

# Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

## Consolidated Financial Statements for the Six Months Ended June 30, 2024 and 2023 and Independent Auditors' Review Report

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## Independent Auditors' Report

The Board of Directors and Shareholders  
Ta Chen Stainless Pipe Co., Ltd.

### **Foreword**

We have audited the accompanying consolidated financial statements of Ta Chen Stainless Pipe Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant accounting policy information (collectively referred to as the "consolidated financial statements"). It is the responsibility of the Company to prepare the consolidated financial statements and fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility as auditor is to draw a conclusion on the consolidated financial statements.

### **Scope**

Except as stated in the Basis for Qualified Conclusion paragraph, we conduct the review pursuant to ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A consolidated financial statement review consists of inquiries, primarily of persons responsible for financial and accounting matters, and analytical and other review procedures. The scope of a review is obviously narrower than the scope of an audit. Hence, we might not identify the material matters that can be identified during an audit and, thus, cannot give audit opinions.

### **Basis for qualified conclusion**

As mentioned in Note 13 to the consolidated financial statements, the financial statements of some non-material subsidiaries included in the above consolidated financial statements have not been reviewed by CPAs. The total assets of said subsidiaries were NT\$9,094,552 thousand and NT\$8,849,084 thousand as of June 30, 2024 and 2023, accounting for 7% and 6% of the total consolidated assets. The total liabilities thereof were NT\$1,859,626 thousand and NT\$2,015,405 thousand, both 3% of the total consolidated liabilities. The comprehensive income were NT\$46,489 thousand, NT\$159,832 thousand, NT\$68,551 thousand, and NT\$52,200 thousand for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, accounting for 2%, 3%, 1%, and 1% of consolidated comprehensive income, respectively.

In addition to those described in the preceding paragraphs, as mentioned in Note 14 to the consolidated financial statements, the balance of investments accounted for using equity method as of June 30, 2024 and 2023 were NT\$382,316 thousand and NT\$85,842 thousand. The shares of profit or loss of the associates recognized under the equity method for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 were losses of NT\$50,341 thousand, profits of NT\$6,294 thousand, losses of NT\$173,560 thousand, and profits of NT\$6,950 thousand, respectively. Said information and the information disclosed in the notes to the consolidated financial statements were based on the evaluation and disclosed contents in the financial statements of said investees for the same period which has not yet audited by the CPAs.

### **Qualified Conclusion**

Based on our audit results, except the financial statements of non-material subsidiaries referred to in the Basis for Qualified Conclusion paragraph, which might have caused the consolidated financial statements to be adjusted if they were audited by CPAs, in our opinion, none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that fail to conform with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises or the version of IAS 34 - "Interim Financial Reporting" approved by the Financial Supervisory Commission, or compromise the fair view of the financial position of the Group as of June 30, 2024 and 2023, its business performance and consolidated cash flow for the three months ended, 2024 and 2023 and for the six months ended June 30, 2024 and 2023.

### **Other Matter**

We did not audit the financial statements of Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiary included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Therefore, the conclusion made by us, insofar as it relates to the amounts included for Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiary, is based solely on the reports of other auditors. As of June 30, 2024 and 2023, the total assets of the above subsidiaries were NT\$449,301 thousand and NT\$452,314 thousand, accounting for less than 1% of consolidated total assets; for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the total revenue was NT\$45,699 thousand, NT\$47,366 thousand, NT\$91,300 thousand, and NT\$93,456 thousand, accounting for less than 1% of consolidated total revenue.

We did not audit the financial statements of TY Steel Co., Ltd. included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Therefore, the conclusion made by us with respect to said consolidated financial statements, insofar as it relates to said investment amount and comprehensive income thereof, is based solely on the reports of other auditors. As of June 30, 2023, the total amount of the above investments accounted for using the equity method were NT\$500,866 thousand, accounting for less than 1% of the total consolidated assets; for the three months ended June 30, 2023 and for the six months ended June 30, 2023, the shares of the total comprehensive income accounted for using the equity method were NT\$(85,895) thousand and NT\$(64,507) thousand, accounting for (2%) and (1%), respectively, of the consolidated comprehensive income.

Deloitte Taiwan

CPA: Chi-Chen Li

CPA: Chao-Ching Yang

Securities and Futures Bureau Approval  
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Tai-Cai-Zheng-(VI)-Zi No. 0920123784

Financial Supervisory Commission's approval  
number

Jin-Guan-Zheng-Shen-Zi No. 1060023872

August 12, 2024

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
CONSOLIDATED BALANCE SHEETS  
June 30, 2024, December 31, 2023 and June 30, 2023

(In Thousands of New Taiwan Dollars)

Code	Asset	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							
1100	Cash and cash equivalents (Note 6)	\$ 9,429,728	7	\$ 9,424,771	7	\$ 10,983,192	7
1110	Financial assets at fair value through profit or loss - current (Note 7)	555,657	1	363,663	-	896,711	1
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	75,623	-	79,030	-	80,924	-
1136	Financial assets at amortized cost - current (Notes 9 and 32)	4,782,598	4	4,237,146	3	4,997,791	3
1139	Financial assets for hedging - current (Note 30)	-	-	-	-	191,711	-
1150	Notes receivable (Note 10)	50,617	-	58,572	-	37,922	-
1170	Accounts receivable, net (Notes 10, 25 and 32)	9,663,050	7	7,466,965	6	10,034,139	7
1197	Financial leases receivable (Notes 4 and 11)	17,613	-	-	-	-	-
1200	Other receivables (Note 31)	242,461	-	343,010	-	461,400	-
1220	Current tax assets	1,153,767	1	1,133,906	1	993,577	1
130X	Inventories (Notes 12 and 32)	54,097,000	39	56,615,858	42	65,640,836	45
1421	Prepayments (Notes 19 and 31)	1,909,266	1	2,612,686	2	1,668,325	1
1470	Other current assets	162,124	-	67,094	-	61,641	-
11XX	Total current assets	<u>82,139,504</u>	<u>60</u>	<u>82,402,701</u>	<u>61</u>	<u>96,048,169</u>	<u>65</u>
<b>NON-CURRENT ASSETS</b>							
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	843,775	1	411,934	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	707,265	1	786,447	1	797,759	1
1535	Financial assets at amortized cost - non-current (Notes 9, 31 and 32)	1,167,532	1	1,501,490	1	1,523,988	1
1538	Derivative financial assets for hedging - non-current (Note 30)	494,338	-	697,866	1	1,457,545	1
1550	Investments accounted for using the equity method (Note 14)	330,275	-	526,927	-	586,708	-
1600	Property, plant and equipment (Notes 15 and 32)	32,138,282	23	29,301,180	22	27,274,411	19
1755	Right-of-use assets (Note 17)	7,575,875	6	7,930,832	6	7,143,477	5
1760	Investment properties (Note 16)	1,130,140	1	1,185,148	1	1,189,970	1
1805	Goodwill (Note 18)	4,420,185	3	4,186,666	3	4,244,701	3
1821	Other intangible assets (Note 18)	1,481,762	1	1,586,433	1	1,788,883	1
1840	Deferred income tax assets (Note 4)	1,631,233	1	1,806,530	1	2,009,874	1
1915	Prepayments for equipment (Note 19)	3,254,752	2	2,368,615	2	2,549,442	2
194D	Financial leases receivable - non-current (Notes 4 and 11)	131,776	-	-	-	-	-
1975	Net defined benefit assets - non-current (Note 4)	142,676	-	133,774	-	129,472	-
1990	Other non-current assets	275,132	-	288,769	-	5,134	-
15XX	Total non-current assets	<u>55,724,998</u>	<u>40</u>	<u>52,712,611</u>	<u>39</u>	<u>50,701,364</u>	<u>35</u>
1XXX	TOTAL	<u>\$ 137,864,502</u>	<u>100</u>	<u>\$ 135,115,312</u>	<u>100</u>	<u>\$ 146,749,533</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
2100	Short-term borrowings (Notes 20 and 32)	\$ 14,053,038	10	\$ 17,955,293	13	\$ 12,468,355	8
2110	Short-term bills payable (Notes 20 and 32)	729,972	1	569,906	1	2,019,293	1
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	240,750	-	175,429	-	55,542	-
2130	Contract liabilities - current (Note 25)	149,333	-	145,627	-	156,635	-
2150	Notes payable (Note 21)	101,266	-	108,038	-	194,601	-
2170	Accounts payable (Note 21)	2,657,217	2	1,666,922	1	2,678,508	2
2180	Accounts payable to related parties (Notes 21 and 31)	269,794	-	310,795	-	304,758	-
2216	Dividends payable	3,805,985	3	-	-	5,930,925	4
2219	Other payables (Note 22)	2,979,874	2	3,153,930	2	3,014,228	2
2230	Current income tax liabilities (Note 4)	443,660	-	918,108	1	1,114,310	1
2280	Lease liabilities - current (Note 17)	1,159,996	1	1,131,386	1	1,035,889	1
2320	Current portion of long-term borrowings (Notes 20 and 32)	1,003,067	1	1,274,888	1	4,368,083	3
2399	Other current liabilities	857,823	1	584,075	1	744,186	1
21XX	Total current liabilities	<u>28,451,775</u>	<u>21</u>	<u>27,994,397</u>	<u>21</u>	<u>34,085,313</u>	<u>23</u>
<b>NON-CURRENT LIABILITIES</b>							
2540	Long-term borrowings (Notes 20 and 32)	22,694,354	16	22,870,654	17	30,365,038	21
2570	Deferred income tax liabilities (Note 4)	2,020,870	1	1,885,655	1	1,852,947	1
2580	Lease liabilities - non-current (Note 17)	7,581,616	6	7,729,011	6	6,972,329	5
2612	Long-term payables	45,461	-	45,182	-	48,881	-
2640	Net defined benefit liabilities - non-current (Note 4)	1,681	-	2,281	-	10,393	-
2670	Other non-current liabilities	116,849	-	108,823	-	127,736	-
25XX	Total non-current liabilities	<u>32,460,831</u>	<u>23</u>	<u>32,641,606</u>	<u>24</u>	<u>39,377,324</u>	<u>27</u>
2XXX	Total liabilities	<u>60,912,606</u>	<u>44</u>	<u>60,636,003</u>	<u>45</u>	<u>73,462,637</u>	<u>50</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)</b>							
<b>Ordinary shares</b>							
3110	Share Capital	24,342,606	18	24,342,606	18	20,285,505	14
3150	Share dividends to be distributed	-	-	-	-	4,057,101	3
3100	Total ordinary shares	<u>24,342,606</u>	<u>18</u>	<u>24,342,606</u>	<u>18</u>	<u>24,342,606</u>	<u>17</u>
3200	Capital surplus	23,000,709	17	23,001,551	17	22,755,347	16
<b>Retained earnings</b>							
3310	Legal reserve	4,752,560	3	4,217,219	3	4,217,219	3
3320	Special reserve	-	-	64,308	-	64,308	-
3350	Unappropriated earnings	12,692,161	9	14,079,877	11	12,351,457	8
3300	Total retained earnings	<u>17,444,721</u>	<u>12</u>	<u>18,361,404</u>	<u>14</u>	<u>16,632,984</u>	<u>11</u>
3400	Other equity	4,908,797	3	1,740,595	1	3,216,738	2
3500	Treasury shares	(4,386,159)	(3)	(4,386,159)	(3)	(4,384,902)	(3)
31XX	Total equity attributable to owners of the Company	<u>65,310,674</u>	<u>47</u>	<u>63,059,997</u>	<u>47</u>	<u>62,562,773</u>	<u>43</u>
36XX	NON-CONTROLLING INTERESTS (Note 24)	<u>11,641,222</u>	<u>9</u>	<u>11,419,312</u>	<u>8</u>	<u>10,724,123</u>	<u>7</u>
3XXX	Total equity	<u>76,951,896</u>	<u>56</u>	<u>74,479,309</u>	<u>55</u>	<u>73,286,896</u>	<u>50</u>
TOTAL		<u>\$ 137,864,502</u>	<u>100</u>	<u>\$ 135,115,312</u>	<u>100</u>	<u>\$ 146,749,533</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the independent auditors' report of Deloitte Taiwan dated August 12, 2024.)

