amortization of arrangement fees of syndicated bank loans	<u>5,616</u>	<u>12,008</u>
	378,865	337,152
Less: Amounts included in the cost of qualifying assets	<u>12,172</u>	<u>9,680</u>
	<u>\$ 366,693</u>	<u>\$ 327,472</u>

Information about capitalized interest was as follows:

For the Year Ended December 31
2024 **2023**

Capitalized interest	\$ 12,172	\$ 9,680
Capitalization rate	1.8% - 2.1%	1.9% - 2.3%

f. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 193,372	\$ 197,468
Operating expenses	<u>94,684</u>	<u>66,462</u>
	<u>\$ 288,056</u>	<u>\$ 263,930</u>
An analysis of amortization by function		
Operating costs	\$ 347	\$ 300
Operating expenses	<u>34,350</u>	<u>34,371</u>
	<u>\$ 34,697</u>	<u>\$ 34,671</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits	\$ 874,502	\$ 637,018
Post-employment benefits (refer to Note 21)		
Defined contribution plans	27,564	27,535
Defined benefit plans	<u>1,398</u>	<u>1,890</u>
	<u>28,962</u>	<u>29,425</u>
Total employee benefits expense	<u>\$ 903,464</u>	<u>\$ 666,443</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 526,625	\$ 364,998
Operating expenses	<u>376,839</u>	<u>301,445</u>
	<u>\$ 903,464</u>	<u>\$ 666,443</u>

h. Employees' compensation and remuneration of directors for 2024 and 2023

The Company accrued employees' compensation and the remuneration of directors at a rate of no less than 3% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the year ended December 31, 2024 and 2023, which was approved by the Company's board of directors on March 12, 2025 and March 12, 2024, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Employees' compensation	3%	3%
Remuneration of directors	0.58%	0.39%

Amount

	For the Year Ended December 31	
	2024	2023
Employees' compensation - cash	\$ 123,456	\$ 185,807
Remuneration of directors - cash	24,000	24,000

If there is a change in the amounts after the annual standalone financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation paid and the remuneration of directors and the amounts recognized in the standalone financial statements for the year ended December 31, 2023 and 2022.

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

25. INCOME TAX

- a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 222,822	\$ 247,147
Income tax on unappropriated earnings	98,063	286,798
Adjustments for prior years	<u>14,692</u>	<u>5,377</u>
	<u>335,577</u>	<u>539,322</u>
Deferred tax		
In respect of the current year	<u>93,877</u>	<u>113,633</u>
Income tax expense recognized in profit or loss	<u>\$ 429,454</u>	<u>\$ 652,955</u>

The reconciliation of accounting profit and income tax expense (benefit) is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax	<u>\$ 3,967,736</u>	<u>\$ 5,983,757</u>
Income tax expense calculated at the statutory rate	\$ 793,547	\$ 1,196,751
Unrealized gain on investments	(484,535)	(746,396)
Adjustments for prior years	14,692	5,377
Income tax on unappropriated earnings	98,063	286,798
Unrecognized deductible temporary differences	(2,228)	(95,628)
Controlled foreign corporation tax liability	<u>9,915</u>	<u>6,053</u>
Income tax expense recognized in profit or loss	<u>\$ 429,454</u>	<u>\$ 652,955</u>

b. Income tax recognized in other comprehensive income

For the Year Ended December 31
2024 **2023**

Deferred tax

Remeasurement of defined benefit plans \$ (10,165) \$ (94)

c. Current tax assets and liabilities

December 31
2024 **2023**

Current tax liabilities

Income tax payable \$ 126,097 \$ 516,285

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized at in Other Comprehensive Income	Closing Balance
Temporary differences				
Difference between tax reporting and financial reporting - depreciation expenses	\$ 15,161	\$ (3,137)	\$ -	\$ 12,024
Unrealized gross profit on sales	197,044	(48,163)	-	148,881
Defined benefit obligations	10,601	-	(10,165)	436
Unrealized loss on inventories	43,540	8,805	-	52,345
Payables for annual leave	2,536	-	-	2,536
Unallocated fixed manufacturing costs	4,763	2,715	-	7,478
Unrealized exchange losses	46,597	(46,597)	-	-
Unrealized loss on financial liabilities	<u>-</u>	<u>19,003</u>	<u>-</u>	<u>19,003</u>
	<u>\$ 320,242</u>	<u>\$ (67,374)</u>	<u>\$ (10,165)</u>	<u>\$ 242,703</u>
Deferred Tax Liabilities				
Temporary differences				
Unrealized exchange gains	\$ -	\$ 43,147	\$ -	\$ 43,147
Unrealized gain or loss on financial instrument	28,389	(28,385)	-	4
Net defined benefit assets	<u>25,708</u>	<u>11,741</u>	<u>-</u>	<u>37,449</u>
	<u>\$ 54,097</u>	<u>\$ 26,503</u>	<u>\$ -</u>	<u>\$ 80,600</u>

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized at in Other Comprehensive Income	Closing Balance
Temporary differences				
Difference between tax reporting and financial reporting - depreciation expenses	\$ 15,161	\$ -	\$ -	\$ 15,161
Unrealized gross profit on sales	385,425	(188,381)	-	197,044
Defined benefit obligations	10,695	-	(94)	10,601
Unrealized loss on inventories	19,938	23,602	-	43,540
Payables for annual leave	2,536	-	-	2,536
Unallocated fixed manufacturing costs	3,479	1,284	-	4,763
Unrealized exchange losses	-	46,597	-	46,597
Unrealized loss on financial liabilities	<u>5,776</u>	<u>(5,776)</u>	<u>-</u>	<u>-</u>
	<u>\$ 443,010</u>	<u>\$ (122,674)</u>	<u>\$ (94)</u>	<u>\$ 320,242</u>
Deferred Tax Liabilities				
Temporary differences				
Unrealized exchange gains	\$ 36,237	\$ (36,237)	\$ -	\$ -
Unrealized gain or loss on financial instrument	5,049	23,340	-	28,389
Net defined benefit assets	<u>21,852</u>	<u>3,856</u>	<u>-</u>	<u>25,708</u>
	<u>\$ 63,138</u>	<u>\$ (9,041)</u>	<u>\$ -</u>	<u>\$ 54,097</u>

- e. Deductible temporary differences for which no deferred tax assets have been recognized in the standalone balance sheets

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Deductible temporary differences	<u>\$ 28,844</u>	<u>\$ 27,613</u>

- f. Aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

The Company determined that the unappropriated earnings of overseas subsidiaries would be reinvested permanently for the continuous expansion of the scale of operations and to support the needs for operating funds of overseas subsidiaries (the unappropriated earnings as of December 31, 2024 were approved by the Company's board of directors on March 12, 2025). As a result, no deferred tax liability has been recognized on the related investment income recognized under the equity method.

As of December 31, 2024 and 2023, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$29,897,992 thousand and \$27,673,810 thousand, respectively.

- g. Income tax assessments

The tax returns through 2022 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Profit for the year attributable to owners of the Company	\$ <u>3,538,282</u>	\$ <u>5,330,802</u>
<u>Number of Shares</u>	Unit: In Thousands of Shares	
	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	2,309,943	2,322,211
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>5,093</u>	<u>6,451</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>2,315,036</u>	<u>2,328,662</u>

The Company offered to settle compensation paid to employees in cash or shares, therefore, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees in their meeting in the following year.

27. PARTIAL ACQUISITION OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

For details about the partial acquisition of subsidiaries, refer to Note 30 to the Group's consolidated financial statements for the year ended December 31, 2024.

28. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged for 2024 and 2023.

The capital structure of the Company consists of net debt and equity of the Company.

Key management personnel of the Company review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to improve the Company's earnings and manage the overall capital structure, the Company may adjust the amount of dividends paid to shareholders or existing debt redeemed and invested in financial instruments.

29. FINANCIAL INSTRUMENTS

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

The carrying amounts of the Company's financial instruments that are not measured at fair value, such as cash and cash equivalents, financial assets at amortized cost, accounts receivables, bank borrowings and accounts payable, approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	\$ -	\$ 19	\$ -	\$ 19
Mutual funds	<u>50,953</u>	<u>-</u>	<u>-</u>	<u>50,953</u>
	<u>\$ 50,953</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 50,972</u>
Financial assets at FVTOCI				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,152</u>	<u>\$ 27,152</u>
Financial liability at FVTPL				
Derivatives	<u>\$ -</u>	<u>\$ 93,145</u>	<u>\$ -</u>	<u>\$ 93,145</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	\$ -	\$ 135,837	\$ -	\$ 135,837
Mutual funds	<u>108,645</u>	<u>-</u>	<u>-</u>	<u>108,645</u>
	<u>\$ 108,645</u>	<u>\$ 135,837</u>	<u>\$ -</u>	<u>\$ 244,482</u>
Financial assets at FVTOCI				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,152</u>	<u>\$ 27,152</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

The fair value measurement of foreign exchange forward contracts is based on the exchange rate quotations and corresponding yield curves.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Held for trading	\$ 19	\$ 135,837
Mandatorily classified as at FVTPL	50,953	108,645
Financial assets at amortized cost (Note 1)	12,759,121	15,520,035
Financial assets at FVTOCI	27,152	27,152
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	93,145	-
Financial liabilities at amortized cost (Note 2)	19,119,403	20,732,014

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable (related parties included), other receivables (related parties included) and financial assets at amortized cost (current assets and non-current assets).

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payable, accounts payable, other payables and long-term loans (long-term loans due in one year included).

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, accounts receivable, accounts payable and borrowings. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks are market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below), interest rates (refer to (b) below) and other price risk (refer to (c) below).

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

a) Foreign currency risk

The Company has foreign currency sales and purchases, which exposes the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Company was mainly exposed to the USD.

The following table details the Company's sensitivity to an increase and decrease in the functional currency against the relevant foreign currencies. A positive number below indicates an increase in pre-tax profit associated with the functional currency strengthening 1% against the relevant currency. For a 1% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2024	2023
Profit or loss	\$ 69,237	\$ 75,149

This was mainly attributable to the exposure of outstanding cash and cash equivalents and receivables denominated in USD which were not hedged at the balance sheet date.

The Company's sensitivity to foreign currency decreased during the current period due to the decrease of the US dollar denominated account receivable. The management believes that the sensitivity analysis cannot represent the inherent risk of the exchange rate because the foreign currency risk at the balance sheet date cannot be reflected on the interim period that the sales in US dollar will vary with orders and asset investment position.

b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company through maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 1,718,981	\$ 2,765,448
Financial liabilities	62,533	118,729
Cash flow interest rate risk		
Financial assets	1,601,675	3,519,480
Financial liabilities	18,077,943	19,695,645

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher or lower with all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would decrease/increase by \$164,763 thousand and \$161,762 thousand, showing no significant changes between the two years.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the standalone balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

Apart from subsidiary TCI, which is the largest customer, the Company did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The remaining accounts receivable consisted of a large number of customers which are spread across diverse industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of customers with accounts receivable.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Company had available unutilized short-term bank loan facilities set out in (C) below.