Chairman: Li-Yun, Shieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Except Earnings Per Share)

Code		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenue (Note 25)	\$ 24,135,340	100	\$ 26,368,599	100	\$ 47,360,140	100	\$ 55,335,532	100
5000	Operating Costs (Notes 12, 26 and 31)	<u>19,369,885</u>	<u>80</u>	<u>21,133,210</u>	<u>80</u>	<u>38,611,359</u>	<u>82</u>	<u>43,932,288</u>	<u>79</u>
5900	GROSS PROFIT	<u>4,765,455</u>	<u>20</u>	<u>5,235,389</u>	<u>20</u>	<u>8,748,781</u>	<u>18</u>	<u>11,403,244</u>	<u>21</u>
	Operating Expenses (Notes 10, 26 and 31)								
6100	Selling and marketing expenses	794,971	3	778,472	3	1,556,711	3	1,581,254	3
6200	General and administrative expenses	1,898,654	8	1,875,064	7	3,751,730	8	3,793,278	7
6450	Expected (reversed) credit loss recognized on accounts receivable	( 3,379 )	-	( 283 )	-	177	-	660	-
6000	Total operating expenses	<u>2,690,246</u>	<u>11</u>	<u>2,653,253</u>	<u>10</u>	<u>5,308,618</u>	<u>11</u>	<u>5,375,192</u>	<u>10</u>
6500	OTHER OPERATING INCOME AND EXPENSES (Note 26)	( 9,989 )	-	( 1,857 )	-	( 12,200 )	-	( 907 )	-
6900	PROFIT FROM OPERATIONS	<u>2,065,220</u>	<u>9</u>	<u>2,580,279</u>	<u>10</u>	<u>3,427,963</u>	<u>7</u>	<u>6,027,145</u>	<u>11</u>
	NON-OPERATING INCOME AND EXPENSES (Notes 26 and 31)								
7100	Interest income	188,275	-	83,478	-	348,159	1	129,316	-
7010	Other income	34,636	-	56,588	-	64,201	-	93,210	-
7020	Other gains and losses	( 22,887 )	-	984,640	4	739,631	1	1,066,046	2
7050	Finance costs	( 293,695 )	( 1 )	( 301,688 )	( 1 )	( 541,468 )	( 1 )	( 669,881 )	( 1 )
7060	Share of associates accounted for using the equity method	( 51,244 )	-	( 79,496 )	-	( 166,461 )	-	( 92,360 )	-
7000	Total non-operating expenses	<u>( 144,915 )</u>	<u>( 1 )</u>	<u>743,522</u>	<u>3</u>	<u>444,062</u>	<u>1</u>	<u>526,331</u>	<u>1</u>
7900	PROFIT BEFORE INCOME TAX FOR THE YEAR	1,920,305	8	3,323,801	13	3,872,025	8	6,553,476	12
7950	INCOME TAX EXPENSE (Notes 4 and 27)	<u>687,367</u>	<u>3</u>	<u>1,283,801</u>	<u>5</u>	<u>1,194,449</u>	<u>2</u>	<u>2,106,067</u>	<u>4</u>
8200	NET PROFIT FOR THE YEAR	<u>1,232,938</u>	<u>5</u>	<u>2,040,000</u>	<u>8</u>	<u>2,677,576</u>	<u>6</u>	<u>4,447,409</u>	<u>8</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 27)								
8310	Items that will not be reclassified subsequently to profit or loss:								
8311	Remeasurement of defined benefit plans	-	-	-	-	4,876	-	12,688	-
8316	Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	<u>9,865</u>	<u>-</u>	<u>( 4,115 )</u>	<u>-</u>	<u>( 87,077 )</u>	<u>-</u>	<u>( 10,143 )</u>	<u>-</u>
		<u>9,865</u>	<u>-</u>	<u>( 4,115 )</u>	<u>-</u>	<u>( 82,201 )</u>	<u>-</u>	<u>2,545</u>	<u>-</u>

(To be Continued)

(Brought Forward)

Code		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	1,040,791	5	1,422,645	5	3,898,037	8	569,790	1
8370	Shares of other comprehensive income of associates recognized using the equity method	( 7,099 )	-	( 105 )	-	( 7,099 )	-	34,802	-
8368	Gain on hedging instruments not subject to basis adjustment	( \$ 201,233 )	( 1 )	\$ 363,633	1	( \$ 262,599 )	( 1 )	\$ 434,886	1
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>52,804</u>	<u>-</u>	<u>( 86,690 )</u>	<u>-</u>	<u>64,793</u>	<u>-</u>	<u>( 425,889 )</u>	<u>( 1 )</u>
		<u>885,263</u>	<u>4</u>	<u>1,699,483</u>	<u>6</u>	<u>3,693,132</u>	<u>7</u>	<u>613,589</u>	<u>1</u>
8300	Other comprehensive income (loss) for the year, net of income tax	<u>895,128</u>	<u>4</u>	<u>1,695,368</u>	<u>6</u>	<u>3,610,931</u>	<u>7</u>	<u>616,134</u>	<u>1</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,128,066</u>	<u>9</u>	<u>\$ 3,735,368</u>	<u>14</u>	<u>\$ 6,288,507</u>	<u>13</u>	<u>\$ 5,063,543</u>	<u>9</u>
8600	NET PROFIT								
	ATTRIBUTABLE TO:								
8610	Owners of the Company	\$ 916,865	4	\$ 1,632,193	6	\$ 1,999,554	4	\$ 3,612,297	7
8620	Non-controlling interests	<u>316,073</u>	<u>1</u>	<u>407,807</u>	<u>2</u>	<u>678,022</u>	<u>2</u>	<u>835,112</u>	<u>1</u>
		<u>\$ 1,232,938</u>	<u>5</u>	<u>\$ 2,040,000</u>	<u>8</u>	<u>\$ 2,677,576</u>	<u>6</u>	<u>\$ 4,447,409</u>	<u>8</u>
8700	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
	TO:								
8710	Owners of the Company	\$ 1,664,583	7	\$ 3,119,263	12	\$ 5,172,632	11	\$ 4,108,572	7
8720	Non-controlling interests	<u>463,483</u>	<u>2</u>	<u>616,105</u>	<u>2</u>	<u>1,115,875</u>	<u>2</u>	<u>954,971</u>	<u>2</u>
		<u>\$ 2,128,066</u>	<u>9</u>	<u>\$ 3,735,368</u>	<u>14</u>	<u>\$ 6,288,507</u>	<u>13</u>	<u>\$ 5,063,543</u>	<u>9</u>
	EARNINGS PER SHARE (New Taiwan Dollars; Note 28)								
9710	Basic	\$ 0.40		\$ 0.70		\$ 0.87		\$ 1.55	
9810	Diluted	0.40		0.70		0.86		1.55	

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the independent auditors' report of Deloitte Taiwan dated August 12, 2024.)

Chairman: Li-Yun, Shieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
January 1 to June 30, 2024 and 2023

(In Thousands of New Taiwan Dollars)  
(Except Dividends Per Share)

		Equity Attributable to Owners of the Company														
		Ordinary shares			Retained Earnings				Other Equity							
Code		Share Capital	Share dividends to be distributed	Total	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	Treasury Shares	Total	Non-controlling Interests (Note 22)	Total Equity
A1	Balance at January 1, 2024	\$ 24,342,606	\$ -	\$ 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	\$ 11,419,312	\$ 74,479,309
	Appropriation of 2023 earnings (Note 24)															
B1	Legal Reserve	-	-	-	-	535,341	-	( 535,341 )	-	-	-	-	-	-	-	-
B3	Special Reserve	-	-	-	-	-	( 64,308 )	64,308	-	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company - NTS1.2 per share	-	-	-	-	-	-	( 2,921,113 )	-	-	-	-	-	( 2,921,113 )	-	( 2,921,113 )
T1	Cash dividends of subsidiaries' shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	( 884,872 )	( 884,872 )
D1	Net profit for the six months ended June 30, 2023	-	-	-	-	-	-	1,999,554	-	-	-	-	-	1,999,554	678,022	2,677,576
D3	Other comprehensive income for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	4,876	3,389,926	( 29,643 )	( 192,081 )	3,168,202	-	3,173,078	437,853	3,610,931
D5	Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	2,004,430	3,389,926	( 29,643 )	( 192,081 )	3,168,202	-	5,172,632	1,115,875	6,288,507
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	( 7,976 )	( 7,976 )
M7	Share of changes in equity of subsidiaries	-	-	-	( 842 )	-	-	-	-	-	-	-	-	( 842 )	( 1,117 )	( 1,959 )
Z1	Balance at June 30, 2024	\$ 24,342,606	\$ -	\$ 24,342,606	\$ 23,000,709	\$ 4,752,560	\$ -	\$ 12,692,161	\$ 4,680,487	( \$ 90,806 )	\$ 319,116	\$ 4,908,797	( \$ 4,386,159 )	\$ 65,310,674	\$ 11,641,222	\$ 76,951,896
A1	Balance at January 1, 2023	\$ 20,285,505	\$ -	\$ 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	\$ 10,635,215	\$ 73,897,195
	Appropriation of 2022 earnings (Note 24)															
B1	Legal reserve	-	-	-	-	1,191,421	-	( 1,191,421 )	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	( 3,819,497 )	3,819,497	-	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company - NTS2.4 per share	-	-	-	-	-	-	( 4,868,521 )	-	-	-	-	-	( 4,868,521 )	-	( 4,868,521 )
B9	Share dividends distributed by the Company - NTS2.0 per share	-	4,057,101	4,057,101	-	-	-	( 4,057,101 )	-	-	-	-	-	-	-	-
T1	Cash dividends of subsidiaries' shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	( 1,062,404 )	( 1,062,404 )
D1	Net profit for the six months ended June 30, 2024	-	-	-	-	-	-	3,612,297	-	-	-	-	-	3,612,297	835,112	4,447,409
D3	Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	12,688	473,498	893	9,196	483,587	-	496,275	119,859	616,134
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	3,624,985	473,498	893	9,196	483,587	-	4,108,572	954,971	5,063,543
M5	The difference between the actual acquisition or disposal of subsidiary equity prices and book value (Note 29)	-	-	-	13,249	-	-	-	-	-	-	-	-	13,249	7,903	21,152
M7	Share of changes in equity of subsidiaries	-	-	-	( 41,417 )	-	-	-	-	-	-	-	88,772	47,355	( 36,312 )	11,043
N1	Recognition of subsidiaries' share-based payments	-	-	-	138	-	-	-	-	-	-	-	-	138	177	315
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	224,573	224,573
Z1	Balance at June 30, 2023	\$ 20,285,505	\$ 4,057,101	\$ 24,342,606	\$ 22,755,347	\$ 4,217,219	\$ 64,308	\$ 12,351,457	\$ 1,626,269	( \$ 58,787 )	\$ 1,649,256	\$ 3,216,738	( \$ 4,384,902 )	\$ 62,562,773	\$ 10,724,123	\$ 73,286,896

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the independent auditors' report of Deloitte Taiwan dated August 12, 2024.)

Chairman: Li-Yun, Shieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
January 1 to June 30, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		For the Six Months	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
A10000	Income before income tax	\$ 3,872,025	\$ 6,553,476
A20010	Adjustments for:		
A20100	Depreciation expenses	1,276,339	1,125,948
A20200	Amortization expenses	204,003	201,505
A20300	Expected credit impairment loss	177	660
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	( 163,298 )	( 891,707 )
A20900	Finance costs	541,468	669,881
A21200	Interest income	( 348,159 )	( 129,316 )
A21300	Dividend income	-	( 60 )
A21900	Compensation costs of employee share options	-	315
A22300	Share of profit or loss of associates accounted for using the equity method	166,461	92,360
A22500	Loss on disposal of property, plant and equipment	12,200	907
A23000	Derecognition of disposal groups held for sale	-	( 4,455 )
A24100	Unrealized gain on foreign currency exchange	( 635,389 )	( 280,130 )
A29900	Gain on bargain purchase and lease modifications	( 10,657 )	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	7,955	2,097
A31150	Accounts receivable	( 1,808,327 )	( 1,823,212 )
A31180	Other receivables	95,255	302,025
A31200	Inventories	5,451,697	7,331,052
A31230	Prepayments	734,407	446,646
A31240	Other current assets	( 95,030 )	21,471
A32125	Contract liabilities	3,706	( 17,323 )
A32130	Notes payable	3,528	121,386
A32150	Accounts payable	949,294	( 13,502 )
A32180	Other payables	( 75,939 )	( 941,425 )
A32230	Other current liabilities	273,748	( 152,470 )
A32240	Net defined benefit assets and liabilities	( 9,502 )	( 20,355 )
A33000	Cash generated from operations	10,445,962	12,595,774
A33500	Income tax paid	( 1,199,255 )	( 1,463,188 )
AAAA	Net cash generated from operating activities	<u>9,246,707</u>	<u>11,132,586</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B00010	Acquisition of financial assets at fair value through other comprehensive income	( 14,139 )	( 66,996 )
B00060	Acquisition of financial assets at amortized cost	( 345,272 )	( 2,442,123 )
B00100	Acquisition of financial assets at fair value through profit or loss	( 460,106 )	( 44,689 )
B00200	Proceeds from sale of financial assets at fair value through profit or loss	64,890	34,823
B02300	Net cash inflow on disposed of subsidiary	-	97,074
B02700	Payments for property, plant and equipment	( 2,357,880 )	( 3,170,958 )
B02800	Proceeds from disposal of property, plant and equipment	2,312	8,787
B03700	Increase in refundable deposits	( 24,435 )	( 264,482 )
B03800	Decrease in refundable deposits	187,587	183,136
B04500	Acquisition and purchase of intangible assets	( 12,434 )	( 14,293 )
B05400	Acquisition of investment properties	-	( 1,331 )

(To be Continued)

(Brought Forward)

Code		For the Six Months	
		2024	2023
B06100	Decrease in financial leases receivable	\$ 2,410	\$ -
B06700	Increase in other non-current assets	-	( 1,192 )
B06800	Decrease in other non-current assets	10,184	-
B07100	Increase in prepayments for equipment	( 1,028,955 )	( 1,372,757 )
B07500	Interest received	353,453	91,182
B07600	Dividends received	-	60
BBBB	Net cash used in investing activities	( <u>3,622,385</u> )	( <u>6,963,759</u> )
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
C00100	Proceeds from short-term borrowings	17,229,570	11,529,768
C00200	Repayments of short-term borrowings	( 21,135,426 )	( 12,454,612 )
C00500	Proceeds from short-term bills payable	4,477,685	8,380,927
C00600	Repayments of short-term bills payable	( 4,320,000 )	( 7,260,000 )
C01600	Proceeds from long-term borrowings	12,636,404	9,908,103
C01700	Repayments of long-term borrowings	( 13,673,816 )	( 13,772,216 )
C03500	Increase in payables	279	-
C03600	Decrease in payables	-	( 2,272 )
C04020	Repayment of the principal portion of lease	( 576,020 )	( 508,472 )
C05500	Disposal of interests in subsidiaries	-	21,152
C05600	Interest paid	( 507,422 )	( 649,707 )
C05800	Changes in non-controlling interests	( 895 )	305,278
C09900	Other financing activities	8,026	( 5,344 )
CCCC	Net cash outflow from financing activities	( <u>5,861,615</u> )	( <u>4,507,395</u> )
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>242,250</u>	<u>87,473</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,957	( 251,095 )
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>9,424,771</u>	<u>11,234,287</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 9,429,728</u>	<u>\$ 10,983,192</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the independent auditors' report of Deloitte Taiwan dated August 12, 2024.)

Chairman: Li-Yun, Shieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. Company History

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 is also engaged in the manufacturing and selling of aluminum products and sale of screws and nuts.

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

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the “Group”, are presented in the Company’s functional currency, the New Taiwan dollar.

II. Date and Procedure for Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on August 12, 2024.

III. Application of New, Amended and Revised Standards and Interpretations

(I) 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)

Except for the following descriptions, the application of the amended IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

The amendments are applicable to the Group on January 1, 2024. The amendments specify that the feature of supplier finance arrangements is one or more financing providers promising to pay an enterprise an amount that it shall pay to its supplier, and that the enterprise agrees to make the payment according to the terms and conditions of such arrangements on the same day on which its supplier is paid (or a subsequent date). The Group shall make disclosures that allow users of the financial statements to assess the effects of supplier finance arrangements on their liabilities, cash flow, and liquidity risk exposure. Partial disclosure requirements are exempted for the initial application of the amendments, and the Group will disclose the abovementioned information in the 2024 consolidated financial statements.

(II) 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
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. When the amendments are applied for the first time, the period of comparison shall not be re-stated, but the effects shall be recognized in the retained earnings on the date of initial application or the exchange differences of foreign operations under equity (as appropriate) and related affected assets and liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose other impacts when the assessment is completed.

(III) 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)
“IFRS Accounting Standards - Annual Improvements - Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its 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 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above new, amended and revised IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosures of Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements" and the main changes include:

- The income statement should divide the income and expenses into business, investment, fundraising, income tax, and discontinued operations.
- The income statement should present operating profit or loss, fundraising and profit or loss before income tax, as well as the subtotal and total of profit or loss.
- Provide guidance to improve the requirements about aggregation and segmentation: The Group shall identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and prepare the classification and aggregation based on the common characteristics to make various line items of the financial statements have at least one similar characteristics. Items with different characteristics should

be broken down in the main financial statements and notes. The Group may only mark such items as "others" when no more informative name can be found.

- Add the disclosure of the performance measurement defined by the management: When the Group engages in open communication outside the financial statements, and when the management's view of the Group's overall financial performance on a certain aspect is communicated to the users of the financial statements, the information on performance measurements defined by management should be disclosed in a single note to the financial statements, including descriptions about the measurements, how to calculate them, reconciliations between them and any subtotals or totals specified in IFRS, adjustment of subtotal and total expressly defined by it and IFRSs, and impact of relevant adjustments on income tax and non-controlling interests, etc.

In addition to said effects, as of the date of publication of these consolidated financial statements, the consolidated company still continues to evaluate the impact of other standards and amendments to interpretations on the financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

#### IV. Summary of Significant Accounting Policy Information

##### (I) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" approved and issued into effect by the FSC. The consolidated financial statements do not include all the information disclosed under the IFRSs as required by the annual financial statements.

##### (II) Basis of preparation

Except for financial instruments measured at fair value and net defined benefit assets (liabilities) recognized based on the present value of defined benefit obligations deducting the fair value of plan assets, the consolidated financial statements have been prepared on the basis of historical cost.

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 on the measurement date;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the 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.

##### (III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). The operating profit and loss of the acquired subsidiary has been included in the consolidated statement of comprehensive income since the acquisition date. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company. All intra-group transactions, balances, income and expenses

are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 13, Table 8 and Table 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(IV) Reclassification of presentation

The management fees in the consolidated financial statements for the three months ended June 30, 2023 and the six months ended June 30, 2023 were reclassified as marketing fees of NT\$98,096 thousand and NT\$198,171 thousand, respectively, to align with the presentation of the consolidated financial statements for the three months ended June 30, 2024 and the six months ended June 30, 2024.

(V) Other significant accounting policies

In addition to the following, please refer to the summary of significant accounting policies in the 2023 consolidated financial statements.

1. 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 there is no substantive right to defer the settlement period to at least 12 months after the balance sheet date.

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

2. Defined retirement benefits

The pension cost in the interim period was calculated on a year-to-date basis using the actuarially determined pension cost rate at the end of the previous year. Calculation term is from the beginning of the period to the end of the period, and adjustments are made for major market fluctuations in the current period, major amendments to plans, settlement, or other significant one-time matters.

3. Income Tax Expenses

Income tax expense represents the sum of current income tax and deferred income tax. The interim income tax is evaluated on an annual basis and the interim profit before tax is applied with the tax rate applicable to the expected total annual earnings for calculations.

4. Leases

The Group as lessor

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

Under a finance lease, the lease payments include substantive fixed payments. The net lease investment is measured by the sum of the present value of the lease payments receivable and the unguaranteed residual value plus the initial direct cost, and is presented financial leases receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return of the Group's unexpired net lease investments in each period.

V. Major accounting judgments, estimates, and major sources of uncertainty for assumptions

Please refer to the major accounting judgments, estimates, and major sources of uncertainty for assumptions in 2023 consolidated financial statements.

VI. Cash and Cash Equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 2,305	\$ 2,284	\$ 1,684
Checking accounts and demand deposits	8,185,591	8,234,005	9,145,691
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	1,154,143	1,066,234	1,685,990
Repurchase agreements	87,689	122,248	149,827
	<u>\$ 9,429,728</u>	<u>\$ 9,424,771</u>	<u>\$ 10,983,192</u>

VII. Financial Instruments at Fair Value Through Profit or Loss

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets - current</u>			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (I)	\$ 1,638	\$ 135,837	\$ 5,590
Interest rate swap contracts (II)	-	82,221	-
Metal price derivative financial instruments contracts (III)			
Swap contracts	61,038	17,850	558,403
Forward contracts	21,472	19,110	163,073
Futures contracts	394,194	-	74,461
	<u>478,342</u>	<u>255,018</u>	<u>801,527</u>

(To be Continued)

(Brought Forward)

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	77,315	108,645	95,184
	<u>\$ 555,657</u>	<u>\$ 363,663</u>	<u>\$ 896,711</u>
<u>Financial assets - non-current</u>			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Interest rate swap contracts (II)	\$ 843,775	\$ 411,934	\$ -
<u>Financial liabilities - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts (I)	\$ 145,631	\$ 45,267	\$ 54,406
Metal price derivative financial instruments contracts (III)			
Swap contracts	82,190	17,322	1,136
Forward contracts	9,192	41,023	-
Future contracts	3,737	71,817	-
	<u>\$ 240,750</u>	<u>\$ 175,429</u>	<u>\$ 55,542</u>

(I) The outstanding forward foreign exchange contracts not under hedge accounting on the balance sheet date are stated as follows:

June 30, 2024

Contract	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	AUD/USD	July 2024	AUD 15,488/USD 10,290
Sell	AUD/USD	July 2024 – April 2025	AUD 80,077/USD 53,102
Sell	USD/EUR	July 2024 – January 2026	USD 26,141/EUR 23,290
Sell	USD/NTD	July 2024 – June 2025	USD 180,350/NTD 5,703,690

December 31, 2023

Contract	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	AUD/USD	January 2024 – July 2024	AUD 10,733/USD 7,211
Buy	NZD/USD	January 2024	NZD 2,432/USD 1,526
Buy	USD/GBP	March 2024	USD 4,487/GBP 3,555
Sell	USD/NTD	January 2024 – August 2024	USD 100,000/NTD 3,154,700
Sell	AUD/USD	January 2024 – September 2024	AUD 67,031/USD 44,363
Sell	NZD/USD	January 2024 – March 2024	NZD 4,286/USD 2,617
Sell	USD/EUR	January 2024 – January 2026	USD 39,268/EUR 35,098

June 30, 2023

<u>Contract</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
Buy	AUD/USD	July 2023 – November 2023	USD 4,461/AUD 6,581
Buy	USD/GBP	September 2023	GBP 3,612/USD 4,487
Sell	AUD/USD	July 2023 – March 2024	AUD 48,404/USD 32,732
Sell	USD/GBP	July 2023	GBP 47/USD 59
Sell	USD/NTD	July 2023 – November 2023	USD 123,000/NTD 3,777,080
Sell	USD/EUR	January 2024 – January 2026	USD 38,014/EUR 33,960
Sell	NZD/USD	November 2023 – January 2024	NZD 4,731/USD 2,926

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- (II) The interest rate swap contracts not under hedge accounting on the balance sheet date are stated as follows:

June 30, 2024

<u>Notional Amount (In Thousands)</u>	<u>Maturity Date</u>	<u>Range of Interest Rates Paid</u>	<u>Range of Interest Rates Received</u>
USD 290,000	May 2027	0.67% - 1.78%	Compounded SOFR+0.1148%
USD 5,000	May 2026	0.975% - 1.023%	Compounded SOFR+0.1148%

December 31, 2023

<u>Notional Amount (In Thousands)</u>	<u>Maturity Date</u>	<u>Range of Interest Rates Paid</u>	<u>Range of Interest Rates Received</u>
USD 100,000	May 2024	1.31%	Term SOFR 1 month+0.1%
USD 230,000	May 2024 – May 2027	0.67% - 1.78%	Compounded SOFR+0.1148%

- (III) The metal price derivative financial instruments contracts not under hedge accounting on the balance sheet date are stated as follows:

June 30, 2024

Swap contracts

<u>Contract</u>	<u>Notional Amount (Thousand)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>	<u>Maturity Date</u>
Aluminum price swaps	USD 84,514	38,074	USD 2,171 - 2,751	July 2024 – January 2025
Aluminum price swaps of Midwestern United States	USD 2,055	4,400	USD 440 - 480	July 2024 – October 2024
Nickel price swaps	USD 29,324	1,611	USD 16,056 - 19,238	July 2024 – November 2024

### Forward contracts

<u>Contract</u>	<u>Notional Amount (in thousand)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>	<u>Maturity Date</u>
Aluminum price forwards	USD 57,537	22,953	USD 2,203 - 2,742	July 2024 – February 2025
Nickel price forwards	USD 22,239	1,256	USD 16,305 - 19,717	July 2024 – February 2025

### Futures contracts

<u>Contract</u>	<u>Notional Amount (In Thousands)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>	<u>Maturity Date</u>
Aluminum price futures	USD 50,282	19,975	USD 2,259 - 2,750	July 2024 – October 2024
Aluminum price futures	EUR 1,691	725	EUR 2,292 - 2,367	July 2024 – October 2024
Aluminum price futures	GBP 2,864	1,475	GBP 1,770 - 2,059	July 2024 – October 2024

### December 31, 2023

#### Swap contracts

<u>Contract</u>	<u>Notional Amount (in thousand)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>	<u>Maturity Date</u>
Aluminum price swaps	USD 65,768	29,558	USD 2,086 - 2,486	January 2024 – September 2024
Aluminum price swaps of Midwestern United States	USD 2,131	4,800	USD 414 - 482	January 2024 – November 2024
Nickel price swaps	USD 19,410	1,080	USD 16,226 - 22,700	January 2024 – June 2024

### Forward contracts

<u>Contract</u>	<u>Notional Amount (in thousand)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>	<u>Maturity Date</u>
Aluminum price forwards	USD 65,857	28,879	USD 2,128 - 2,588	January 2024 – August 2024
Nickel price forwards	USD 44,166	2,600	USD 16,396 - 21,032	January 2024 – September 2024

### Futures contracts

<u>Contract</u>	<u>Notional Amount (In Thousands)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>	<u>Maturity Date</u>
Aluminum price futures	USD 47,532	21,425	USD 2,104 - 2,413	January 2024 – May 2024
Aluminum price futures	EUR 2,302	1,125	EUR 1,976 - 2,084	January 2024 – March 2024
Aluminum price futures	GBP 2,866	1,600	GBP 1,703 - 1,852	January 2024 – April 2024

### June 30, 2023

#### Swap contracts

<u>Contract</u>	<u>Notional Amount (in thousand)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>		<u>Maturity Date</u>
Aluminum price swaps	USD 106,480	45,225	USD	2,112 - 2,673	July 2023 – February 2024
Aluminum price swaps of Midwestern United States	USD 4,292	8,250	USD	486 - 547	July 2023 – December 2023
Nickel price swaps	USD 29,287	1,286	USD	20,860 - 28,065	July 2023 – January 2024

#### Forward contracts

<u>Contract</u>	<u>Notional Amount (in thousand)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>		<u>Maturity Date</u>
Aluminum price forwards	USD 57,641	25,458	USD	2,117 - 2,588	July 2023 – February 2024
Nickel price forwards	USD 53,287	2,484	USD	20,329 - 28,717	July 2023 – February 2024

#### Futures contracts

<u>Contract</u>	<u>Notional Amount (In Thousands)</u>	<u>Transaction Amount (In Tons)</u>	<u>Contract Price (all foreign currencies/per Ton)</u>		<u>Maturity Date</u>
Aluminum price futures	USD 27,977	12,225	USD	2,109 - 2,402	July 2023 – November 2023
Aluminum price futures	EUR 3,662	1,775	EUR	1,943 - 2,102	July 2023 – September 2023
Aluminum price futures	GBP 3,680	2,000	GBP	1,671 - 2,039	July 2023 – November 2023

The Group entered into aluminum price and nickel price derivative financial instrument contracts to reduce the impact of raw material price fluctuations on profitability.