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

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

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

December 31, 2024

	On Demand or Less than 1 Year	More than 1 Year
<u>Non-derivative financial liabilities</u>		
Non-interest bearing liabilities	\$ 1,041,460	\$ -
Lease liabilities	40,768	22,935
Floating interest rate bank loans	8,080,996	10,761,318
Financial guarantee contracts	<u>1,422,063</u>	<u>-</u>
	<u>\$ 10,585,287</u>	<u>\$ 10,784,253</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	<u>\$ 40,768</u>	<u>\$ 22,544</u>	<u>\$ 391</u>

December 31, 2023

	On Demand or Less than 1 Year	More than 1 Year
<u>Non-derivative financial liabilities</u>		
Non-interest bearing liabilities	\$ 1,036,369	\$ -
Lease liabilities	51,961	69,546
Floating interest rate bank loans	11,261,568	9,174,674
Financial guarantee contracts	<u>2,657,910</u>	<u>-</u>
	<u>\$ 15,007,808</u>	<u>\$ 9,244,220</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	<u>\$ 51,961</u>	<u>\$ 68,498</u>	<u>\$ 1,048</u>

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settled on a net basis. When the amount payable or receivable was not fixed, the amount disclosed was determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

c) Financing facilities

	December 31	
	2024	2023
Unsecured bank loan facilities, reviewed annually:		
Amount used	\$ 7,942,944	\$ 12,338,604
Amount unused	<u>11,677,056</u>	<u>7,864,396</u>
	<u>\$ 19,620,000</u>	<u>\$ 20,203,000</u>
Secured bank loan facilities which may be extended by mutual agreement:		
Amount used	\$ 10,151,847	\$ 7,379,506
Amount unused	<u>8,032,153</u>	<u>10,411,494</u>
	<u>\$ 18,184,000</u>	<u>\$ 17,791,000</u>

30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties are disclosed below.

a. The names of the related parties and their relationships with the Company

Related Party Name	Relationship
Ta Chen International, Inc. (TCI)	Subsidiary
Empire Resources, Inc. (ERI)	Subsidiary
Right Way Industrial Co., Ltd. (Right Way)	Subsidiary
TMCT Product, Inc. (TMCT)	Subsidiary
TCI Texarkana Inc. (TKA)	Subsidiary
Ta Chen (B.V.I.) Holdings Ltd. (Ta Chen BVI)	Subsidiary
Ta Chen (Boye) Co., Ltd.	Subsidiary
Wei Mei Roller Blind Co., Ltd. (Wei Mei)	Subsidiary
Wei Mei Hsin Shu Interior Decoration Co., Ltd. (Wei Mei Hsin Shu)	Subsidiary
Ta Chen (Hong Kong) Limited (TCHK)	Subsidiary
Ta Chen Lung Mei Home Life Co., Ltd. (Lung Mei)	Subsidiary
Ou Bo Hua Company	Related party in substance
Ying Lun Investment Co., Ltd.	Related party in substance
Brighton-Best International (Taiwan) Inc. (BBI-TW)	Subsidiary
Ta Chen Empire Co., Ltd. (TCE)	Subsidiary

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Revenue from sale of goods	Subsidiaries		
	TCI	\$ 8,421,866	\$ 8,355,248
	Other	<u>94,795</u>	<u>73,923</u>
		<u>\$ 8,516,661</u>	<u>\$ 8,429,171</u>

1) Transaction prices

- a) The prices of goods sold to the U.S. were determined in consideration of both local market prices in the U.S. and related operating costs of subsidiaries. There are no similar transactions for the prices on goods sold to the U.S.
- b) The prices of items sold to subsidiaries in China and other related parties do not have similar transactions to which they can be compared.
- c) The prices of items sold to subsidiaries in Taiwan do not have similar transactions to which they can be compared.

2) Collection terms

For sales to subsidiaries, collections were 6 months after sales. As for unrelated parties, collection term is 3 months for domestic sales and 1 to 3 months for export sales.

c. Purchases of goods

Related Party Category	For the Year Ended December 31	
	2024	2023
Subsidiaries	<u>\$ 61,081</u>	<u>\$ 35,919</u>

1) Transaction prices

The items and prices of the purchases from related parties do not have similar transactions to which they can be compared.

2) Payment terms

The Company's payment terms to subsidiaries are 1 to 3 months or prepaid (depending on transaction terms); and the payment terms for third parties are 1 to 3 months.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31	
		2024	2023
Accounts receivables from related parties	Subsidiaries		
	TCI	\$ 5,997,127	\$ 5,850,153
	Other	<u>12,419</u>	<u>11,070</u>
		<u>\$ 6,009,546</u>	<u>\$ 5,861,223</u>
Other receivables from related parties	Subsidiaries	<u>\$ 2,595</u>	<u>\$ 1,480</u>

The outstanding accounts receivable from related parties are unsecured for the years ended December 31, 2024 and 2023. No impairment loss was recognized for receivables from related parties for the years ended December 31, 2024 and 2023.

e. Payables to related parties

Line Item	Related Party Category	December 31	
		2024	2023
Accounts payable	Subsidiaries	<u>\$ 6,910</u>	<u>\$ 8,551</u>

The outstanding accounts payable to related parties are unsecured.

f. Refundable deposits

Line Item	Related Party Category	December 31	
		2024	2023
Financial assets at amortized cost - non-current	Related parties in substance	<u>\$ 1,760</u>	<u>\$ 1,760</u>

g. Lease arrangements - the Company is lessee

The Company entered into a contract with its related parties to lease Taipei office space, Tainan dormitories, Kaohsiung office and two car, four locations in total, with a lease term of 1 year. The rental is based on similar assets' market rental rates, which are paid quarterly.

Lease expenses included expenses relating to short-term leases, low-value asset leases and variable lease payments that do not depend on an index or a rate. Future lease payables related to short-term leases and low-value asset leases are as follows:

	December 31	
	2024	2023
Future lease payables	<u>\$ 12,788</u>	<u>\$ 12,788</u>

Related Party Category	For the Year Ended December 31	
	2024	2023
<u>Lease expense</u>		
Subsidiaries	\$ 17,143	\$ 17,143
Related parties in substance	<u>11,046</u>	<u>11,796</u>
	<u>\$ 28,189</u>	<u>\$ 28,939</u>

h. Lease arrangements - the Company is lessor

Lease arrangements - the Company is lessor under operating leases

The Company entered into a contract with its subsidiaries to rent out office space and system cabinet equipment, with lease terms ranging from 1 to 5 years. The rental is based on the market rental rates of similar properties. Lease income was as follows:

Related Party Category/Name	December 31	
	2024	2023
Subsidiaries		
Right way	\$ 14,400	\$ 14,400
Other	<u>3,651</u>	<u>3,366</u>
	<u>\$ 18,051</u>	<u>\$ 17,766</u>

Future lease payments receivable are as follows:

Related Party Category/Name	December 31	
	2024	2023
Subsidiaries		
Right way	\$ 14,400	\$ 14,400
Other	<u>2,018</u>	<u>2,738</u>
	<u>\$ 16,418</u>	<u>\$ 17,138</u>

i. Loans to related parties (including principal and interest)

Related Party Category/Name	December 31	
	2024	2023
Subsidiaries		
TKA	\$ 3,048,179	\$ 2,853,750
Lung Mei	200,300	200,300
Wei Mei	<u>-</u>	<u>80,000</u>
	<u>\$ 3,248,479</u>	<u>\$ 3,134,050</u>

Interest income

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiaries		
TKA	\$ 159,793	\$ 92,319
Lung Mei	3,668	5,230
Wei Mei	1,272	1,344
Wei Mei Hsin Shu	<u>-</u>	<u>796</u>
	<u>\$ 164,733</u>	<u>\$ 99,689</u>

The Company provided unsecured short-term loans to the above subsidiaries with interest rates ranging from 1.8% to 5.46% and 1.5% to 5.85% on December 31, 2024 and 2023, respectively. These loans are expected to be recovered within one year; therefore, no expected credit loss was recognized.

j. Endorsements and guarantees

Refer to Table 3 for information regarding endorsements and guarantees provided by the Company.

k. Other transactions with related parties

1) Information service income

The Company authorized its subsidiaries to use the information system and provided assistance to maintain the system. The information service income, included in other income, were both \$960 thousand for the years ended December 31, 2024 and 2023.

2) Management service income

The Company supports its subsidiaries on purchasing of goods and charges management service fees. The management service income were both \$1,920 thousand for the years ended December 31, 2024 and 2023.

l. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 57,694	\$ 50,286
Post-employment benefits	<u>322</u>	<u>337</u>
	<u>\$ 58,016</u>	<u>\$ 50,623</u>

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2024	2023
Financial assets at amortized cost (pledged time deposits and reserve account)	\$ 991,922	\$ 1,070,948
Property, plant and equipment, net	2,090,662	2,118,344
Investment properties	63,742	65,642
Investment accounted for using the equity method (shares of BBI-TW)	<u>1,475,819</u>	<u>1,316,171</u>
	<u>\$ 4,622,145</u>	<u>\$ 4,571,105</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2024 and 2023 were as follows:

- a. Unused letters of credit for purchases of raw materials were as follows:

	December 31	
	2024	2023
Unused letters of credit for purchases of raw materials	<u>\$ 319,270</u>	<u>\$ 213,196</u>

- b. Unrecognized commitments were as follows:

	December 31	
	2024	2023
Acquisition of property, plant and equipment	<u>\$ 142,522</u>	<u>\$ 196,917</u>

- c. The Company's provision of endorsement and guarantee to the subsidiaries for bank borrowings were as follows:

	December 31	
	2024	2023
Amount endorsed and guaranteed	<u>\$ 3,960,334</u>	<u>\$ 3,671,598</u>
Amount utilized	<u>\$ 1,422,063</u>	<u>\$ 2,657,910</u>

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 211,199	32.785	\$ 6,924,173
Non-monetary items			
Investment accounted for using the equity method			
USD	1,801,974	32.785	59,077,702
<u>Financial liabilities</u>			
Monetary items			
USD	15	32.785	493

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 246,331	30.705	\$ 7,563,606
Non-monetary items			
Investment accounted for using the equity method			
USD	1,743,510	30.705	53,534,489
<u>Financial liabilities</u>			
Monetary items			
USD	1,587	30.705	48,737

The above carrying amounts of investments in subsidiaries accounted for under the equity method in New Taiwan dollars are before deducting unrealized gains and differences in buyer's tax rates.

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

	For the Year Ended December 31			
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	32.112 (USD:NTD)	\$ 798,873	30.705 (USD:NTD)	\$ 40,987
EUR	34.74 (EUR:NTD)	241	33.98 (EUR:NTD)	1,578
CNY	4.438 (CNY:NTD)	-	4.3352 (CNY:NTD)	960
GBP	41.05 (GBP:NTD)	<u>28</u>	39.15 (GBP:NTD)	<u>17</u>
		<u>\$ 799,142</u>		<u>\$ 43,542</u>

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 2)
- 2) Endorsements/guarantees provided (Table 3)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 4)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instruments (Notes 7 and 29)

b. Information on investees (Table 8)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 2, 3, 6, 8 and 9):
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

TABLE 1**Ta Chen Stainless Pipe Co., Ltd.****MOVEMENTS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	Land	Land Improvements	Buildings	Machinery Equipment	Electrical Equipment	Transportation Equipment	Office Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Property Under Construction	Total
<u>Cost</u>												
Balance at January 1, 2023	\$ 2,520,101	\$ 92,722	\$ 1,346,013	\$ 2,913,057	\$ 342,491	\$ 115,461	\$ 23,418	\$ 232,144	\$ 90,343	\$ 221,234	\$ 312,875	\$ 8,209,859
Additions	-	265	5,380	13,472	-	15,416	-	2,079	-	18,194	154,379	209,185
Disposals	-	-	-	(32,839)	-	(4,786)	(2,850)	(1,727)	-	(14,846)	-	(57,048)
Reclassifications	-	-	-	914	-	-	-	132	-	250	-	1,296
Balance at December 31, 2023	<u>\$ 2,520,101</u>	<u>\$ 92,987</u>	<u>\$ 1,351,393</u>	<u>\$ 2,894,604</u>	<u>\$ 342,491</u>	<u>\$ 126,091</u>	<u>\$ 20,568</u>	<u>\$ 232,628</u>	<u>\$ 90,343</u>	<u>\$ 224,832</u>	<u>\$ 467,254</u>	<u>\$ 8,363,292</u>
<u>Accumulated Depreciation and Impairment</u>												
Balance at January 1, 2023	\$ -	\$ 44,331	\$ 547,707	\$ 2,283,710	\$ 217,732	\$ 84,754	\$ 20,629	\$ 226,153	\$ 85,105	\$ 122,268	\$ -	\$ 3,632,389
Depreciation expenses	-	4,006	55,512	95,803	19,134	11,463	1,504	4,355	1,291	17,643	-	210,711
Disposals	-	-	-	(32,840)	-	(4,722)	(2,850)	(1,727)	-	(14,529)	-	(56,668)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 48,337</u>	<u>\$ 603,219</u>	<u>\$ 2,346,673</u>	<u>\$ 236,866</u>	<u>\$ 91,495</u>	<u>\$ 19,283</u>	<u>\$ 228,781</u>	<u>\$ 86,396</u>	<u>\$ 125,382</u>	<u>\$ -</u>	<u>\$ 3,786,432</u>
Carrying amount at December 31, 2023	<u>\$ 2,520,101</u>	<u>\$ 44,650</u>	<u>\$ 748,174</u>	<u>\$ 547,931</u>	<u>\$ 105,625</u>	<u>\$ 34,596</u>	<u>\$ 1,285</u>	<u>\$ 3,847</u>	<u>\$ 3,947</u>	<u>\$ 99,450</u>	<u>\$ 467,254</u>	<u>\$ 4,576,860</u>
<u>Cost</u>												
Balance at January 1, 2024	\$ 2,520,101	\$ 92,987	\$ 1,351,393	\$ 2,894,604	\$ 342,491	\$ 126,091	\$ 20,568	\$ 232,628	\$ 90,343	\$ 224,832	\$ 467,254	\$ 8,363,292
Additions	-	740	598	21,551	-	5,434	-	-	-	25,158	80,726	134,207
Disposals	-	-	(35,143)	(7,246)	-	(6,754)	-	(5,763)	-	(3,845)	-	(58,751)
Reclassifications	-	-	-	5,636	-	-	-	-	-	-	-	5,636
Balance at December 31, 2024	<u>\$ 2,520,101</u>	<u>\$ 93,727</u>	<u>\$ 1,316,848</u>	<u>\$ 2,914,545</u>	<u>\$ 342,491</u>	<u>\$ 124,771</u>	<u>\$ 20,568</u>	<u>\$ 226,865</u>	<u>\$ 90,343</u>	<u>\$ 246,145</u>	<u>\$ 547,980</u>	<u>\$ 8,444,384</u>
<u>Accumulated Depreciation and Impairment</u>												
Balance at January 1, 2024	\$ -	\$ 48,337	\$ 603,219	\$ 2,346,673	\$ 236,866	\$ 91,495	\$ 19,283	\$ 228,781	\$ 86,396	\$ 125,382	\$ -	\$ 3,786,432
Depreciation expenses	-	4,364	83,875	89,318	18,810	11,863	1,206	2,204	1,259	18,864	-	231,763
Disposals	-	-	(35,144)	(7,246)	-	(5,592)	-	(5,763)	-	(3,845)	-	(57,590)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 52,701</u>	<u>\$ 651,950</u>	<u>\$ 2,428,745</u>	<u>\$ 255,676</u>	<u>\$ 97,766</u>	<u>\$ 20,489</u>	<u>\$ 225,222</u>	<u>\$ 87,655</u>	<u>\$ 140,401</u>	<u>\$ -</u>	<u>\$ 3,960,605</u>
Carrying amount at December 31, 2024	<u>\$ 2,520,101</u>	<u>\$ 41,026</u>	<u>\$ 664,898</u>	<u>\$ 485,800</u>	<u>\$ 86,815</u>	<u>\$ 27,005</u>	<u>\$ 79</u>	<u>\$ 1,643</u>	<u>\$ 2,688</u>	<u>\$ 105,744</u>	<u>\$ 547,980</u>	<u>\$ 4,483,779</u>

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	The Company	Wei Mei Roller Blind Co., Ltd.	Other receivables from related parties	Y	\$ 160,000	\$ -	\$ -	1.80%	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 6,754,518	\$ 27,018,074
		Ta Chen Lung Mei Home Life Co., Ltd.	Other receivables from related parties	Y	400,000	200,000	200,000	1.80%	2	-	Operating capital	-	None	-	6,754,518	27,018,074
		TCI Texarkana Inc.	Other receivables from related parties	Y	3,834,000	2,878,200	2,878,200	4.58%-5.46%	2	-	Operating capital	-	None	-	6,754,518	27,018,074
		Ta Chen (Hong Kong) Limited	Other receivables from related parties	Y	95,820	-	-	-	2	-	Operating capital	-	None	-	6,754,518	27,018,074
1	Brighton-Best International (Taiwan) Inc.	Brighton-best International (NZ), Limited	Other receivables from related parties	Y	10,159	8,654	8,654	Note 3	1	16,856	-	-	None	-	16,856	10,249,204
		Brighton-best International (AU), Pty Ltd.	Other receivables from related parties	Y	424,303	368,276	368,276	Note 3	1	581,208	-	-	None	-	581,208	10,249,204
		Brighton-best International (Brasil), Comercio De Paraifos Ltda.	Other receivables from related parties	Y	20,950	16,283	16,283	Note 3	1	21,693	-	-	None	-	21,693	10,249,204
		Brighton-Best International (UK), Limited	Other receivables from related parties	Y	137,053	119,451	119,451	Note 3	2	-	Operating capital	-	None	-	4,814,724	9,629,447
		Brighton-Best International (AU), Pty Limited	Other receivables from related parties	Y	43,860	40,780	20,390	Note 3	2	-	Operating capital	-	None	-	4,814,724	9,629,447
2	Brighton-Best International, Inc.	Brighton-best International (Brasil), Comercio De Paraifos Ltda.	Other receivables from related parties	Y	164,175	163,925	131,140	-	2	-	Operating capital	-	None	-	3,224,101	6,448,202
		Brighton-best International (Canada), Inc.	Other receivables from related parties	Y	82,088	81,963	-	-	2	-	Operating capital	-	None	-	3,224,101	6,448,202
3	Brighton-Best International (AU), Pty Ltd.	Brighton-best International (NZ), Limited	Other receivables from related parties	Y	76,755	71,365	50,665	-	2	-	Operating capital	-	None	-	170,974	341,948
4	Hupao Technology Co., Ltd.	Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	45,000	44,000	39,000	1.50%	2	-	Operating capital	-	None	-	46,334	92,668
5	Shie Shin Enterprise Co., Ltd.	Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	38,000	-	-	1.50%	2	-	Operating capital	-	None	-	71,687	143,375
6	Right way industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables from related parties	Y	49,253	49,178	49,178	5.00%	1	105,102	-	-	None	-	105,102	1,086,460
7	Empire Resources, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	4,362,705	2,131,105	2,131,105	-	2	-	Operating capital	-	None	-	5,075,001	5,075,001
		Imbali Metals BVBA	Other receivables from related parties	Y	511,360	253,200	168,546	1M SOFR+1.6%	2	-	Operating capital	-	None	-	5,075,001	5,075,001
		Empire Resources (UK)limited	Other receivables from related parties	Y	442,050	226,800	-	1M SOFR+1.6%	2	-	Operating capital	-	None	-	5,075,001	5,075,001
8	Primus Pipe and Tube Holding, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	14,393	-	-	-	2	-	Operating capital	-	None	-	1,825,448	1,825,448
9	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	Other receivables from related parties	Y	307,635	144,825	144,825	4.00%	2	-	Operating capital	-	None	-	2,623,200	2,623,200
10	8911 Kelso Drive	Empire Resources, Inc.	Other receivables from related parties	Y	80,655	80,655	80,655	-	2	-	Operating capital	-	None	-	95,683	95,683

Note 1:

Financing Limit for Each Borrower

Aggregate Financing Limit

The Company 10% of net worth in recently audited financial statements or reviewed financial statements
 Brighton-Best International (Taiwan) Inc. For business transaction: Recently business transaction amount
 Brighton-Best International (Taiwan) Inc. For short-term financing: 20% of net worth in recently audited financial statements or reviewed financial statements
 Brighton-Best International (AU), Pty Ltd. 20% of net worth in recently audited financial statements or reviewed financial statements
 Hupao Technology CO., LTD. 20% of net worth in recently audited financial statements or reviewed financial statements
 Shie Shin Enterprise Co., Ltd. 20% of net worth in recently audited financial statements or reviewed financial statements
 Empire Resources, Inc. Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth
 Primus Pipe and Tube Holding, Inc. Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth
 Ta Chen (Hong Kong) Limited Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth
 8911 Kelso Drive Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth
 Right Way Industrial Co., Ltd. For business transaction: To the extent that it doesn't exceed the amount of business transactions between the two parties, which the amount of business transactions refer to the higher of the amount of goods purchased or sold between the parties
 For short-term financing: 15% of net worth in recently audited financial statements or reviewed financial statements

40% of net worth in recently audited financial statements or reviewed financial statements
 For business transaction: Recently business transaction amount plus 40% of net worth in recently audited financial statements or reviewed financial statements
 For short-term financing: 40% of net worth in recently audited financial statements or reviewed financial statements
 40% of net worth in recently audited financial statements or reviewed financial statements
 40% of net worth in recently audited financial statements or reviewed financial statements
 40% of net worth in recently audited financial statements or reviewed financial statements
 40% of net worth in recently audited financial statements or reviewed financial statements
 100% of net worth in recently audited financial statements or reviewed financial statements
 100% of net worth in recently audited financial statements or reviewed financial statements
 1,000% of net worth in recently audited financial statements or reviewed financial statements
 100% of net worth in recently audited financial statements or reviewed financial statements
 For business transaction: 40% of net worth in recently audited financial statements reviewed financial statements
 For short-term financing: 40% of net worth in recently audited financial statements reviewed financial statements

The net worth mentioned above is the total equity attributable to owners of the lender.