The net gain (loss) attributable to the above financial instrument transactions for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 are stated as follows:

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Mutual funds	\$ 795	\$ 9,723	\$ 5,294	\$ 3,908
Interest rate swap contracts	132,478	-	314,610	-
Foreign exchange swap contracts	( 10,301)	874	16,639	( 500)
Foreign exchange forward contracts	( 122,451)	( 69,127)	( 272,516)	( 51,800)
Metal price derivative financial instrument contracts	( 270,712)	593,111	( 189,344)	826,525
	<u>(\$ 270,191)</u>	<u>\$ 534,581</u>	<u>(\$ 125,317)</u>	<u>\$ 778,133</u>

VIII. Financial Assets at Fair Value Through Other Comprehensive Income

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Foreign investments			
Listed shares	\$ <u>75,623</u>	\$ <u>79,030</u>	\$ <u>80,924</u>
<u>Non-current</u>			
Domestic investments			
Emerging market shares	\$ 680,113	\$ 759,295	\$ -
Unlisted shares	<u>27,152</u>	<u>27,152</u>	<u>797,759</u>
	<u>\$ 707,265</u>	<u>\$ 786,447</u>	<u>\$ 797,759</u>

The Group invested in said equity instruments for the medium to long-term strategic purposes and expected to seek profit through the long-term investment. 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 Group's strategy of holding these investments for long-term purposes.

Tung Mung Development Co., Ltd.'s shares have been listed on the Emerging Stock Board (ESB) since October 2023. Therefore, the investment amount of shares held by the Group was classified from unlisted shares to emerging market shares on December 31, 2023.

IX. Financial Assets at Amortized Cost

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Pledged time deposits	\$ 958,458	\$ 780,642	\$ 751,123
Pledged demand deposits (reserve account)	1,364,114	1,502,636	1,556,628
Pledged repurchase agreements collateralized by bonds	20,626	20,567	30,684
Time deposits with original maturities more than 3 months	<u>2,439,400</u>	<u>1,933,301</u>	<u>2,659,356</u>
	<u>\$4,782,598</u>	<u>\$4,237,146</u>	<u>\$4,997,791</u>
<u>Non-current</u>			
Pledged time deposits	\$ 330,000	\$ 390,000	\$ 390,000
Pledged demand deposits (reserve account)	80,218	220,398	234,071
Refundable deposits	<u>757,314</u>	<u>891,092</u>	<u>899,917</u>
	<u>\$1,167,532</u>	<u>\$1,501,490</u>	<u>\$1,523,988</u>

- (I) The ranges of interest rates for time deposits (including both time deposits with original maturities of more than three months and pledged time deposits) were approximately 0.54% - 5.57%, 0.54% - 5.68% and 0.15% - 5.68% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.
- (II) Refer to Note 32 for the information relating to investments in financial assets at amortized cost pledged as security.

X. Notes Receivable and Accounts Receivable, Net

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
Notes receivable - operating	\$ 50,617	\$ 58,572	\$ 37,922
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 9,701,742	\$ 7,503,623	\$ 10,088,468
Less: Allowance for impairment loss	( 38,692 )	( 36,658 )	( 54,329 )
	<u>\$ 9,663,050</u>	<u>\$ 7,466,965</u>	<u>\$ 10,034,139</u>

The average credit period of the sale of goods was 30-90 days. No interest was charged on accounts receivable. The Group 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 Group uses publicly available financial information or its own trading records to rate its customers. The Group's exposures and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the Group annually.

In order to minimize credit risk, the management of the Group 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 Group 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 Group's credit risk is significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix 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. As the Group'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 Group's different customer base.

The Group writes off an account receivable when there is information 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 Group 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 table details the loss allowance of notes receivable and accounts receivable based on the Group's provision matrix.

Notes receivable

The Group assessed that the notes receivable were not past due based on the past due status; thus, the Group did not recognize an expected credit loss for notes receivable as of June 30, 2024, December 31, 2023 and June 30, 2023.

## Accounts receivable

June 30, 2024

	No indication of default of debtor				Indication of default of debtor	Total
	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	0.04%	0%	0%	16.3%	100%	
Gross carrying amount	\$ 8,819,880	\$ 621,675	\$ 114,246	\$ 132,067	\$ 13,874	\$ 9,701,742
Loss allowance (Lifetime ECLs)	( 3,293 )	( 1 )	-	( 21,524 )	( 13,874 )	( 38,692 )
Amortized cost	<u>\$ 8,816,587</u>	<u>\$ 621,674</u>	<u>\$ 114,246</u>	<u>\$ 110,543</u>	<u>\$ -</u>	<u>\$ 9,663,050</u>

December 31, 2023

	No indication of default of debtor				Indication of default of debtor	Total
	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	0.04%	0.08%	0%	17.11%	100%	
Gross carrying amount	\$ 6,700,205	\$ 535,064	\$ 135,741	\$ 119,503	\$ 13,110	\$ 7,503,623
Loss allowance (Lifetime ECLs)	( 2,674 )	( 431 )	-	( 20,443 )	( 13,110 )	( 36,658 )
Amortized cost	<u>\$ 6,697,531</u>	<u>\$ 534,633</u>	<u>\$ 135,741</u>	<u>\$ 99,060</u>	<u>\$ -</u>	<u>\$ 7,466,965</u>

June 30, 2023

	No indication of default of debtor				Indication of default of debtor	Total
	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	0.03%	0.05%	0%	30.67%	100%	
Gross carrying amount	\$ 9,338,857	\$ 422,223	\$ 186,354	\$ 129,460	\$ 11,574	\$ 10,088,468
Loss allowance (Lifetime ECLs)	( 2,845 )	( 198 )	( 1 )	( 39,711 )	( 11,574 )	( 54,329 )
Amortized cost	<u>\$ 9,336,012</u>	<u>\$ 422,025</u>	<u>\$ 186,353</u>	<u>\$ 89,749</u>	<u>\$ -</u>	<u>\$ 10,034,139</u>

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

	For the Six Months Ended June 30	
	2024	2023
Opening Balance	\$ 36,658	\$ 53,176
Provision in current period	177	660
Foreign exchange gains and losses	1,857	493
Ending Balance	<u>\$ 38,692</u>	<u>\$ 54,329</u>

Refer to Note 32 for the carrying amount of the Group's accounts receivable pledged as collateral for bank borrowings.

### XI. Financial leases receivable - June 30, 2024

	Amount
Undiscounted lease payments	
1st year	\$ 29,784
2nd year	30,529
3rd year	31,292
4th year	32,074
5th year	32,876
More than 5 years	<u>36,541</u>
	193,096
Less: Unearned financial gains	( 43,707 )
Net lease investments (presented as financial leases receivable)	<u>\$ 149,389</u>

The Group subleased the plants it rented to a non-related party in April 2024. The leasing period is from April 2024 to July 2030. As the remaining leasing period of the main lease is fully subleased, it is classified as financial leases.

The implicit interest rate during the leasing period will no longer change after being decided on the contracting day. As of June 30, 2024, the implicit interest rate of financial leases is an annual interest rate of 8.75%.

## XII. Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods and merchandise	\$ 39,789,638	\$ 41,265,238	\$ 46,194,414
Work in progress	7,262,426	7,595,777	9,500,623
Raw materials	4,014,193	4,513,877	6,666,381
Materials	1,029,313	781,984	590,187
Merchandise in transit	168,298	193,702	98,246
Raw materials in transit	<u>1,833,132</u>	<u>2,265,280</u>	<u>2,590,985</u>
	<u>\$ 54,097,000</u>	<u>\$ 56,615,858</u>	<u>\$ 65,640,836</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 was NT\$19,369,885 thousand, NT\$21,133,210 thousand, NT\$38,611,359 thousand, and NT\$43,932,288 thousand, respectively.

Refer to Note 32 for the carrying amount of the Group's inventories pledged as collateral for bank borrowings.

## XIII. Subsidiaries

### (I) Subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Ta Chen International, Inc. (TCI)	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	100	100	100	
	Ta Chen (B.V.I.) Holdings Ltd. ("Ta Chen BVI")	Investment	100	100	100	3.
	Brighton-Best International (Taiwan) Inc. ("BBI-TW")	Import, export and sale of screws and nuts	42.72	42.72	42.72	1.
	Yinrong (Shanghai) Investment Management Limited	Investment	100	100	100	3.
	Wei Mei Roller Blind Co., Ltd. (Wei-Mei Roller Blind)	Manufacture and sale of curtains and decorations	70	70	70	
	Ta Chen (Hong Kong) Limited	Investment	100	100	100	3.
	Ta Chen Lung Mei Home Life Co., Ltd. (Lung Mei)	Manufacture and sale of curtains and decorations	99.96	99.96	99.87	4.
	Ta Chen Interior Design Co., Ltd.	Interior design and renovation	-	-	-	6.
	Right way industrial Co., Ltd. (Right way)	Manufacture of engine and automobiles parts	0.26	0.26	0.26	
TCI	TCI Investment Group, Inc.	Import, export and sale of screws and nuts	100	100	100	
	Empire Resources, Inc. (ERI)	Import, export and sale of stainless steel and aluminum products	100	100	100	
	Primus Pipe and Tube Holding, Inc.	Investment	100	100	100	
	TCI Texarkana Inc. (TKA)	Manufacture and sale of aluminum products	100	100	100	
ERI	Empire Resources Pacific Ltd.	Import, export and sale of stainless steel and aluminum products	100	100	100	
	Imbali Metals BVBA	Import, export and sale of stainless steel and aluminum products	100	100	100	
	Empire Resources UK Ltd.	Import, export and sale of stainless steel and aluminum products	100	100	100	
	8911 Kelso Drive	Import, export and sale of stainless steel and aluminum products	100	100	100	
Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube, Inc.	Manufacture and sale of stainless steel	100	100	100	

(To be Continued)

(Brought Forward)

Investor	Investee	Nature of Activities	Proportion of Ownership			Description	
			June 30, 2024	December 31, 2023	June 30, 2023		
Ta Chen BVI	Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	93.14	93.14	93.14	3.	
	Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	100	100	100	3.	
	TMCT Products, Inc.	Investment	100	100	100	3.	
	Los Osos Holdings, Inc.	Investment	100	100	100	3.	
	Clarke St. Property Holding, LLC	Investment	100	100	100	3.	
Los Osos Holdings, Inc.	Procurmore Trading, Inc.	Investment	100	100	100	3.	
Wei Mei Roller Blind Co., Ltd. (Wei Mei)	Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Manufacture and sale of curtains and decorations	100	100	100		
BBI-TW	Brighton-Best International, Inc. (BBI-USA)	Import, export and sale of screws and nuts	100	100	100		
	Brighton-Best International (Canada), Inc. (BBI-CA)	Import and sale of screws and nuts	100	100	100	3.	
	Brighton-Best International (UK), Limited. (BBI-UK)	Import and sale of screws and nuts	100	100	100	3.	
	Brighton-Best International (AU), Pty Ltd. (BBI-AU)	Import and sale of screws and nuts	100	100	100	3.	
	Brighton-Best International (NZ), Limited. (BBI-NZ)	Import and sale of screws and nuts	100	100	100	3.	
	Brighton-Best International Inc. (Cayman) (BBI-CAYMAN)	Investment	-	-	-	2. and 3.	
	TA CHEN Empire Co., Ltd. (TCE)	Import, export and sale of aluminum products	100	100	100		
	Brighton-Best International (HK), Limited	Investment	-	-	-	2. and 3.	
	Right way industrial Co., Ltd. (Right way)	Manufacture of engine and automobiles parts	17.82	17.82	17.84		
	Brighton-Best International, Inc.	Brighton-Best International (Brasil), Comercio de Parafusos Ltda. (BBI-BZ)	Import and sale of screws and nuts	100	100	100	3.
	Brighton-Best International Inc. (Cayman)	Cheng-Rong (Shanghai) International Trading Ltd.	Trading	-	-	-	2. and 3.
	Brighton-Best International (HK), Limited	Brighton-Best (Hong Kong) Holding Limited	Investment	-	-	-	3. and 7.
	Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Producer of quality pistons for motorcycles, commercial vehicles, automobiles, etc.	79.63	79.63	79.63	
Excellent Growth Investments Limited		Investment	100	100	100		
Right Way North America Inc		Trading of Automobile Engine Parts	100	100	100		
Right way global co., ltd.		Trading of automobiles.	-	-	100	5.	
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd	Connecting rod manufacturing	89.5	89.5	89.5		
Ta Chen Empire Co., Ltd. ("TCE")	NOEI GEENG ENTERPRISE CO., LTD.	Manufacture screws and nuts	80	80	80	3.	
	Hupao Technology CO., LTD.	Energy Technical Services	80	80	80	3.	
	Shie Shin Enterprise Co., Ltd.	Manufacture screws and nuts	80	80	80	3.	