Note 2: The nature of financing is as follows:

- 1) Business transaction
- 2) The need for short-term financing

Note 3: On March 12, 2024, the Board of Directors of BBI-TW approved that interest shall accrue at the average interest rate of borrowings from financial institutions by BBI-TW from that date onwards. The loaning of fund approved before March 12, 2024 will accrue no interest.

TABLE 3

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent or Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	
		Name	Relationship											
0	The Company	Ta Chen (B.V.I.) Holdings Ltd.	Subsidiary	\$ 135,090,368	\$ 100,188	\$ -	\$ -	\$ -	-	-	Y	N	N	
		Empire Resources, Inc.	Sub-subsidiary	135,090,368	181,170	-	-	-	-	-	-	Y	N	N
		Ta Chen (Boye) Co., Ltd.	Sub-subsidiary	135,090,368	161,532	-	-	-	-	-	-	Y	N	Y
		TMCT Products, Inc.	Sub-subsidiary	135,090,368	174,132	-	-	-	-	-	-	Y	N	N
		Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiary	135,090,368	2,420,000	2,420,000	1,123,987	-	-	4	-	Y	N	N
		TCI Texarkana, Inc.	Sub-subsidiary	135,090,368	913,500	913,500	-	-	-	1	-	Y	N	N
1	Brighton-Best International (Taiwan) Inc.	Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Sub-subsidiary	135,090,368	145,000	110,000	30,000	-	-	-	Y	N	N	
		Brighton-Best International (AU), Pty Ltd.	Subsidiary (100% of ownership)	19,258,894	178,209	165,694	-	-	-	1	-	Y	N	N
2	Ta Chen Empire Co., Ltd.	Brighton-Best International (NZ), Limited	Subsidiary (100% of ownership)	19,258,894	92,968	85,259	-	-	-	-	Y	N	N	
		Hupao Technology Co., Ltd.	Subsidiary (80% of ownership)	3,848,473	148,000	148,000	148,000	-	-	3	-	Y	N	N
3	Ta Chen International, Inc.	Noei Geeng Enterprise Co., Ltd.	Subsidiary (80% of ownership)	3,848,473	190,000	190,000	190,000	-	-	4	Y	N	N	
		Empire Resources Pacific, Ltd.	Sub-subsidiary	112,992,044	29,230,500	29,230,500	1,147,475	-	-	52	-	N	N	N
4	Empire Resources, Inc.	TCI Investment Group, Inc.	Subsidiary	112,992,044	29,230,500	29,230,500	1,147,475	-	-	52	N	N	N	
		Empire Resources, Inc.	Subsidiary	112,992,044	29,230,500	29,230,500	1,147,475	-	-	52	N	N	N	
		TCI Texarkana, Inc.	Subsidiary	112,992,044	29,222,060	29,222,060	6,914,357	-	-	69	-	N	N	N
		Primus Pipe and Tube Holding, Inc.	Subsidiary	112,992,044	29,230,500	29,230,500	1,147,475	-	-	52	-	N	N	N
		Primus Pipe and Tube Inc.	Sub-subsidiary	112,992,044	29,230,500	29,230,500	1,147,475	-	-	52	-	N	N	N
		Ta Chen International, Inc.	Parent company	101,500,020	29,230,500	29,230,500	1,147,475	-	-	576	-	N	N	N
		Empire Resources Pacific, Ltd.	Subsidiary	101,500,020	29,230,500	29,230,500	1,147,475	-	-	576	-	N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	101,500,020	29,230,500	29,230,500	1,147,475	-	-	576	-	N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	101,500,020	29,230,500	29,230,500	1,147,475	-	-	576	-	N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	101,500,020	29,230,500	29,230,500	1,147,475	-	-	576	-	N	N	N
5	TCI Investment Group, Inc.	Primus Pipe and Tube, Inc.	Fellow subsidiaries	64,126,650	29,230,500	29,230,500	1,147,475	-	-	576	101,500,020	N	N	N
		Ta Chen International, Inc.	Parent company	64,126,650	29,230,500	29,230,500	1,147,475	-	-	15,954	-	N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	64,126,650	29,230,500	29,230,500	1,147,475	-	-	15,954	-	N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	64,126,650	29,230,500	29,230,500	1,147,475	-	-	15,954	-	N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	64,126,650	29,230,500	29,230,500	1,147,475	-	-	15,954	-	N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	64,126,650	29,230,500	29,230,500	1,147,475	-	-	15,954	-	N	N	N
6	Empire Resources Pacific, Ltd.	Primus Pipe and Tube, Inc.	Fellow subsidiaries	64,126,650	29,230,500	29,230,500	1,147,475	-	-	15,954	64,126,650	N	N	N
		Ta Chen International, Inc.	Parent company	74,250,000	29,230,500	29,230,500	1,147,475	-	-	9,841,919	-	N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	74,250,000	29,230,500	29,230,500	1,147,475	-	-	9,841,919	-	N	N	N
		Empire Resources, Inc.	Parent company	74,250,000	29,230,500	29,230,500	1,147,475	-	-	9,841,919	-	N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	74,250,000	29,230,500	29,230,500	1,147,475	-	-	9,841,919	-	N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	74,250,000	29,230,500	29,230,500	1,147,475	-	-	9,841,919	-	N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	74,250,000	29,230,500	29,230,500	1,147,475	-	-	9,841,919	-	N	N	N
		Ta Chen International, Inc.	Parent company	63,890,680	29,230,500	29,230,500	1,147,475	-	-	1,601	-	N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	63,890,680	29,230,500	29,230,500	1,147,475	-	-	1,601	-	N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	63,890,680	29,230,500	29,230,500	1,147,475	-	-	1,601	-	N	N	N
8	Primus Pipe and Tube Inc.	Empire Resources Pacific, Ltd.	Fellow subsidiaries	63,890,680	29,230,500	29,230,500	1,147,475	-	-	1,601	-	N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	63,890,680	29,230,500	29,230,500	1,147,475	-	-	1,601	-	N	N	N
		Primus Pipe and Tube, Inc.	Subsidiary	63,890,680	29,230,500	29,230,500	1,147,475	-	-	1,601	-	N	N	N
		Ta Chen International, Inc.	Parent company	87,540,145	29,230,500	29,230,500	1,147,475	-	-	1,837	-	N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	87,540,145	29,230,500	29,230,500	1,147,475	-	-	1,837	-	N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	87,540,145	29,230,500	29,230,500	1,147,475	-	-	1,837	-	N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	87,540,145	29,230,500	29,230,500	1,147,475	-	-	1,837	-	N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	87,540,145	29,230,500	29,230,500	1,147,475	-	-	1,837	-	N	N	N
		Primus Pipe and Tube Holding, Inc.	Parent company	87,540,145	29,230,500	29,230,500	1,147,475	-	-	1,837	-	N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	62,016,095	29,230,500	29,230,500	1,147,475	-	-	236	-	N	N	N
9	TCI Texarkana, Inc.	Primus Pipe and Tube Holdings, Inc.	Fellow subsidiaries	62,016,095	29,230,500	29,230,500	1,147,475	-	-	236	-	N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	62,016,095	29,230,500	29,230,500	1,147,475	-	-	236	-	N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	62,016,095	29,230,500	29,230,500	1,147,475	-	-	236	-	N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	62,016,095	29,230,500	29,230,500	1,147,475	-	-	236	-	N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	62,016,095	29,230,500	29,230,500	1,147,475	-	-	236	-	N	N	N
		Ta Chen International, Inc.	Parent company	62,016,095	29,230,500	29,230,500	1,147,475	-	-	236	-	N	N	N

Endorsements/Guarantees Limit for Each Borrower		Aggregate Endorsements/Guarantees Limit
The Company	200% of net worth in recently audited financial statements or reviewed financial statements	200% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International (Taiwan) Inc.	80% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen Empire Co., Ltd.	80% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen International, Inc.	200% of net worth in recently audited financial statements or reviewed financial statements	200% of net worth in recently audited financial statements or reviewed financial statements
Empire Resources, Inc.	2,000% of net worth in recently audited financial statements or reviewed financial statements	2,000% of net worth in recently audited financial statements or reviewed financial statements
TCI Investment Group, Inc.	35,000% of net worth in recently audited financial statements or reviewed financial statements	35,000% of net worth in recently audited financial statements or reviewed financial statements
Empire Resources Pacific, Ltd.	25,000,000% of net worth in recently audited financial statements or reviewed financial statements	25,000,000% of net worth in recently audited financial statements or reviewed financial statements
Primus Pipe and Tube Holding, Inc.	3,500% of net worth in recently audited financial statements or reviewed financial statements	3,500% of net worth in recently audited financial statements or reviewed financial statements
Primus Pipe and Tube, Inc.	5,500% of net worth in recently audited financial statements or reviewed financial statements	5,500% of net worth in recently audited financial statements or reviewed financial statements
TCI Texarkana, Inc.	500% of net worth in recently audited financial statements or reviewed financial statements	500% of net worth in recently audited financial statements or reviewed financial statements

Note 2: The actual amount drawn exceeds the maximum endorsement guarantee balance for the period due to exchange rate fluctuations.