1. The Company has the practical ability to direct the relevant activities of BBI-TW and deems it a subsidiary. 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).
2. As of June 2024, no investment funding was remitted.
3. The financial statements have not yet been audited by CPAs.
4. Ta Chen Lung Mei Home Life Co., Ltd. issued new shares for cash capital increase in December, June and March 2023. The Company did not subscribe for these newly issued shares at its existing ownership percentage, which resulted in a increase in its ownership interest to 99.96%.
5. Cancellation on February 21, 2023 and completed liquidation on October 6, 2023.
6. Cancellation on June 30, 2023 and completed liquidation on December 5, 2023.
7. As of June 2024, no investment funding was remitted. Meanwhile, the Company obtained the approval notice for dissolution in February 2024. See Tables 8 and 9 for the information of location and main business and products of subsidiaries.

(II) Subsidiaries excluded from the consolidated financial statements:

(III) Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	December 31,		
	June 30, 2024	2023	June 30, 2023
BBI-TW	57.28%	57.28%	57.28%
Right Way	81.92%	81.92%	81.90%

Note: Details of other subsidiaries that have no material non-controlling interests

See Table 8 for information on the places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
BBI-TW	\$ 311,172	\$ 388,131	\$ 662,864	\$ 804,332
Right Way	3,627	19,308	13,943	38,030
Others	1,274	368	1,215	(7,250)
Total	<u>\$ 316,073</u>	<u>\$ 407,807</u>	<u>\$ 678,022</u>	<u>\$ 835,112</u>

Name of Subsidiary	Non-controlling Interests		
	December 31,		
	June 30, 2024	2023	June 30, 2023
BBI-TW	\$ 8,218,262	\$ 7,983,968	\$ 7,222,919
Right Way	3,220,964	3,235,934	3,217,479
Others	201,996	199,410	283,725
Total	<u>\$ 11,641,222</u>	<u>\$ 11,419,312</u>	<u>\$ 10,724,123</u>

Summarized financial information in respect of each of the Group's subsidiaries with material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

BBI-TW and BBI-TW's subsidiaries:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current assets	\$21,806,726	\$22,144,734	\$24,784,656
Non-current assets	24,399,693	25,351,615	24,537,817
Current liabilities	( 9,876,997 )	( 10,483,181 )	( 14,269,995 )
Non-current liabilities	( 8,454,821 )	( 8,458,145 )	( 7,877,559 )
Equity	<u>\$27,874,601</u>	<u>\$28,555,023</u>	<u>\$27,174,919</u>
Equity attributable to:			
Owners of BBI-TW	\$ 10,492,224	\$ 10,776,749	\$ 10,150,174
Non-controlling interests of BBI-TW	14,016,593	14,396,689	13,576,273
Non-controlling interests of BBI-TW's subsidiaries	<u>3,365,784</u>	<u>3,381,585</u>	<u>3,448,472</u>
	<u>\$27,874,601</u>	<u>\$28,555,023</u>	<u>\$27,174,919</u>
	<u>For the Three Months Ended June 30</u>	<u>For the Six Months Ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<u>\$ 5,842,655</u>	<u>\$ 6,417,334</u>	<u>\$11,550,750</u>
Revenue			<u>\$13,053,128</u>
Net profit	\$ 540,626	\$ 714,757	\$ 1,130,374
Other comprehensive income for the year	<u>83,088</u>	<u>816,555</u>	<u>( 253,507 )</u>
Total comprehensive income for the year	<u>\$ 623,714</u>	<u>\$ 1,531,312</u>	<u>\$ 876,867</u>
	<u>For the Three Months Ended June 30</u>	<u>For the Six Months Ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<u>\$ 540,626</u>	<u>\$ 714,757</u>	<u>\$ 1,130,374</u>
Profit attributable to:			
Owners of the Company	\$ 226,129	\$ 307,670	\$ 454,238
Non-controlling interests of BBI-TW	311,172	388,131	662,864
Non-controlling interests of BBI-TW's subsidiaries	<u>3,325</u>	<u>18,956</u>	<u>13,272</u>
	<u>\$ 540,626</u>	<u>\$ 714,757</u>	<u>\$ 1,130,374</u>
Total comprehensive income attributable to:			
Owners of BBI-TW	\$ 161,933	\$ 915,604	( \$ 235,703 )
Non-controlling interests of BBI-TW	449,052	607,159	1,120,287
Non-controlling interests of BBI-TW's subsidiaries	<u>12,729</u>	<u>8,549</u>	<u>( 7,717 )</u>
	<u>\$ 623,714</u>	<u>\$ 1,531,312</u>	<u>\$ 876,867</u>
Net cash outflow from:			
Operating activities			\$ 2,357,389
Investing activities			( 187,410 )
Financing activities			( 2,366,435 )
Effects of foreign currency exchange differences			<u>16,775</u>
Net cash inflow (outflow)			<u>\$ 179,681</u>
			<u>\$ 230,868</u>

XIV. Investments Accounted for Using the Equity Method

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Investments in associates</u>			
Associates that are individually material			
TY Steel Co., Ltd.	\$ 232,809	\$ 428,925	\$ 500,866
Associates that are not individually material			
Amerinox Texakana, LLC	37,073	35,210	23,078
Ta Chen Green System Co., Ltd.	58,652	59,497	59,530
City Mocean Co., Ltd.	1,741	3,295	3,234
	<u>97,466</u>	<u>98,002</u>	<u>85,842</u>
	<u>\$ 330,275</u>	<u>\$ 526,927</u>	<u>\$ 586,708</u>

Aggregate information of associates that are individually material

Name	Nature of Activities	Principal Place of Business	Proportion of Ownership		
			June 30, 2024	December 31, 2023	June 30, 2023
TY Steel Co., Ltd. (TY Steel)	Manufacture and sale of billets	Thailand	38.75%	38.75%	38.75%

For the business nature, principal place of business and country of incorporation of said associates, please refer to Table 8 “Information on Investees, Location, etc.”

Except for the amount of investment in TY Steel Co., Ltd. as of June 30, 2023, and the share of comprehensive income of associates accounted for using equity method for the six months ended June 30, 2023, which were calculated and recognized based on financial statements reviewed by CPAs during the same period, the others are calculated based on financial statements which have not yet audited by CPAs.

XV. Property, Plant and Equipment, Net

Property, plant and equipment are used by the Group.

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

- (I) For the farmland which was registered by the Group in another person’s name (stated as land), in 2023, the name of the loan registration of land was changed, and the owner was changed from Robert Hsieh to the related party of the Group’s director, Victor Hsieh. The Group and Victor Hsieh both signed a loan registration agreement and an establishment agreement in December 2023. The Group completed the notarization of the contract in December 2023 at Taiwan Kaohsiung District Court.
- (II) In July 2022, the Group purchased land from an unrelated party located in Fuhai Lujhu District of Taoyuan City, which was partly arable & pastural land. The Group and the related party of the Group have signed an agreement on name-borrowing registration. Notwithstanding, since the land change registration has been completed in August 2023, the transfer of the name of the loan registration of land to the Group was registered accordingly.

The depreciation expenses are provided on a straight-line basis over the useful lives as follows:

Land Improvements	2 to 50 years
Buildings	
Main Buildings	2 to 50 years
Motorized Power Equipment	5 to 10 years
Engineering Systems	2 to 25 years
Machinery and Equipment	2 to 40 years
Storage Equipment	2 to 20 years
Electrical Equipment	2 to 20 years
Transportation Equipment	2 to 8 years
Office Equipment	2 to 14 years
Molding Equipment	2 to 10 years
Leasehold Improvements	2 to 40 years
Leased Assets	5 to 10 years
Other Equipment	2 to 35 years

Refer to Note 32 for the carrying amount of property, plant and equipment pledged as collateral for bank borrowings.

XVI. Investment Properties

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 761,944	\$ 312,047	\$ 1,073,991
Additions	-	1,331	1,331
Reclassification	<u>67,338</u>	<u>54,906</u>	<u>122,244</u>
Balance at June 30, 2023	<u>\$ 829,282</u>	<u>\$ 368,284</u>	<u>\$ 1,197,566</u>
<u>Accumulated Depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 6,823	\$ 6,823
Depreciation Expense	-	4,731	4,731
Reclassification	<u>-</u>	<u>( 3,958)</u>	<u>( 3,958)</u>
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 7,596</u>	<u>\$ 7,596</u>
Net amount at June 30, 2023	<u>\$ 829,282</u>	<u>\$ 360,688</u>	<u>\$ 1,189,970</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 829,282	\$ 368,284	\$ 1,197,566
Reclassifications	<u>( 26,000)</u>	<u>( 24,932)</u>	<u>( 50,932)</u>
Balance at June 30, 2024	<u>\$ 803,282</u>	<u>\$ 343,352</u>	<u>\$ 1,146,634</u>
<u>Accumulated Depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 12,418	\$ 12,418
Depreciation Expense	-	4,574	4,574
Reclassification	<u>-</u>	<u>( 498)</u>	<u>( 498)</u>
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 16,494</u>	<u>\$ 16,494</u>
Carrying amounts at January 1, 2024	<u>\$ 829,282</u>	<u>\$ 355,866</u>	<u>\$ 1,185,148</u>
Net amount at June 30, 2024	<u>\$ 803,282</u>	<u>\$ 326,858</u>	<u>\$ 1,130,140</u>

Investment property is depreciated on a straight-line basis based on the useful life of 25 to 50 years.

The fair value of investment property on December 31, 2023 was 1,388,298 thousand. The fair value was evaluated by the actual transaction price and appraisal report of the neighboring areas in the last one year. As evaluated by the management of the Group, there was no significant change in fair value as of June 30, 2024.

XVII. Lease Arrangements

(I) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount			
Land	\$ 72,686	\$ 75,642	\$ 81,011
Buildings	7,496,707	7,847,017	7,052,602
Transportation equipment	<u>6,482</u>	<u>8,173</u>	<u>9,864</u>
	<u>\$7,575,875</u>	<u>\$7,930,832</u>	<u>\$7,143,477</u>
	For the Three Months Ended June 30	For the Six Months Ended June 30	
	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<u>2023</u>	<u>2024</u>	<u>2023</u>
Additions to right-of-use assets		<u>\$ 36,111</u>	<u>\$307,060</u>
Depreciation charge for right-of-use assets			
Land	\$ 2,778	\$ 3,237	\$ 5,546
Buildings	303,222	274,907	616,850
Transportation Equipment	<u>846</u>	<u>282</u>	<u>1,691</u>
	<u>\$306,846</u>	<u>\$278,426</u>	<u>\$554,560</u>

Except for said additional and depreciation expenses, the Group did not have significant sublease or impairment of right-of-use assets from January 1 to June 30, 2024 and 2023.

(II) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount			
Current	<u>\$1,159,996</u>	<u>\$1,131,386</u>	<u>\$1,035,889</u>
Non-current	<u>\$7,581,616</u>	<u>\$7,729,011</u>	<u>\$6,972,329</u>

Ranges of discount rates for lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.55% - 1.58%	1.55% - 1.58%	1.55% - 1.58%
Buildings	1.31% - 6.94%	1.31% - 6.8%	1.31% - 6.34%
Transportation Equipment	1.81%	1.81%	1.81%

(III) Material leasing activities and terms

The Group leases buildings with lease terms of 2 to 50 years. The Group also leases land for the use of offices and operations with a lease term of 50 years.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 67,379</u>	<u>\$ 143,158</u>	<u>\$ 173,608</u>	<u>\$ 183,680</u>
Expenses relating to low-value leasing assets	<u>\$ 99</u>	<u>\$ 130</u>	<u>\$ 197</u>	<u>\$ 374</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,780</u>	<u>\$ 3,483</u>	<u>\$ 3,527</u>	<u>\$ 3,491</u>
Total cash outflow for leases			<u>(\$ 880,904)</u>	<u>(\$ 793,072)</u>

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

XVIII. Goodwill and Other Intangible Assets

(I) Goodwill

	December 31,		June 30, 2023
	June 30, 2024	2023	
Book value	<u>\$ 4,420,185</u>	<u>\$ 4,186,666</u>	<u>\$ 4,244,701</u>

The Group did not recognize any impairment loss of goodwill in 2024 and Q2 of 2023, and the change in carrying amount resulted from the exchange differences on translation of financial statements of foreign operations.

(II) Other intangible assets

	December 31,		June 30, 2023
	June 30, 2024	2023	
Customer Relationships	<u>\$ 314,846</u>	<u>\$ 340,043</u>	<u>\$ 386,352</u>
Non-Compete Agreements	<u>127,109</u>	<u>138,941</u>	<u>159,638</u>
Trademarks	<u>78,086</u>	<u>74,578</u>	<u>76,335</u>
Computer Software	<u>49,242</u>	<u>67,213</u>	<u>83,523</u>
Patents	<u>2,203</u>	<u>2,851</u>	<u>3,670</u>
Technical Expertise	<u>910,276</u>	<u>962,807</u>	<u>1,079,365</u>
	<u>\$ 1,481,762</u>	<u>\$ 1,586,433</u>	<u>\$ 1,788,883</u>

Except for the recognized amortization expenses, the Group did not have significant additions, disposal and impairment of other intangible assets from January 1 to June 30, 2024 and 2023. The amortization expenses are provided on a straight-line basis over the useful lives as follows:

Customer Relationships	8-13 years
Non-Compete Agreements	5-15 years
Trademarks	10-14 years
Computer Software	1-5 Years
Patents	5-7 years
Technical Expertise	8-10 years

XIX. Prepayments and prepayments for houses, land, and equipment

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Prepayments for purchases	\$ 1,346,147	\$ 2,150,432	\$ 782,195
Other	<u>563,119</u>	<u>462,254</u>	<u>886,130</u>
	<u>\$ 1,909,266</u>	<u>\$ 2,612,686</u>	<u>\$ 1,668,325</u>
Prepayments for equipment	<u>\$ 3,254,752</u>	<u>\$ 2,368,615</u>	<u>\$ 2,549,442</u>

XX. Borrowings

(I) Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Revolving bank borrowings	\$ 12,611,520	\$ 16,652,838	\$ 11,975,664
Borrowings of usance L/C	<u>1,441,518</u>	<u>1,302,455</u>	<u>492,691</u>
	<u>\$ 14,053,038</u>	<u>\$ 17,955,293</u>	<u>\$ 12,468,355</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Revolving bank borrowings	0.5% - 6.66%	1.4% - 6.95%	1.43% - 6.82%
Borrowings of usance L/C	1.77% - 4.87%	1.68% - 4.9%	1.61% - 4.82%

(II) Short-term notes and bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper	\$ 730,000	\$ 570,000	\$ 2,020,000
Less: Unamortized discounts on bills payable	<u>28</u>	<u>94</u>	<u>707</u>
	<u>\$ 729,972</u>	<u>\$ 569,906</u>	<u>\$ 2,019,293</u>
Interest Rate	1.55% - 1.99%	1.76% - 1.88%	1.79% - 1.85%

The collateral for the above short-term notes and bills payable includes time deposits, bonds with repurchase agreements, and property, plant and equipment. Please refer to Note 32 for details.

(III) Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>The Company</u>			
1. Syndicated bank loan - 2023			
(1) Loan (A) medium-term and long-term secured borrowings	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
(2) Loan (B) medium-term and long-term secured borrowings (commercial paper)	900,000	900,000	900,000
(3) Loan (C) medium-term and long-term secured borrowings (commercial paper)	3,700,000	1,000,000	1,000,000

(To be Continued)

(Brought Forward)

	June 30, 2024	December 31, 2023	June 30, 2023
2. Unsecured loans Due from December 2024 to August 2027, interest rates at 1.83%-1.89% p.a., 1.71%-1.89% p.a. and 1.71%-1.98% p.a. as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.	1,275,000	2,350,000	3,400,000
3. Secured loans Due from April 2024 to December 2029, interest rates at 1.78%-2.22% p.a., 1.78%-2.08% p.a. and 1.76%-2.05% p.a. as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.	<u>1,448,074</u>	<u>1,479,506</u>	<u>1,510,779</u>
Subtotal	<u>11,323,074</u>	<u>9,729,506</u>	<u>10,810,779</u>
<u>Subsidiary</u>			
1. Syndicated bank loans			
(1) TCI and TCI subsidiaries	2,433,750	4,912,800	13,234,500
(2) BBI-TW	3,275,000	1,720,000	2,025,000
(3) BBI-USA	308,275	675,510	2,506,770
(4) TKA	3,569,500	2,609,925	2,646,900
2. Medium-term secured borrowings Due from January 2025 to March 2030, interest rates at 1.83%-8.375% p.a., 1.71%-8.375% p.a. and 1.71%-8.13% p.a. as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.	2,099,147	3,717,437	2,664,874
3. Credit guarantee fund secured borrowings To be due in January 2027, with the annual interest rates both at 0.5% as of June 30, 2024 to December 31, 2024.	27,125	32,375	-
4. Medium-term unsecured borrowings Due from August 2028, interest rates at 2.37%-2.51% p.a., 2.44% p.a., and 2.44% p.a. as of June 30, 2024, December 31, 2023, and June 30, 2023, respectively.	\$ 2,327	\$ 1,810	\$ 243
5. Equipment pledged as collateral for borrowings Due from August 2026 to February 2028, interest rates at 3.53%-7.69% p.a., 2.99%-6.41% p.a. and 3.53%-7.69% p.a. as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.	<u>815,482</u>	<u>915,885</u>	<u>1,002,921</u>
Subtotal	<u>12,530,606</u>	<u>14,585,742</u>	<u>24,081,208</u>
Total	23,853,680	24,315,248	34,891,987
Less: Unamortized arrangement fee of long - term borrowings	<u>156,259</u>	<u>169,706</u>	<u>158,866</u>
	23,697,421	24,145,542	34,733,121
Less: Current portion	<u>1,003,067</u>	<u>1,274,888</u>	<u>4,368,083</u>
	<u>\$ 22,694,354</u>	<u>\$ 22,870,654</u>	<u>\$ 30,365,038</u>

### The Company

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:

Under the syndicated loan agreement, the land, buildings and other facilities were pledged as collateral. In addition, the loan agreement requires the Company to maintain certain financial ratios; refer to Note (IV) for more details.

1. The Company entered into a syndicated loan agreement (credit facility of up to \$15.6 billion) with a syndicate of banks on January 17, 2023 (due in January 2028).

The credit line and credit used as of June 30, 2024, December 31, 2023 and June 30, 2023 are stated as follows:

	Credit Line (In Thousands)	Credit used		Payment Terms	Interest Rate	
		June 30, 2024	December 31, 2023			June 30, 2023
Loan (A)	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	Within 5 years from the first date of drawdown until the maturity date, inclusive of a grace period of 24 months	2.167%, 2.034%, and 2.05% as of June 30, 2024, December 31, 2023 and June 30, 2023.
Loan (B)	\$ 2,000,000	\$ 900,000	\$ 900,000	\$ 900,000	Within 5 years from the first date of drawdown until the maturity date	2.213%, 2.077%, and 2.1% as of June 30, 2024, December 31, 2023 and June 30, 2023.
Loan (C)	9,600,000	3,700,000	1,000,000	1,000,000	Within 5 years from the first date of drawdown until the maturity date	2.167%, 2.034%, and 2.05% as of June 30, 2024, December 31, 2023 and June 30, 2023.
	<u>\$ 15,600,000</u>	<u>\$ 8,600,000</u>	<u>\$ 5,900,000</u>	<u>\$ 5,900,000</u>		

Repayment terms were as follows:

Loan (A): According to the agreement on the principal repayment period of the credit line, 24 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. The outstanding principal balance under Loan (A) shall be repaid in seven installments (hereinafter referred to as the “principal under Loan (A)”). In 1st installment and 2nd installment, 5% of the principal under Loan (A) shall be repaid respectively, and from 3rd installment to 6th installment, 10% of the principal under Loan (A) shall be repaid respectively. In 7th installment, 50% of the principal under Loan (A) shall be repaid in full (all remaining outstanding principal balances).

Loan (B) and Loan (C):

- (1) 24 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. The credit line decreases progressively in seven installments. In 1st installment and 2nd installment, respectively, the credit line shall decrease by 5% progressively, and from 3rd installment to 6th installment, respectively, the credit line shall decrease by 10% progressively. In 7th installment, the credit line shall decrease by 50%.
- (2) During the period of progressive decrease of the credit line, where the outstanding principal balance for the relevant credit line exceeds the credit line after the progressive decrease, the borrower shall settle the outstanding principal, interest and related expenses in excess of the amount of credit line after such progressive

decrease earlier. Said early settlement shall be free from the restriction imposed by Article 19 of the Joint Credit Agreement.

- (3) Credit lines have decreased progressively cannot be drawn down any longer. The Company should settle each such 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. In addition, the loan agreement requires the Company to maintain certain financial ratios; refer to Note 20(d) for more details.

The subsidiaries

1. Syndicated bank loans

(1) TCI and its subsidiaries

TCI, ERI, and its subsidiaries entered into a syndicated credit agreement (credit facility of up to US\$ 500,000 thousand) with a syndicate of J.P. Morgan banks in May 2017. In July 2017 and October 2018, the loan agreement was re-signed, adding PPT and TKA to the loan agreement, respectively. The main purposes of the syndicated loan are to repay financial loans, enhance operating revolving funds and arrange for capital expenditures. An amendment was made to the agreement, in which the aggregate amount of the revolving commitments increased to US\$975,000 thousand. Another amendments increased to the agreement in which the maturity date of the loan extended to November 2026. TCI and ERI started using the credit from May 2017 while PPT started using the credit from September 2017 and TKA started using the credit from November 2018. The maturity date of the loan is in November 2026. The following table shows the borrowings balances and interest rates as of June 30, 2024, December 31, 2023 and June 30, 2023 (Unit: USD Thousand):

	Credit Used (thousand)			Interest Rate
	June 30, 2024	December 31, 2023	June 30, 2023	
TKA	USD 75,000	USD 160,000	USD 425,000	6.93%, 6.94% and 6.8% as of June 30, 2024, December 31, 2023 and June 30, 2023.

Refer to Note (IV) for details regarding the financial ratios required by the loan agreements.

(2) BBI-TW

The subsidiary BBI-TW entered into a syndicated loan agreement (credit facility of up to \$7.5 billion) with a syndicate of banks in April 2024. The main purposes of the syndicated loan are to repay existing loans and enhance operating revolving funds. The loan will be due in 5 years from the first drawdown date. The credit line and credit used as of June 30, 2024 was as follows:

	Credit Line	Credit used	Loan Period	Interest Rate
		(Note 2)		
		June 30, 2024		as of June 30,
Loan (A)	Note 1	\$ 1,875,000	Within 5 years from the first drawdown date until the maturity date	2.2939% 2024
Loan (B)	Note 1	1,400,000	Within 5 years from the first drawdown date until the maturity date	2.3015% as of June 30, 2024
Loan (C)	Note 1	-	Within 5 years from the first drawdown date until the maturity date	-

Note 1: As of June 30, 2024, the line of credit of the syndicated bank loan was as follows:

	June 30, 2024
Loan (A)	\$ 1,875,000
Loan (B)	5,625,000
Loan (C)	5,625,000
	(or in USD equivalent)

Note 2: Notwithstanding, the sum of the credit lines of loans (B) and (C) cannot exceed NT\$5.625 billion.

Repayment terms were as follows:

Loan (A): 24 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. It shall be repaid in seven installments. In 1st installment and 2nd installment, 5% of the principal under Loan (A) shall be repaid respectively, and from 3rd installment to 6th installment, 10% of the principal under Loan (A) shall be repaid respectively. In 7th installment, 50% of the principal under Loan (A) shall be repaid in full.

Loan (B) and (C): 24 months from the date of initial drawdown shall constitute the first installment, and then there are a total of seven installments for the reduction of the credit line. 5% of the credit limit shall be reduced for each of the 1st and 2nd installment; 10% of the credit limit shall be reduced for each of the 3rd to 6th installments, and 50% of the credit limit shall be reduced for the 7th installment. If the used balance of principal exceeds the available credit line, the excess shall be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of the loan.

Refer to Note (IV) for details regarding the financial ratios required by the loan agreement.

When BBI-TW entered into the syndicated loan agreement, the certificates of deposit were pledged as collateral according to the agreement.

In addition, the subsidiary BBI-TW entered into a syndicated loan agreement (credit facility of up to \$6.25 billion) with a syndicate of banks in February 2021. The main purposes of the syndicated loan are to repay existing loans and enhance operating revolving funds. The loan will be due in 5 years from the first drawdown date. On April 18, 2024, BBI-TW entered into a syndicated loan agreement (credit facility of up to \$7.5 billion) with a syndicate of banks to replace the loan agreement in February 2021. The credit line and credit used as of June 30, 2024 was as follows:

	Credit Line	Credit Used (Note 2)		Payment Terms	Interest Rate
		December 31, 2023	June 30, 2023		
Loan (A)	Note 1	\$ 1,350,000	\$ 1,425,000	Within 5 years from the first drawdown date until the maturity date	2.6361% and 2.6347% as of December 31 and June 30, 2023.
Loan (B)	Note 1	370,000	600,000	Within 5 years from the first drawdown date until the maturity date	2.6797% and 2.6784% as of December 31 and June 30, 2023.
Loan (C)	Note 1	-	-	Within 5 years from the first drawdown date until the maturity date	-
Loan (D)	Note 1	-	-	Within 1 year from the first drawdown date until the maturity date, if the covenants of loans (A), (B) and (C) are not breached during the loan period, loan (D) will be renewable every year within 5 years from the first drawdown date	-

Note 1: As of December 31 and June 30, 2023, the line of credit of the syndicated bank loan was as follows:

	December 31, 2023	June 30, 2023
Loan (A)	\$ 1,350,000	\$ 1,425,000
Loan (B)	3,750,000	3,562,500
Loan (C)	3,750,000	3,562,500
	(or in USD equivalent)	(or in USD equivalent)
Loan (D)	1,000,000	1,000,000

Note 2: Notwithstanding, the sum of the credit lines of loans (B) and (C) cannot exceed NT\$3.75 billion.

Repayment terms were as follows:

Loan (A): 24 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. It shall be repaid in seven installments. In 1st installment and 2nd installment, 5% of the principal under Loan (A) shall be repaid respectively, and from 3rd installment to 6th installment, 10% of the principal under Loan (A) shall be repaid respectively. In 7th installment, 50% of the principal under Loan (A) shall be repaid in full.

Loan (B): 24 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. The credit line decreases progressively in seven installments. In 1st installment and 2nd installment, respectively, the credit line shall decrease by 5% progressively, and from 3rd installment to 6th installment, respectively, the credit line shall decrease by 10% progressively. In 7th installment, the credit line shall decrease by 50%. If the used balance of principal exceeds the available credit line, the excess shall be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of the loan.