TABLE 4**TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024			Fair Value	Note	
				Number of Shares	Carrying Amount	Percentage of Ownership (%)			
The Company	Yuanta New ASEAN Balanced Fund TWD	None	Financial assets at fair value through profit or loss - current	600,000.00	\$ 5,718	-	\$ 5,718		
	Capital ASEAN Fund TWD	"	"	61,156.30	823	-	823		
	Union Multi-Asset High Income Fund A TWD	"	"	200,000.00	2,024	-	2,024		
	Shin Kong Hang Seng TECH Index Fund (TWD)	"	"	100,000.00	513	-	513		
	UBS (TW) Bond Fund - Fixed Income Fund of Funds (TWD) A	"	"	40,000.00	349	-	349		
	RGI ESG Sustainable Emerging Market Bond Fund - TWD A	"	"	500,000.00	4,516	-	4,516		
	RGI ESG Sustainable Emerging Market Bond Fund - USD A	"	"	15,000.00	4,516	-	4,516		
	HSBC ESG Sustainable Multi-Asset Fund of Funds ACHTWD	"	"	150,000.00	1,482	-	1,482		
	Jih Sun Vietnam Opportunity Fund A (TWD)	"	"	500,000.00	4,685	-	4,685		
	ABNon-investment Grade Bond Fund-T2 (TWD)	"	"	175,901.50	2,039	-	2,039		
	TCB Income Optimization Multi-asset Fund - Category A (Accumulator) TWD	"	"	300,000.00	2,901	-	2,901		
	First Financial Quantitative Japan Fund-TWD	"	"	500,000.00	4,900	-	4,900		
	Taishin UJT Semi Fund - TWD A	"	"	400,000.00	3,980	-	3,980		
	Jih Sun Taiwan Quality Multi-Asset Fund	"	"	500,000.00	5,000	-	5,000		
	Nomura All Weather Fund of Funds Accumulate USD	"	"	11,000.00	3,543	-	3,543		
	Mega ESG Taiwan-U.S. Sustainable Double Profits Multi-Asset Fund TWD	"	"	200,000.00	1,964	-	1,964		
	Hua Nan Non-Investment Grade Bond TWD A	"	"	200,000.00	2,000	-	2,000		
					<u>50,953</u>			<u>50,953</u>	
		Unlisted shares - ROC							
		IBT VII Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	435,296	\$ 4,353	2.50	\$ 4,353	
		Sunny Bank Ltd.	"	"	1,817,793	12,000	0.05	12,000	
	Greencasa Co., Ltd.	"	"	553,824	10,799	18.00	10,799		
					<u>27,152</u>		<u>27,152</u>		
Los Osos Holdings, Inc.	Foreign listed shares								
	PT Alumindo Light Metal Industry Tbk	None	Financial assets at fair value through other comprehensive income - current	32,806,000	\$ -	5.33	\$ -	The amount is already recognized as impairment losses. (Note 3)	
	Ascent Industries Co Com	"	"	226,472	83,010	2.21	83,010		
					<u>83,010</u>		<u>83,010</u>		
Brighton-Best International (Taiwan) Inc.	Listed shares - ROC and Emerging market shares								
	Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	39,857,365	\$ 345,962	9.58	\$ 345,962		
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through profit or loss - current	5,113,089	154,671	0.21	154,671		
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income - non-current	162,090,795	4,903,246	6.66	4,903,246		
Ta Chen Empire Co., Ltd. (TCE)	Listed shares - ROC								
	Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent company	Financial assets at fair value through profit or loss - current	6,226,556	188,353	0.26	188,353		
	Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	116,921,815	3,536,886	4.80	3,536,886		
Right Way Industrial Co., Ltd.	Listed shares - ROC								
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income - non-current	16,139,000	543,885	1.56	543,885		
	Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	30,840,493	267,695	7.41	267,695		
	Unlisted shares - ROC								
	Phoenix Motor Corporation	None	Financial assets at fair value through profit or loss - current	600,000	-	-	-	The amount is already recognized as impairment losses.	

Note 1: The marketable securities in Table 3 refer to equity securities, debt securities, mutual funds and securities derived from the list above.

Note 2: Refer to Table 8 and Table 9 for information regarding investment in subsidiaries.

Note 3: PT Alumindo Light Metal Industry Tbk suspended trading in October 2024 and remains suspended as of the report date. Due to the assessment that the fair value of the security may be extremely low and the inability to obtain a reasonable valuation, it is proposed to fully recognize an impairment loss.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty/ Acquisition Item	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Brighton-Best International, Inc.	Warehouse construction project	2023.05.16 (Board of Directors' resolution date)	\$ 553,247 (US\$ 16,875 thousand)	Had paid a performance of 553,247 thousand in accordance with the contract.	Premier Development Partners, LLC	Non-related party	N/A	N/A	N/A	\$ -	N/A	For operation	None
TCI Texarkana, Inc.	Building	2023.5.26	3,016,245 (US\$ 95,300 thousand)	(US\$ 16,875 thousand) paid 1,652,889 (US\$ 50,416 thousand)	H&M Construction Co., Inc.	Non-related party	N/A	N/A	N/A	-	N/A	For operation	None
	Building	2023.9.25	4,170,489 (US\$ 131,769 thousand)	paid 1,236,519 (US\$ 37,716 thousand) paid	H&M Construction Co., Inc.	Non-related party	N/A	N/A	N/A	-	N/A	For operation	None

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	(Sale)	\$ (8,421,866)	(87)	Within 120-180 days	The price is decided taking both local market price in the US and the operation costs of TCI into consideration. There is no third-party that could be compared	For third-party, 90 days for domestic sales and 30-90 days for export sales.	\$ 5,997,127	98	-
Ta Chen International, Inc.	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	(Sale)	(280,682)	-	Within 30 days	The price is decided taking both local market price in the US and the operation costs of TCI into consideration.	Same	17,407	-	-
	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	Purchase	18,906,030	40	Within 30 days	The price is decided taking both local market price in the US and the operation costs of TKA into consideration.	Same	(1,462,943)	(19)	
	Primus Pipe and Tube, Inc.	Sub-subsidiaries (100% indirect shareholding)	Purchase	478,182	1	Within 30 days	General market price	Same	(87,890)	(1)	-
Empire Resources, Inc.	TCI Texarkana, Inc.	Fellow Subsidiaries	Purchase	2,702,258	86	Within 30 days	The price is decided taking both local market price in the US and the operation costs of TKA into consideration.	Same	(132,215)	(100)	-
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	(Sale)	(6,331,188)	(86)	Within 180 days	No third-party could be compared	No third-party could be compared	971,168	68	-
	Brighton-Best International (AU), Pty Ltd.	Subsidiaries (100% ownership)	(Sale)	(489,995)	(7)	Within 180 days	No third-party could be compared	No third-party could be compared	263,296	18	-
	Brighton-Best International (Canada), Inc.	Subsidiaries (100% ownership)	(Sale)	(308,422)	(4)	Within 180 days	No third-party could be compared	No third-party could be compared	64,946	5	-
	Brighton-Best International (UK), Limited	Subsidiaries (100% ownership)	(Sale)	(151,542)	(2)	Within 180 days	No third-party could be compared	No third-party could be compared	96,285	7	-
	Fang Sheng Screw Co., Ltd.	Referred party in substance	Purchase	609,698	9	Within 45-90 days	No third-party could be compared	Note	(98,309)	(13)	-
	Winlink Fasteners Co., Ltd.	Referred party in substance	Purchase	101,538	1	T/T 5 days after final acceptance or prepaid	No third-party could be compared	Note	(13,444)	(2)	-
	Tong Win International Co., Ltd.	Referred party in substance	Purchase	725,062	11	T/T 5 days after final acceptance or prepaid	No third-party could be compared	Note	(49,930)	(6)	-
	Jinn Her Enterprise Co., Ltd.	Corporate directors	Purchase	277,224	4	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	(44,713)	(6)	-
Brighton-Best International, Inc.	Jinn Her Enterprise Co., Ltd.	Corporate directors of parent entity	Purchase	1,268,604	13	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	(155,855)	(13)	-
	Brighton-Best International (Canada), Inc.	Fellow subsidiaries	(Sale)	(112,529)	(1)	Within 180 days	No third-party could be compared	Note	35,798	3	-
Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Fellow subsidiaries	(Sale)	(993,787)	(100)	Within 180 days	No third-party could be compared	No third-party could be compared	674,858	100	-

Note: The payment term for third parties is prepaid or 0 to 90 days.

TABLE 7**TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	\$ 5,997,127	1.42	\$ -	-	\$ 3,526,157	\$ -
	TCI Texarkana, Inc.	Sub-subsidiaries (100% ownership)	2,878,200	Note 2	-	-	-	-
	Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiaries (99.96% ownership)	200,000	Note 2	-	-	-	-
Ta Chen International, Inc.	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	1,147,475	Note 2	-	-	-	-
Ta Chen (B.V.I.) Holdings Ltd.	Ta Chen (Shijiazhuang) Co., Ltd.	Subsidiaries (93.14% ownership)	279,377	Note 3	-	-	-	-
TCI Texarkana, Inc.	Ta Chen International, Inc.	Parent company	1,462,943	13.20	-	-	1,386,063	-
Empire Resources, Inc.	Empire Resources, Inc.	Fellow subsidiaries	113,842	12.50	-	-	112,501	-
	Ta Chen International, Inc.	Parent company	2,131,105	Note 2	-	-	-	-
Ta Chen (Hong Kong) Limited Brighton-Best International (Taiwan) Inc.	Imbali Metals BVBA	Subsidiaries (100% ownership)	168,546	Note 2	-	-	-	-
	Ta Chen (Boye) Co., Ltd.	Fellow subsidiaries	144,825	Note 2	-	-	-	-
	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	971,168	3.54	-	-	874,658	-
	Brighton-Best International (AU), Pty Inc.	Subsidiaries (100% ownership)	263,296	1.65	-	-	-	-
	Brighton-Best International (AU), Pty Inc.	Subsidiaries (100% ownership)	455,868	Note 2	-	-	86,631	-
Brighton-Best International, Inc.	Brighton-Best International (UK), Limited	Subsidiaries (100% ownership)	120,355	Note 2	-	-	-	-
	Brighton-Best International (Brasil), Comercio de Parafusos Ltda	Subsidiaries (100% ownership)	131,140	Note 2	-	-	-	-
Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Fellow subsidiaries	674,858	1.93	-	-	157,824	-

Note1: The ending balance of receivables includes both trade receivables-related parties and other receivables-related parties.

Note2: The ending balance primarily consists of other receivables for financing purpose, which is not applicable for the calculation of turnover rate.