Loan (C): 30 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. The credit line decreases progressively in seven installments. In 1st installment and 2nd installment, respectively, the credit line shall decrease by 5% progressively, and from 3rd installment to 6th installment, respectively, the credit line shall decrease by 10% progressively. In 7th installment, the credit line shall decrease by 50%. If the used balance of principal exceeds the available credit line, the excess shall be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of the loan.

Loan (D): One year from the date of initial drawdown. Notwithstanding, insofar as the Company is free from breach of the Agreement, each credit bank may renew the contract with the Company and all the joint guarantors for one year per year within the limit of its individual commitment, provided that the expiry date of the credit period shall not exceed the credit periods for Loans (A), (B) and (C), respectively.

Refer to Note (IV) for details regarding the financial ratios required by the loan agreement.

When BBI-TW entered into the syndicated loan agreement, the certificates of deposit were pledged as collateral according to the agreement.

(3) Syndicated Loans of BBI-USA

The subsidiary BBI-USA entered into a syndicated loan agreement (credit line of up to US\$180,000 thousand) with a syndicate of banks in August 2013. The main purposes of the syndicated loan are to repay its existing financial loan and enhance the medium term operating revolving funds and cover the needs for investment capital. The annual interest rates were 7.44%, 7.43% and 7.17% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively. The subsidiary BBI-USA amended the above dated August 2013 syndicated loan agreement with the syndicate of banks on February 26, 2016. The amendments include revising the credit facility to US\$260,000 thousand from February 26, 2016, and changing the loan maturity date to August 2021. The main purposes of the amended syndicated loan are the same as the original one.

On March 24, 2021, the subsidiary BBI-USA again amended the above syndicated loan agreement which was earlier amended in February 2016 with the syndicate of banks, changing the loan maturity date to August 2026. The main purposes and the credit facility of the amended syndicated loan are the same as the original one.

Refer to Note (IV) for details regarding the financial ratios required by the loan agreement.

(4) Syndicated loan with TKA Bank

TKA entered into a syndicated loan agreement (credit facility of up to US\$85,000 thousand) with a syndicate of banks in March 2022. The purpose of the syndicated loan is to enhance the capital funds to expand the factory. TKA started using the credit line in April 2022. The maturity date of the loan is in April 2027. The interest rate was 7.08%, 7.09%, and 6.87% on June 30, 2024, December 31, 2023 and June 30, 2023, respectively. The subsidiary TKA amended the above syndicated loan agreement with the syndicate of banks on July 5, 2023. The amendments include revising the credit facility to US\$318,000 thousand from July 5, 2023, and changing the loan maturity date to August 2028. The main purposes of the amended syndicated loan are the same as the original one.

Refer to Note (IV) for details regarding the financial ratios required by the loan agreement.

(IV) The financial ratio limits for the syndicated loan are as follows:

	The Company (Note 1)	TCI and its subsidiaries (Note 2)	Syndicated loan of BBI-TW for 2024 (Note 3)	Syndicated loan of BBI-TW for 2021 (Note 3)	BBI-USA (Note 4)	TKA (Note 2)
Current ratio (minimum)	120%	-	130%	130%	-	-
Debt ratio (maximum)	290%	-	200%	200%	-	-
Interest coverage ratio (minimum)	2 times	-	3 times	3 times	-	-
Fixed-charge coverage ratio (minimum)	-	100%	-	-	110%	100%
Tangible net worth (minimum)	13.5 billion	-	10 billion	10 billion	-	-

Note 1: The Company is required to comply with these financial covenants in each of its annual audited consolidated financial statements and semi-annual reviewed consolidated financial statements.

Note 2: TCI is required to comply with these financial covenants in each of its annual financial statements audited by the local CPAs, and monthly financial statements (self-assessed). Notwithstanding, the financial ratio restriction is applicable only when the unused credit lines divided by total credit lines is less than 12.5%.

Note 3: BBI-TW is required to comply with these financial covenants in each of its annual audited consolidated financial statements and semi-annual reviewed consolidated financial statements.

Note 4: BBI-USA is required to comply with these financial covenants in each of its annual audited financial statements and monthly financial statements (self-assessed).

Note 5: The total amount of debt and interest expense used by the Company and BBI-TW in the calculation of the debt ratio and the interest coverage ratio, respectively, were determined after deducting the related liabilities and interest expense that arose from the adoption of IFRS 16.

As of and for June 30, 2023, December 31, 2023 and June 30, 2023, the borrowers have complied with the above-stated requirements.

XXI. Notes Payable and Accounts Payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes payable</u>			
Operating	\$ 46,536	\$ 72,791	\$ 55,392
Non-operating	<u>54,730</u>	<u>35,247</u>	<u>139,209</u>
	<u>\$ 101,266</u>	<u>\$ 108,038</u>	<u>\$ 194,601</u>

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

Accounts payable (including related parties)

Accounts payable resulted from operating activities. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

XXII. Other Payables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Salary and incentive bonus	\$ 291,734	\$ 426,064	\$ 593,045
Remuneration of directors	39,864	29,700	97,628
Employees' compensation	550,695	585,592	527,922
Payables for annual leave	129,671	123,547	113,016
Payables for freight and custom duties	473,501	468,307	230,425
Property taxes payable	261,811	391,230	220,725
Accrued expenses and others	<u>1,232,598</u>	<u>1,129,490</u>	<u>1,231,467</u>
	<u>\$ 2,979,874</u>	<u>\$ 3,153,930</u>	<u>\$ 3,014,228</u>

XXIII. Retirement Benefit Plans

The pension expenses related to the defined benefit plan recognized for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 are based on the pension cost rate actuarially determined on December 31, 2023 and 2022, and the amounts were NT\$349 thousand, NT\$545 thousand, NT\$698 thousand, and NT\$1,066 thousand, respectively.

XXIV. Equity

(I) Ordinary share capital

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	<u>3,200,000</u>	<u>3,200,000</u>	<u>3,000,000</u>
Shares authorized	<u>\$ 32,000,000</u>	<u>\$ 32,000,000</u>	<u>\$ 30,000,000</u>
Number of shares issued and fully paid (in thousands)			
Ordinary shares	<u>2,434,261</u>	<u>2,434,261</u>	<u>2,028,551</u>
Shares issued			
Ordinary shares	<u>\$ 24,342,606</u>	<u>\$ 24,342,606</u>	<u>\$ 20,285,505</u>
Share dividends to be distributed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,057,101</u>

On June 26, 2023, the shareholders resolved in their meeting to issue 405,710 thousand ordinary shares with a par value of \$10, which increased the share capital issued and fully paid the amount of \$24,342,606 thousand. On June 29, 2023, the above transaction was approved by the FSC, and the subscription base date was determined by the board of directors to be August 5, 2023. The registration for the change has been completed.

(II) Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>			
Issuance of ordinary shares	\$ 22,054,171	\$ 22,054,172	\$ 22,054,172
Treasury share transactions	890,214	890,214	641,789
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	13,249	13,249	13,249
Expired employee share options	13,503	13,503	13,503
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of subsidiary	<u>29,572</u>	<u>30,413</u>	<u>32,634</u>
	<u>\$ 23,000,709</u>	<u>\$ 23,001,551</u>	<u>\$ 22,755,347</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).

(III) 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 Note 26(8) "Employees' compensation and

remuneration of directors”.

According to the Company’s dividend policy, in line with current and future development plans, the Company’s dividend policy after the amendments 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:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2023	2022	2023	2022
Legal Reserve	\$ 535,341	\$1,191,421		
Reversal of special reserve	( 64,308 )	( 3,819,497 )		
Cash dividends	2,921,113	4,868,521	\$ 1.2	\$ 2.4
Share dividends	-	4,057,101	-	2.0

(IV) Other equity items

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

	For the Six Months Ended June 30	
	2024	2023
Opening Balance	\$ 1,290,561	\$ 1,152,771
Exchange differences on translating the financial statements of foreign operations	3,389,926	473,498
Ending Balance	\$ 4,680,487	\$ 1,626,269

2. Unrealized Gain and Losses on Financial Assets at Fair Value Through Other Comprehensive Income

	For the Six Months Ended June 30	
	2024	2023
Opening Balance	( \$ 61,163 )	( \$ 59,680 )
Occurred in the current period		
Unrealized profit or loss		
Equity instruments	( 29,643 )	893
Ending Balance	( \$ 90,806 )	( \$ 58,787 )

3. Gain (loss) on hedging instruments

	For the Six Months Ended June 30	
	2024	2023
Opening Balance	\$ 511,197	\$ 1,640,060
Gain on changes in the fair value of hedging instruments		
Interest rate swap contracts	288,542	727,407
Related income tax	( 35,213 )	( 423,667 )
Reclassification adjustment		
Hedged items affecting profit or loss		
Interest rate swap contracts	( 141,159 )	( 294,544 )
The hedged item is no longer expected		
Interest rate swap contracts	( 304,251 )	-
Ending Balance	\$ 319,116	\$ 1,649,256

Information related to cross-currency swap contracts and interest rate swap contracts into between the merger companies and financial institutions for interest rate and exchange rate hedging, please refer to Note 30.

(V)	Non-controlling interests	For the Six Months Ended June 30	
		2024	2023
	Opening Balance	\$ 11,419,312	\$ 10,635,215
	Attributable to non-controlling interests:		
	Net profit	678,022	835,112
	Exchange Differences on Translating the Financial Statements		
	Foreign Operations	500,330	131,094
	Profit and loss from cash flow hedging	( 5,043 )	( 199 )
	Unrealized gains and losses from FVTOCI	( 57,434 )	( 11,036 )
	Changes in equity of subsidiaries	( 1,117 )	( 36,312 )
	Cash dividends of subsidiaries' shareholders	( \$ 884,872 )	( \$ 1,062,404 )
	Disposal of non-controlling interests in subsidiaries	-	7,903
	Share-based payment transaction	-	177
	Changes in non-controlling interests	( <u>7,976</u> )	<u>224,573</u>
	Ending Balance	<u>\$ 11,641,222</u>	<u>\$ 10,724,123</u>

(VI)	Treasury shares	Shares Held by Subsidiaries (In Thousands of Shares)
	Purpose of Buy-back	
	Number of shares on January 1, 2024 and June 30, 2024	<u>290,352</u>
	Number of shares on January 1, 2023 and June 30, 2023	<u>241,960</u>

BBI-TW and TCE held shares of the Company and classified them as financial assets at FVTPL-current and financial assets at FVTOCI-non-current.

The Company recognized treasury shares by the combined ownership percentages of BBI-TW and TCE.

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

June 30, 2024

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
BBI-TW	<u>167,204</u>		<u>\$ 6,002,621</u>
TCE	<u>123,148</u>		<u>\$ 4,421,026</u>
Belonging to the Company	<u>124,300</u>	<u>\$ 4,386,159</u>	<u>\$ 4,462,363</u>

December 31, 2023

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
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>

June 30, 2023

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
BBI-TW	<u>139,336</u>		<u>\$ 6,604,554</u>
TCE	<u>102,624</u>		<u>\$ 4,864,361</u>
Belonging to the Company	<u>103,511</u>	<u>\$ 4,384,902</u>	<u>\$ 4,906,421</u>

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

XXV. Revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from sale of goods	\$ 23,887,727	\$ 26,171,982	\$ 46,879,389	\$ 54,824,266
Construction contract revenue	<u>247,613</u>	<u>196,617</u>	<u>480,751</u>	<u>511,266</u>
	<u>\$ 24,135,340</u>	<u>\$ 26,368,599</u>	<u>\$ 47,360,140</u>	<u>\$ 55,335,532</u>

Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Accounts receivable (Note 10)	<u>\$ 9,663,050</u>	<u>\$ 7,466,965</u>	<u>\$ 10,034,139</u>	<u>\$ 8,065,531</u>

Contract assets (recognized as other current assets)

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Revenue from sale of goods and construction contract revenue	\$ 110,924	\$ 28,407	\$ 13,467	\$ -

Contract liabilities

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Revenue from sale of goods and construction contract revenue	\$ 149,333	\$ 145,627	\$ 156,635	\$ 173,958

Refer to Note 36 for segment revenue information.