Note3: The ending balance primarily consists of dividends receivable, which is not applicable for the calculation of turnover rate.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024				Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount				
The Company	Ta Chen International, Inc.	U.S.A	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	\$ 23,327,317	\$ 23,327,317	734,836	100	\$ 55,677,240	\$ 1,840,831	\$ 1,757,931	Note 2	
	Ta Chen (B.V.I.) Holdings Ltd.	British Virgin Islands	Investment	990,817	990,817	32,625,300	100	2,317,562	255,100	243,457	Note 3	
	Brighton-Best International (Taiwan) Inc.	Taiwan	Import, export and sale of screws and nuts	8,500,081	8,500,081	440,610,040	42.72	6,374,848	2,309,240	866,875	Note 6	
	WEI MEI ROLLER BLIND CO., LTD.	Taiwan	Manufacture and sale of curtains and cloth products	180,000	70,000	18,000,000	100	206,830	12,117	8,753		
	Ta Chen Lung Mei Home Life Co., Ltd.	Taiwan	Manufacture and sale of curtains and cloth products	1,606,468	1,406,468	30,995,367	99.99	133,622	(201,219)	(202,355)		
	Ta Chen (Hong Kong) Limited	Hong Kong	Trade	279,720	279,720	10,000,000	100	262,320	10,510	10,509		
	TY Steel Co., Ltd.	Thailand	Manufacture of steel billets and steel bars	889,216	889,216	105,583,200	38.75	178,297	(680,098)	(263,561)		
	Ta Chen GREEN SYSTEM CO., LTD.	Taiwan	Interior design	60,000	60,000	6,000,000	50	57,907	(1,469,548)	(1,590)		
	Right Way Industrial Co., Ltd.	Taiwan	Manufacture and sales of automobile and motorcycle parts	17,843	17,843	779,000	0.26	7,044	41,721	108		
	City Mocean Co., Ltd.	Taiwan	asset management industry	4,900	4,900	490,000	49	1,765	(2,984)	(1,530)		
	Ta Chen International, Inc.	U.S.A	Import, export and sale of screws and nuts	94,950	94,950	3,000	100	183,219	(10,731)			
	Empire Resources, Inc.	U.S.A	Investment	1,714,340	1,714,340	8,250,455	100	5,075,001	291,235			
	Primus Pipe and Tube Holding, Inc.	U.S.A	Investment	877,540	877,540	29,000	100	1,825,448	76,216			
Ta Chen International, Inc.	U.S.A	Manufacture and sale of aluminum products	14,280,600	12,331,500	92,000	100	12,403,219	102,595				
Primus Pipe and Tube Holding, Inc.	U.S.A	Manufacture and sale of stainless steel	873,575	873,575	1,000	100	1,591,639	88,901				
Empire Resources, Inc.	U.S.A	Import, export and sale of stainless steel and aluminum products	-	-	100	100	297	(4)		Note 5		
Imbali Metals BVBA	Belgium	Import, export and sale of stainless steel and aluminum products	624	624	1,000	100	199,581	(15,668)				
Empire Resources UK Ltd.	United Kingdom	Import, export and sale of stainless steel and aluminum products	208,224	208,224	5,400,000	100	413,504	11,508				
8911 Kelso Drive	U.S.A	Import, export and sale of stainless steel and aluminum products	-	-	-	100	-	(257)		Note 5		
Brighton-Best International (Taiwan) Inc.	U.S.A	Import, export and sale of screws and nuts	5,801,521	5,801,521	186,480	100	14,974,759	1,497,979		Note 2		
Brighton-Best International (AU) Pty Ltd.	Australia	Import, export and sale of screws and nuts	1,498,544	1,498,544	54,000,000	100	859,119	(24,956)		"		
Brighton-Best International (Canada) Inc.	Canada	Import, export and sale of screws and nuts	381,149	381,149	12,003,893	100	1,146,602	58,497		"		
Brighton-Best International (UK) Limited	United Kingdom	Import, export and sale of screws and nuts	453,097	453,097	9,200,000	100	490,934	(5,536)		"		
Brighton-Best International (NZ) Limited	New Zealand	Import, export and sale of screws and nuts	19,328	19,328	1,000	100	12,451	(9)		"		
Ta Chen Empire Co., Ltd.	Taiwan	Import, export and sale of aluminum products	5,300,000	5,300,000	530,000,000	100	4,810,591	162,143				
Brighton-Best International (HK) Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 7		
Brighton-Best International, Inc. (Cayman)	Cayman Islands	Investment	-	-	-	-	-	-		Note 4		
Right Way Industrial Co., Ltd.	Taiwan	Manufacture and sales of automobile and motorcycle parts	615,673	615,673	53,540,000	17.82	716,423	41,721				
Brighton-Best International, Inc.	Brazil	Import and sale of screws and nuts	6,486	6,486	4,000,000	100	(71,591)	(27,690)				
Comercio de Parafusos Ltda.	United Arab Emirates	Import and sale of protective products	959	-	1	100	966	(18)				
Brighton-Best International Middle East (FZE)												
Ta Chen Empire Co., Ltd.	Taiwan	Manufacturing of screws and nuts	77,785	77,785	7,778,598	80	75,467	(5,712)				
Hupao Technology CO., LTD.	Taiwan	Energy technology service industry	191,092	191,092	19,109,228	80	185,335	(2,969)				
Brighton-Best (Hong Kong) Limited	Taiwan	Manufacturing of screws and nuts	285,171	285,171	28,517,132	80	286,749	211				
Brighton-Best (Hong Kong) Holding Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 8		
Right Way Industrial Co., Ltd.	Malaysia	Manufacture of automobile and motorcycle pistons	221,923	221,923	28,665,667	79.63	289,881	(6,306)				
Excellent Growth Investments Limited	British Virgin Islands	Investment	(MYR 30,276)	(MYR 30,276)	-	-	-	-				
Right Way North America Inc.	U.S.A	Trading of Automobile Engine Parts	626,415	626,415	20,073,457	100	96	1				
TRIM Telesis Engineering Sdn. Bhd.	Malaysia	Connecting rod manufacturing	1,575	1,575	-	100	5,975	-				
Ta Chen (B.V.I.) Holdings Ltd.	U.S.A	Investment	53,033	53,033	8,950,000	89.5	1,516	(31)				
TMCT Products, Inc.	U.S.A	Investment	(MYR 7,235)	(MYR 7,235)	-	-	-	-				
Los Osos Holdings, Inc.	U.S.A	Investment	403,413	156,850	13,000	100	625,048	227,704				
Clarke St. Property Holdings, LLC	U.S.A	Investment	110,237	110,237	-	100	-	84,238	(258)			
Nash Metals, LLC	U.S.A	Aluminum processing industry	14,240	14,240	-	100	-	15,660	(189)			
Procurement Trading, Inc.	U.S.A	Trade	221,327	28	-	100	422,774	105,803		Note 9		
WEI MEI ROLLER BLIND CO., LTD.	Taiwan	Manufacture and trade of window decorations	557	557	-	100	557	-				
WEI MEI HSN SHU INTERIOR DECORATION CO., LTD.	Taiwan	Manufacture and trade of window decorations	166,282	166,282	7,500,000	100	176,034	7,650				

Note 1: Refer to Table 9 for information regarding investment in mainland China.

Note 2: The difference between the share of profit (loss) and net income (loss) of the investee was the effect of tax rate of unrealized gross profit.

Note 3: The difference between the share of profit (loss) and net income (loss) of the investee was the effect of realized gross profit from upstream transactions with sub-subsidiaries.

Note 4: Established in February 2016 and no investment funding has been remitted.

Note 5: It's the trans-investment company of the acquired company; hence, no original investment amount is listed.

Note 6: The difference between the share of profit (loss) and net income (loss) of the investee was the effect of unrealized gross profit from side stream transactions among subsidiaries. The shareholding ratio adopted by the Company for investments using the equity method regarding BBI-TW considered the effects of the shares of the company held by Right Way (treasury shares of the subsidiary).

Note 7: Established in May 2019 and no investment funding has been remitted.

Note 8: Established in May 2019 and no investment funding has been remitted. In addition, Brighton-Best (Hong Kong) Limited and Brighton-Best International, Inc. received approval for dissolution on December 13, 2024, and February 9, 2024, respectively.

Note 9: The investee company changed its name in November 2024.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 2)	Remittance of Funds (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 and 6)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	\$ 167,204	(2) Ta Chen (B.V.I.) Holdings Ltd.	\$ 137,805	\$ -	\$ -	\$ 137,805	\$ 6,289	93.14	\$ 5,858 (3)	\$ 398,347	\$ -	
Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	391,289	(2) Ta Chen (B.V.I.) Holdings Ltd.(Note 5)	325,948	-	-	325,948	(17,145)	100	(17,145) (3)	412,481	-	
Yinrong (Shanghai) Investment Management Limited	Investment	2,532	(3) The Company	2,532	-	-	2,532	4,079	100	4,079 (3)	6,849	3,275	
Cheng-Rong (Shanghai) International Trading Ltd. (Note 5)	Investment	-	(2) Brighton-Best International Inc. (Cayman)	-	-	-	-	-	-	- (3)	-	-	

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note 2)	Investment Amount Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Ta Chen Right Way	\$ 466,285 557,181 (US\$ 16,995)	\$ 1,044,282 557,181 (US\$ 16,995)	\$ 40,527,110 (Note 3) 1,629,690 (Note 7)

Note 1: In the column of investment gains or losses recognized during the period:

If in preparation, no investment gains or losses yet, it should be noted.

Methods of basis of investment gains or losses recognition, it should be noted:

- 1) The financial statement is audited and attested by certified public accounting firm with all cooperative relations with the Republic of China Accounting Firm.
- 2) The financial statement is audited and attested by certified public accountants of Taiwan's parent company.
- 3) Others: The financial statement isn't audited and attested by certified public.

Note 2: The amounts were calculated based on the foreign exchange rate of the Bank of Taiwan as of December 31, 2024. (USD: NTD = 1: 32.785, CNY: NTD = 1: 4.478)

Note 3: The limit on investment in mainland China pursuant to "Principle of investment or Technical Cooperation in mainland China" is calculated as shown below:
 $\$67,545,184 \text{ thousand} \times 60\% = \$40,527,110 \text{ thousand}$

Note 4: Methods of investment are classified as below:

- 1) Direct investment.
- 2) Investments through a holding company registered in a third region.
- 3) Others

Note 5: Established in June 2016 and no investment funding has been remitted.

Note 6: The difference is caused by the recognition of amortization attributed to unrealized gain on selling assets.

Note 7: Right Way's net worth of equity $\times 60\% = \text{NT}\$2,716,150 \text{ thousand} \times 60\% = \text{NT}\$1,629,690 \text{ thousand}$.

TA CHEN STAINLESS PIPE CO., LTD.**INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Brighton-Best International (Taiwan) Inc.	167,203,884	6.86
Ta Chen Empire Co., Ltd.	123,148,371	5.05

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

ITEM	STATEMENT INDEX
MAJOR ACCOUNTING ITEMS IN ASSETS, LIABILITIES AND EQUITY	
STATEMENT OF CASH AND CASH EQUIVALENTS	1
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT	Note 7
STATEMENT OF NOTES RECEIVABLE	2
STATEMENT OF ACCOUNTS RECEIVABLE	3
STATEMENT OF INVENTORIES	4
STATEMENT OF PREPAYMENTS	Note 17
STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST	5
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT	6
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	6
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT	Table 1
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	Table 1
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS	7
STATEMENT OF CHANGES IN OTHER INTANGIBLE ASSETS	Note 16
STATEMENT OF DEFERRED TAX ASSETS	Note 25
STATEMENT OF SHORT-TERM BORROWINGS	8
STATEMENT OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT	Note 7
STATEMENT OF NOTES PAYABLE	9
STATEMENT OF ACCOUNTS PAYABLE	10
STATEMENT OF OTHER PAYABLES	Note 20
STATEMENT OF LONG-TERM BORROWINGS	11
STATEMENT OF LEASE LIABILITIES	12
STATEMENT OF DEFERRED TAX LIABILITIES	Note 25
MAJOR ACCOUNTING ITEMS IN PROFIT OR LOSS	
STATEMENT OF OPERATING REVENUES	13
STATEMENT OF OPERATING COSTS	14
STATEMENT OF OPERATING EXPENSES	15
STATEMENT OF FINANCE COSTS	Note 24
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION	16

STATEMENT 1

TA CHEN STAINLESS PIPE CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount
Cash on hand	<u>\$ 320</u>
Deposits	
Demand deposits	801,563
Foreign currency deposits (Note)	363,688
Checking accounts	<u>46,868</u>
Subtotal of deposits	<u>1,212,119</u>
Cash equivalents	
Time deposits	<u>607,345</u>
	<u>\$ 1,819,784</u>

Note: Including US\$10,585,034.42, EUR\$392,670.49 and RMB\$726,199.55
US\$1=NT\$32.785, EUR\$1=NT\$34.14 and RMB\$1=NT\$4.478

STATEMENT 2

TA CHEN STAINLESS PIPE CO., LTD.

**STATEMENT OF NOTES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Customer Name	Description	Amount
Operating		
Non-related parties		
Company (A)	Sale	\$ 6,063
Company (B)	Sale	4,614
Company (C)	Sale	3,880
Company (D)	Sale	3,281
Company (E)	Sale	2,263
Company (F)	Sale	<u>1,315</u>
		<u>\$ 21,416</u>

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

STATEMENT 3**TA CHEN STAINLESS PIPE CO., LTD.****STATEMENT OF ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Customer Name	Description	Amount
Non-related Parties		
Company (G)	Sale	\$ 20,897
Company (H)	Sale	10,321
Company (A)	Sale	9,575
Company (I)	Sale	6,336
Company (J)	Sale	5,740
Company (K)	Sale	5,653
Company (L)	Sale	5,451
Company (M)	Sale	4,645
Others	Sale	<u>22,246</u>
		90,864
Less: Allowance for impairment loss		<u>2,230</u>
		<u>\$ 88,634</u>
Related parties		
Ta Chen International, Inc.	Sale	\$ 5,997,127
Right Way Industrial Co., Ltd.	Sale	8,325
Ta Chen Lung Mei Home Life Co., Ltd.	Sale	<u>4,094</u>
		<u>\$ 6,009,546</u>

STATEMENT 4**TA CHEN STAINLESS PIPE CO., LTD.****STATEMENT OF INVENTORIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Raw materials	\$ 944,237	\$ 948,463
Work in progress	579,379	919,903
Finished goods	593,264	899,183
Merchandise	322,888	322,888
Materials	6,555	6,555
Raw materials in transit	<u>111,514</u>	<u>111,514</u>
	<u>\$ 2,557,837</u>	<u>\$ 3,208,506</u>

Note: Refer to Note 4(e) for detailed information regarding the basis of net realizable value of inventory.

STATEMENT 5**TA CHEN STAINLESS PIPE CO., LTD.****STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Interest Rate (%)	Maturity Date	Amount
Current			
Pledged time deposits	0.15-5.17	2025.01.06-2025.12.29	\$ 555,498
Pledged demand deposits (reserve account)			355,971
Time deposits with original maturities of 3 months or less	5.55-5.56	2025.01.03-2025.01.10	393,420
			<hr/>
			<u>\$ 1,304,889</u>
Non-current			
Pledged demand deposits (reserve account)			\$ 80,453
Refundable deposits			<hr/>
			162,718
			<u>\$ 243,171</u>

TA CHEN STAINLESS PIPE CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2024		Additions (Reductions)		Note	Gain (loss) on Investments	Cumulative Translation Adjustment	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Cash Flow Hedge	Treasury Shares	Balance, December 31, 2024				Provide Guarantee or Collateral
	Shares	Amount	Shares/Units	Amount							Shares	Proportion of Ownership (%)	Amount	Fair Value	
Investment accounted for using the equity method															
Ta Chen International, Inc.	734,836	\$ 50,489,504	-	\$ 248,102	Note 1	\$ 1,757,931	\$ 3,390,935	\$ -	\$ (209,232)	\$ -	734,836	100	\$ 55,677,240	\$ 56,496,025	None
Ta Chen (B.V.I.) Holdings Ltd.	32,625,300	1,952,236	-	-		243,457	123,122	(1,253)	-	-	32,625,300	100	2,317,562	2,317,562	None
Brighton-Best International (Taiwan) Inc.	440,610,040	5,685,474	-	(514,682)	Note 2	866,875	398,020	(40,010)	(19,336)	(2,049)	440,610,040	42.72	6,374,292	10,310,731	Yes
Yinrong (Shanghai) Investment Management Limited	-	6,141	-	(3,275)	Note 6	4,079	(96)	-	-	-	-	100	6,849	6,849	None
Wei Mei Roller Blind Co. LTD.	7,000,000	80,291	11,000,000	117,786	Note 3	8,753	-	-	-	-	18,000,000	100	206,830	206,830	None
Ta Chen Lung Mei Home Life Co., Ltd.	29,987,363	136,587	1,008,004	199,390	Note 4	(202,355)	-	-	-	-	30,995,367	99.99	133,622	134,819	None
Ta Chen (Hong Kong) Limited	10,000,000	235,639	-	-		10,509	16,172	-	-	-	10,000,000	100	262,320	262,320	None
Ta Chen Green System Co., Ltd.	6,000,000	59,497	-	-		(1,590)	-	-	-	-	6,000,000	50	57,907	57,907	None
Right Way Industrial Co., Ltd.	779,000	7,069	-	22	Note 5	108	64	(219)	-	-	779,000	0.26	7,044	7,044	None
TY Steel Co., Ltd.	105,583,200	428,925	-	-		(263,561)	12,933	-	-	-	105,583,200	38.75	178,297	178,297	None
City Mocean Co., Ltd.	490,000	3,295	-	-		(1,530)	-	-	-	-	490,000	49	1,765	1,765	None
Total		<u>\$ 59,084,658</u>		<u>\$ 47,343</u>		<u>\$ 2,422,676</u>	<u>\$ 3,941,150</u>	<u>\$ (41,482)</u>	<u>\$ (228,568)</u>	<u>\$ (2,049)</u>			<u>\$ 65,223,728</u>	<u>\$ 69,980,149</u>	
Financial assets at fair value through other comprehensive income - non-current															
IBT VII Venture Capital Co., Ltd.	435,296	\$ 4,353	-	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	435,296	2.5	\$ 4,353	\$ 4,353	None
Sunny Bank Ltd.	16,698,872	12,000	-	-		-	-	-	-	-	16,698,872	0.05	12,000	12,000	None
Greencasa Co., Ltd.	553,824	10,799	-	-		-	-	-	-	-	553,824	18	10,799	10,799	None
		<u>\$ 27,152</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			<u>\$ 27,152</u>	<u>\$ 27,152</u>	
Note 1: The details of the increase were as follows:															
Actuarial profit and loss adjustments for pensions				\$ 4,875											
Unrealized gain from downstream transactions - adjustments				240,816											
Adjustment of realized gain on disposal of fixed assets				2,411											
				<u>248,102</u>											
Note 2: The details of the increase (decrease) were as follows:															
Cash dividends paid by subsidiaries				\$ (660,916)											
Change in percentage of ownership interest in subsidiaries - capital surplus				(3,808)											
Treasury shares - capital surplus				149,229											
Actuarial profit and loss adjustments for pensions				813											
				<u>(514,682)</u>											
Note 3: The details of the increase were as follows:															
The subscription of the ordinary share of subsidiaries				\$ 110,000											
Difference between the equity and book value of subsidiaries - capital surplus				7,774											
Actuarial profit and loss adjustments for pensions				12											
				<u>117,786</u>											
Note 4: The details of the increase (decrease) were as follows:															
The subscription of the ordinary share of subsidiaries				\$ 200,000											
Change in percentage of ownership interest in subsidiaries - capital surplus				281											
Actuarial profit and loss adjustments for pensions				(891)											
				<u>199,390</u>											
Note 5: The details of the increase (decrease) were as follows:															
Actuarial profit and loss adjustments for pensions				\$ 28											
Change in percentage of ownership interest in subsidiaries - capital surplus				(6)											
				<u>22</u>											
Note 6: Repatriation of the earnings of the subsidiary															

STATEMENT 7**TA CHEN STAINLESS PIPE CO., LTD.****STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

	Land	Buildings	Transportation equipment	Total
<u>Cost</u>				
Balance at January 1, 2024	\$ 78,868	\$ 126,095	\$ 10,146	\$ 215,109
Increase	-	7,725	-	7,725
Decrease	<u>-</u>	<u>(26,553)</u>	<u>-</u>	<u>(26,553)</u>
Balance at December 31, 2024	<u>\$ 78,868</u>	<u>\$ 107,267</u>	<u>\$ 10,146</u>	<u>\$ 196,281</u>
<u>Accumulated Depreciation</u>				
Balance at January 1, 2024	\$ 54,948	\$ 43,522	\$ 1,973	\$ 100,443
Depreciation expenses	9,576	32,248	3,382	45,206
Decrease	<u>-</u>	<u>(9,453)</u>	<u>-</u>	<u>(9,453)</u>
Balance at December 31, 2024	<u>\$ 64,524</u>	<u>\$ 66,317</u>	<u>\$ 5,355</u>	<u>\$ 136,196</u>
Carrying amount at December 31, 2024	<u>\$ 14,344</u>	<u>\$ 40,950</u>	<u>\$ 4,791</u>	<u>\$ 60,085</u>

STATEMENT 8**TA CHEN STAINLESS PIPE CO., LTD.****STATEMENT OF SHORT-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

	Balance	Maturity Date	Credit Line		Collateral
Borrowings of usance L/C (Note 1)	\$ 1,542,944	2025.1.15-2025.11.30	\$ 4,935,000	Note 3	Pledged time deposits, Reserve account
Revolving bank borrowings (Note 2)	5,645,000	2025.1.15-2025.11.30	10,515,000	Note 3	Pledged time deposits and stock, Reserve account
	<u>7,187,944</u>		<u>15,450,000</u>		
Total	<u>\$ 7,187,944</u>		<u>\$ 15,450,000</u>		

Note 1: The range of interest rates at 1.79% - 1.84% p.a.

Note 2: The range of interest rates at 1.5% - 2.03% p.a.

Note 3: Under the same line of credit agreement.

STATEMENT 9

TA CHEN STAINLESS PIPE CO., LTD.

**STATEMENT OF NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Non related parties	
Company A	\$ 15,805
Company B	12,486
Company C	5,619
Company D	5,332
Others (Note)	<u>30,275</u>
	<u>\$ 69,517</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

STATEMENT 10

TA CHEN STAINLESS PIPE CO., LTD.

**STATEMENT OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2024**

(In Thousands of New Taiwan Dollars)

Vendor Name	Description	Amount
Non-related parties		
Company E	Purchase	\$ 50,020
Company F	Purchase	18,771
Company B	Purchase	8,307
Company G	Purchase	7,906
Others (Note)		<u>64,115</u>
		149,119
Related parties		
Ta Chen (Boye) Co., Ltd.	Purchase	<u>6,910</u>
		<u>\$ 156,029</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

TA CHEN STAINLESS PIPE CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Bank Name (Note)	Description	Balance	Current portion	Non-current portion	Loan Period	Collateral	Repayment terms
Chang Hwa Commercial Bank (the leading bank of the syndicated loan)	Loan (A)	\$ 4,000,000	\$ 400,000	\$ 3,600,000	2023.01-2028.01	See Note 31 to the standalone financial report	See Note 18 to the standalone financial report
Chang Hwa Commercial Bank (the leading bank of the syndicated loan)	Loan (B)	900,000	-	900,000	2023.01-2028.01	See Note 31 to the standalone financial report	See Note 18 to the standalone financial report
Chang Hwa Commercial Bank (the leading bank of the syndicated loan)	Loan (C)	3,700,000	-	3,700,000	2023.01-2028.01	See Note 31 to the standalone financial report	See Note 18 to the standalone financial report
O-Bank	Medium-term secured borrowings	35,000	-	35,000	2022.04-2026.04	Property asset	A lump sum payment made for the entirety of an outstanding loan amount at maturity
Bank of the Republic of China	Medium-term unsecured borrowings	250,000	100,000	150,000	2022.04-2027.04	-	Within 18 months from the first drawdown date until the maturity date, repays the principal portion of the borrowings in 8 semiannual installments
Bank of the Republic of China	Medium-term unsecured borrowings	150,000	50,000	100,000	2022.08-2027.08	-	Within 18 months from the first drawdown date until the maturity date, repays the principal portion of the borrowings in 8 semiannual installments
Union Bank of Taiwan	Medium-term secured borrowings	56,270	10,740	45,530	2022.12-2029.12	Property asset	Repays the principal portion and interest in 84 monthly installments by using annual method. The remaining amount will be repaid when it's due
Union Bank of Taiwan	Medium-term secured borrowings	670,777	31,200	639,577	2022.12-2029.12	Property asset	Repays the principal portion and interest in 84 annual installments by using annual method. The remaining amount will be repaid when it's due
FCB	Medium-term secured borrowings	182,400	9,600	172,800	2023.02-2028.02	Property asset	Monthly amortization of the principal amount of \$800 and the first mortgage of real estate shall be set at 1.2 times the principal amount of the loan
FCB	Medium-term secured borrowings	162,400	9,600	152,800	2023.02-2028.02	Property asset	Monthly amortization of the principal amount of \$800 and the first mortgage of real estate shall be set at 1.2 times the principal amount of the loan
EnTie Commercial Bank	Medium-term unsecured borrowings	800,000	-	800,000	2024.06-2026.06	-	Interest is paid monthly, and the principal is repaid one by one
		10,906,847	611,140	10,295,707			
Less: Unamortized arrangement fees of long-term borrowings		16,848	5,616	11,232			
		<u>\$ 10,889,999</u>	<u>\$ 605,524</u>	<u>\$ 10,284,475</u>			

Note: The range of interest rates was 1.84% - 2.27% p.a.

TA CHEN STAINLESS PIPE CO., LTD.

**STATEMENT OF LEASE LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Description	Period (Note)	Discount Rates (%)	Amount
Land	Lease of land of Tainan factory	2014.05-2064.05	1.55-1.58	\$ 14,823
Buildings	Lease of warehouse and offices at Taoyuan city	2022.03-2027.05	1.56-1.83	42,858
Transportation equipment	Car	2023.06-2026.05	1.81	4,852
				<hr/> 62,533
Less: Current portion				(40,063)
				<hr/>
Noncurrent portion				<u>\$ 22,470</u>

STATEMENT 13**TA CHEN STAINLESS PIPE CO., LTD.****STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Quantities (Metric Tons)	Amount
Sale of goods		
Manufactured products		
Stainless steel pipes	37,566	\$ 4,410,275
Butt-welding fittings	2,811	501,542
Valve/stainless nipples	1,636	<u>627,767</u>
		<u>5,539,584</u>
Stainless plates (rods)	31,381	3,714,862
Others (Note)	7,697	<u>376,511</u>
Total operating revenue		9,630,957
Less: sales return		425
		<u>2,960</u>
Net operating revenue		<u><u>\$ 9,627,572</u></u>

Note: The amount of each item included in others does not exceed 10% of the account balance.

TA CHEN STAINLESS PIPE CO., LTD.**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw materials used	
Raw materials, beginning of year (including raw material in transit)	\$ 992,454
Add: Raw material purchased	3,159,641
Transferred from finished goods	366,186
Less: Raw materials, end of year (including raw material in transit)	<u>1,055,751</u>
Raw material consumption	3,462,530
Direct labor	248,893
Manufacturing expenses	<u>961,822</u>
Manufacturing cost	4,673,245
Work in progress, beginning of year	786,307
Add: Work in progress purchased	125,285
Less: Work in progress, end of year	<u>579,379</u>
Manufacturing cost	5,005,458
Finished goods, beginning of year	501,918
Add: Finished goods purchased	138,086
Less: Finished goods, end of year	593,264
Reclassified to raw material	366,186
Others	<u>946</u>
Finished goods costs of sales	<u>4,685,066</u>
Commodity transaction	
Inventory, beginning of year	557,388
Add: Inventory purchased	3,036,076
Others	26
Less: Inventory, end of year	<u>322,888</u>
Costs of commodity transaction	<u>3,270,602</u>
Subtotal	<u>7,955,668</u>
Add: Unallocated production overhead	37,390
Less: Revenue from sale of scraps	1,034
Others	<u>35,007</u>
Total operating costs	<u>\$ 7,957,017</u>

TA CHEN STAINLESS PIPE CO., LTD.**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Selling Expenses	General and Administrative Expenses	Total
Payroll expense and remuneration of directors	\$ 21,481	\$ 325,955	\$ 347,436
Container freight station and warehouse fee	37,920	-	37,920
Shipping fee	50,759	-	50,759
Depreciation	3,050	91,634	94,684
Miscellaneous apportionments	-	34,350	34,350
Others (Note)	<u>22,349</u>	<u>203,159</u>	<u>225,508</u>
Total	<u>\$ 135,559</u>	<u>\$ 655,098</u>	<u>\$ 790,657</u>

Note: The amount of each item included in others does not exceed 5% of the account balance.

TA CHEN STAINLESS PIPE CO., LTD.

**STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	\$ 436,987	\$ 323,436	\$ 760,423	\$ 274,647	\$ 237,754	\$ 512,401
Labor and health insurance	54,512	16,761	71,273	54,795	26,416	81,211
Post-employment benefits	20,583	8,379	28,962	20,533	8,892	29,425
Remuneration of directors	-	24,000	24,000	-	24,000	24,000
Others	14,543	4,263	18,806	15,023	4,383	19,406
	<u>\$ 526,625</u>	<u>\$ 376,839</u>	<u>\$ 903,464</u>	<u>\$ 364,998</u>	<u>\$ 301,445</u>	<u>\$ 666,443</u>
Depreciation	<u>\$ 193,372</u>	<u>\$ 94,684</u>	<u>\$ 288,056</u>	<u>\$ 197,468</u>	<u>\$ 66,462</u>	<u>\$ 263,930</u>
Amortization	<u>\$ 347</u>	<u>\$ 34,350</u>	<u>\$ 34,697</u>	<u>\$ 300</u>	<u>\$ 34,371</u>	<u>\$ 34,671</u>

Note 1: As of December 31, 2024 and 2023, the Company had 1,025 and 1,054 employees, respectively, which included both 10 non-employee directors in 2024 and 2023 years.

Note 2: Additional disclosures are as follows:

1. Average employee benefits for the year ended December 31, 2024 was NT\$866 thousand (amounts of employee benefits for the year ended December 31, 2024 less amounts of remuneration of directors for the year ended December 31, 2024/number of employees for the year ended December 31, 2024 less number of directors not serving concurrently as employees for the year ended December 31, 2024).

Average employee benefits for the year ended December 31, 2023 was NT\$615 thousand (amounts of employee benefits for the year ended December 31, 2023 less amounts of remuneration of directors for the year ended December 31, 2023/number of employees for the year ended December 31, 2023 less number of directors not serving concurrently as employees for the year ended December 31, 2023).

2. Average salaries for the year ended December 31, 2024 was NT\$749 thousand (amounts of salaries for the year ended December 31, 2024/number of employees for the year ended December 31, 2024 less number of directors not serving concurrently as employees for the year ended December 31, 2024).

Average salaries for the year ended December 31, 2023 was NT\$491 thousand (amounts of salaries for the year ended December 31, 2023/number of employees for the year ended December 31, 2023 less number of directors not serving concurrently as employees for the year ended December 31, 2023).

3. Changes of adjustments of average salaries was (52.55%) (average salaries for the year ended December 31, 2024 less average salaries for the year ended December 31, 2023/average salaries for the year ended December 31, 2023).

4. The Company did not have supervisors for the years ended December 31, 2024 and 2023.

5. The Company's compensation policies: The Company's employees are entitled to a comprehensive compensation and benefits program above the industry average. Employees' compensation includes a monthly salary and bonuses based on the Company's annual profitability, and are distributed in accordance with the Company's articles of incorporation. In accordance with the articles of incorporation, the Company determines the total amount of bonuses to be distributed based on the results of the Company's operations with reference to the industry levels in the ROC, and the amount and method of distribution are recommended by the compensation committee to the board of directors for approval. The amount distributed to each employee is based on the employee's job responsibilities and performance, as well as contribution to the Company's operations.

6. The remuneration of managers is determined based on their job responsibilities, contribution to the Company as well as the Company's operating performance for the year, taking into consideration future risks. The remuneration of managers is first reviewed by the compensation committee before submitting to the board of directors for approval.

7. In accordance with the Company's articles of incorporation, 3% and no more than 1.5% of the Company's annual pre-tax net income before deduction of employees' compensation and remuneration of directors shall be distributed as employees' compensation and remuneration of directors, respectively. However, an amount should first be set aside for the offsetting of the Company's losses, if any, and authorized by the board of directors.

The fixed portion of the remuneration of independent directors is determined by the board of directors, and the independent directors are not to participate in the distribution of remuneration of directors.