XXVI. Profit (Loss) Before Income Tax

Net income before tax includes the following items:

(I)	Other operating income and expenses, net	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
	Loss on disposal of property, plant and equipment	(\$ 9,989)	(\$ 1,857)	(\$ 12,200)	(\$ 907)
(II)	Interest revenue	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
	Bank deposits and financial assets at amortized cost	\$ 185,027	\$ 83,478	\$ 344,911	\$ 129,316
	Others	3,248	-	3,248	-
		<u>\$ 188,275</u>	<u>\$ 83,478</u>	<u>\$ 348,159</u>	<u>\$ 129,316</u>
(III)	Other revenue	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
	Rental income	\$ 8,553	\$ 2,265	\$ 12,237	\$ 4,920
	Dividends	-	-	-	60
	Others	26,083	54,323	51,964	88,230
		<u>\$ 34,636</u>	<u>\$ 56,588</u>	<u>\$ 64,201</u>	<u>\$ 93,210</u>
(IV)	Other gains and losses	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
	Foreign exchange gain	\$ 988,087	\$ 567,485	\$1,854,581	\$ 975,007
	Foreign exchange losses	( 739,853 )	( 116,530 )	( 977,442 )	( 690,446 )
	Gain (loss) on Financial Instruments at Fair Value Through Profit or Loss	( 270,191 )	534,581	( 125,317 )	778,133
	Gain on disposal of non-current assets held for sale	-	-	-	4,455
	Others	( 930 )	( 896 )	( 12,191 )	( 1,103 )
		<u>( \$ 22,887 )</u>	<u>\$ 984,640</u>	<u>\$ 739,631</u>	<u>\$1,066,046</u>

(V) Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 302,651	\$ 490,531	\$ 689,675	\$1,010,071
Amortization of arrangement fees of syndicated bank loans	13,148	10,638	34,426	28,731
Gain on derivatives designated as cash flow hedge relationship from equity reclassified to profit or loss	( 61,620 )	( 159,815 )	( 141,159 )	( 294,544 )
Interest on lease liabilities	<u>63,963</u>	<u>48,799</u>	<u>127,552</u>	<u>97,055</u>
	318,142	390,153	710,494	841,313
Less: Amounts included in the cost of qualifying assets	<u>24,447</u>	<u>88,465</u>	<u>169,026</u>	<u>171,432</u>
	<u>\$ 293,695</u>	<u>\$ 301,688</u>	<u>\$ 541,468</u>	<u>\$ 669,881</u>

Information about capitalized interest is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Capitalized interest	\$ 24,447	\$ 88,465	\$ 169,026	\$ 171,432
Capitalization rate	1.65% - 6.41%	1.9% - 6.32%	1.65% - 6.41%	1.9% - 6.32%

(VI) Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 352,358	\$ 287,977	\$ 647,678	\$ 566,657
Investment properties	2,287	2,413	4,574	4,731
Other intangible assets	104,083	103,320	203,770	200,996
Other non-current assets	88	144	233	509
Right-of-use assets	<u>306,846</u>	<u>278,426</u>	<u>624,087</u>	<u>554,560</u>
	<u>\$ 765,662</u>	<u>\$ 672,280</u>	<u>\$1,480,342</u>	<u>\$1,327,453</u>
An analysis of depreciation by function				
Operating costs	\$ 255,674	\$ 190,876	\$ 452,679	\$ 367,749
Operating expenses	<u>405,817</u>	<u>377,940</u>	<u>823,660</u>	<u>758,199</u>
	<u>\$ 661,491</u>	<u>\$ 568,816</u>	<u>\$1,276,339</u>	<u>\$1,125,948</u>
An analysis of amortization by function				
Operating costs	\$ 88	\$ 4,851	\$ 233	\$ 5,454
Operating expenses	<u>104,083</u>	<u>98,613</u>	<u>203,770</u>	<u>196,051</u>
	<u>\$ 104,171</u>	<u>\$ 103,464</u>	<u>\$ 204,003</u>	<u>\$ 201,505</u>

(VII) Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$1,784,946	\$1,629,090	\$3,400,857	\$3,319,571
Post-employment benefits				
Defined contribution plans	59,568	49,954	109,924	101,435
Defined benefit plans (refer to Note 23)	<u>349</u>	<u>545</u>	<u>698</u>	<u>1,066</u>
	<u>59,917</u>	<u>50,499</u>	<u>110,622</u>	<u>102,501</u>
	<u>\$1,844,863</u>	<u>\$1,679,589</u>	<u>\$3,511,479</u>	<u>\$3,422,072</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 654,563	\$ 530,146	\$1,228,632	\$1,099,431
Operating expenses	<u>1,190,300</u>	<u>1,149,443</u>	<u>2,282,847</u>	<u>2,322,641</u>
	<u>\$1,844,863</u>	<u>\$1,679,589</u>	<u>\$3,511,479</u>	<u>\$3,422,072</u>

(VIII) Employees' compensation and remuneration of directors

According to the Articles of Incorporation, the Company accrued employees' compensation and remuneration to directors at the rates of no less than 3% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The estimated employees' compensation and remuneration to directors for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2024	2023
Employees' compensation	3%	3%
Remuneration of directors and supervisors	1.5%	1.5%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Employees' compensation	\$ 35,055	\$ 65,861	\$ 74,027	\$ 130,158
Remuneration of directors and supervisors	17,528	32,930	37,014	65,079

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

The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 12, 2024 and March 13, 2023 were as follows:

Accrual rate

	2023	2022
	Employees' compensation	3%
Remuneration of directors and supervisors	0.39%	0.18%
Employees' compensation – cash	\$ 185,807	\$ 395,990
Remuneration of directors – cash	24,000	24,000

There was no difference between the actual amounts of employees' compensation paid in 2023 and 2022 and the amounts recognized in the consolidated financial statements for 2023 and 2022.

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

## XXVII. Income Tax

### (I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
Occurred in the current period	\$ 496,843	\$ 697,185	\$ 778,446	\$1,382,839
Income tax on unappropriated earnings	161,499	420,427	161,499	420,427
Adjustments for prior years	<u>18,373</u>	<u>5,360</u>	<u>23,402</u>	<u>12,315</u>
	676,715	1,122,972	963,347	1,815,581
Deferred tax				
Occurred in the current period	<u>10,652</u>	<u>160,829</u>	<u>231,102</u>	<u>290,486</u>
Income tax expense recognized in profit or loss	<u>\$ 687,367</u>	<u>\$1,283,801</u>	<u>\$1,194,449</u>	<u>\$2,106,067</u>

The corporate tax rate applicable to the Group in the ROC is 20%. The corporate tax rate applicable to subsidiaries in China is 25%, while the tax rate applicable to subsidiaries in the U.S. is 21%. Tax rates used by other entities of the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

The Company and BBI-TW 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 investees. As a result, no deferred tax liability has been recognized on the related investment income recognized under the equity method.

### (II) Income tax expense recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
Occurred in the current period				
- Cash flow hedge	\$ 52,804	(\$ 85,077)	\$ 65,475	(\$423,667)
- Translation of foreign operation	<u>-</u>	<u>(1,613)</u>	<u>(682)</u>	<u>(2,222)</u>
	<u>\$ 52,804</u>	<u>(\$ 86,690)</u>	<u>\$ 64,793</u>	<u>(\$425,889)</u>

### (III) Income tax assessments

The income tax returns of the Company and its domestic subsidiaries, other than Right Way, through 2022 have been assessed by the tax authorities. The income tax returns of Right Way through 2021 have been assessed by the tax authorities.

## XXVIII. Earnings per Share

The net profit and weighted average number of ordinary shares used in the computation of basic earnings per share is stated as following:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Profit (loss) for the year attributable to owners of the Company	<u>\$ 916,865</u>	<u>\$1,632,193</u>	<u>\$1,999,554</u>	<u>\$3,612,297</u>

## Number of Shares

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months		For the Six Months	
	Ended June 30		Ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	2,309,961	2,330,775	2,309,961	2,330,522
Effect of potentially dilutive ordinary shares:				
Employees' compensation	<u>2,062</u>	<u>6,294</u>	<u>4,098</u>	<u>6,294</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>2,312,023</u>	<u>2,337,069</u>	<u>2,314,059</u>	<u>2,336,816</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 number of shares to be distributed to employees is resolved in the following year.

### XXIX. Equity Transactions with Non-Controlling Interests

Right Way Industrial Co., Ltd. purchased the shares of BBI-TW in the market for the six months ended June 30, 2024 and 2023. The transaction was recognized to purchase treasury shares, and the Group's continuing interest of BBI-TW was changed.

The Group's shareholding in Right Way was changed due to the exercise of employee stock options by employees of the subsidiary, Right Way, from January 1 to June 30, 2024 and 2023.

In March 2023, the Group subscribed for additional new shares of Ta Chen Lung Mei Home Life Co., Ltd at a percentage different from its existing ownership percentage, thereby causing the shareholding to be changed.

In January 2023, the Group subscribed for additional new shares of Right Way at a percentage different from its existing ownership percentage, thereby causing the shareholding to be changed.

Since the above transactions did not change the control of the Group over these subsidiaries, the Group treated as an equity transaction.

#### January 1 to June 30, 2024

	BBI-TW	Right Way
Cash Consideration paid	( \$ 10,118 )	\$ 79
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	9,280	( 83 )
Difference recognized from equity transactions	( \$ 838 )	( \$ 4 )

	<u>BBI-TW</u>	<u>Right Way</u>	<u>Total</u>
<u>Adjustment subjects to the difference from equity transactions</u>			
Additional Paid-In Capital - Recognition of changes in ownership equity in subsidiaries	(\$ 838)	(\$ 4)	(\$ 842)

January 1 to June 30, 2023

	<u>BBI-TW</u>	<u>Ta Chen Lung Mei Home Life Co., Ltd</u>	<u>Right Way</u>
Cash Consideration paid	\$ 14	(\$ 400,000)	\$ 21,138
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	( 40,666)	398,940	( 7,584)
Difference recognized from equity transactions	(\$ 40,652)	(\$ 1,060)	\$ 13,554

	<u>BBI-TW</u>	<u>Ta Chen Lung Mei Home Life Co., Ltd</u>	<u>Right Way</u>	<u>Total</u>
<u>Adjustment subjects to the difference from equity transactions</u>				
Additional Paid-In Capital - the difference between the actual acquisition or disposal of subsidiary equity prices and book value	\$ 14	\$ -	\$ 13,235	\$ 13,249
Additional Paid-In Capital - Recognition of changes in ownership equity in subsidiaries	( 40,666)	( 1,060)	309	( 41,417)
	(\$ 40,652)	(\$ 1,060)	\$ 13,544	(\$ 28,168)

XXX. Financial Instruments

(I) Fair value of financial instruments not measured at fair value  
Fair value hierarchy

The carrying amounts of the Group's financial instruments that are not measured at fair value, such as cash and cash equivalents, receivables, other financial assets, refundable deposits, bank borrowings, short-term bills payable and accounts payable, approximate their fair values.

## (II) Fair value of financial instruments measured at fair value on a recurring basis

## 1. Fair value hierarchy

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 1,322,217	\$ -	\$ 1,322,217
Mutual funds	<u>77,315</u>	<u>-</u>	<u>-</u>	<u>77,315</u>
Total	<u>\$ 77,315</u>	<u>\$ 1,322,217</u>	<u>\$ -</u>	<u>\$ 1,399,532</u>

Financial assets at FVTOCI

Foreign listed shares	\$ 75,623	\$ -	\$ -	\$ 75,623
Domestic emerging market shares	-	-	680,113	680,113
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>27,152</u>	<u>27,152</u>
Total	<u>\$ 75,623</u>	<u>\$ -</u>	<u>\$ 707,265</u>	<u>\$ 782,888</u>

Financial Assets forHedging

Derivatives	<u>\$ -</u>	<u>\$ 494,338</u>	<u>\$ -</u>	<u>\$ 494,338</u>
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Financial liabilities atFVTPL

Derivatives	<u>\$ -</u>	<u>\$ 240,750</u>	<u>\$ -</u>	<u>\$ 240,750</u>
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December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 666,952	\$ -	\$ 666,952
Mutual funds	<u>108,645</u>	<u>-</u>	<u>-</u>	<u>108,645</u>
Total	<u>\$ 108,645</u>	<u>\$ 666,952</u>	<u>\$ -</u>	<u>\$ 775,597</u>

Financial assets at FVTOCI

Foreign listed shares	\$ 79,030	\$ -	\$ -	\$ 79,030
Domestic emerging market shares	-	-	759,295	759,295
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>27,152</u>	<u>27,152</u>
Total	<u>\$ 79,030</u>	<u>\$ -</u>	<u>\$ 786,447</u>	<u>\$ 865,477</u>

Financial Assets forHedging

Derivatives	<u>\$ -</u>	<u>\$ 697,866</u>	<u>\$ -</u>	<u>\$ 697,866</u>
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Financial liabilities atFVTPL

Derivatives	<u>\$ -</u>	<u>\$ 175,429</u>	<u>\$ -</u>	<u>\$ 175,429</u>
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June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 801,527	\$ -	\$ 801,527
Mutual funds	<u>95,814</u>	<u>-</u>	<u>-</u>	<u>95,814</u>
Total	<u>\$ 95,814</u>	<u>\$ 801,527</u>	<u>\$ -</u>	<u>\$ 897,341</u>

Financial assets at FVTOCI

Foreign listed shares	\$ 80,924	\$ -	\$ -	\$ 80,924
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>797,759</u>	<u>797,759</u>
Total	<u>\$ 80,924</u>	<u>\$ -</u>	<u>\$ 797,759</u>	<u>\$ 878,683</u>

Financial Assets forHedging

Derivatives	<u>\$ -</u>	<u>\$ 1,649,256</u>	<u>\$ -</u>	<u>\$ 1,649,256</u>
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Financial liabilities atFVTPL

Derivatives	<u>\$ -</u>	<u>\$ 55,542</u>	<u>\$ -</u>	<u>\$ 55,542</u>
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There were no transfers between Levels 1 and 2 from January 1 to June 30, 2024 and 2023.

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

<u>Type of financial instrument</u>	<u>Valuation technique and inputs</u>
Foreign exchange forward contracts	It is measured by the quoted forward exchange rate and the corresponding yield curve.
Metal price swap contracts, forward commodity contracts and futures contracts	It is measured by the quoted forward metal price and the corresponding yield curve.
Hedging instruments - interest rate swap contracts	The future cash flow is estimated based on the observable interest rate at the end of the period and discounted at the discount rate that can reflect the credit risk of each counterparty.
Derivatives - Forward foreign exchange contract	Discounted cash flow method: The future cash flow is estimated based on the observable forward exchange rates at the end of the period and the contractual exchange rates, and the discounts are based on the discount rates that can reflect the credit risk of each counterparty.

3. Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The fair value of limited partnerships is estimated on the basis of net value. The fair value of domestic unlisted equity investments and emerging market equity investment is evaluated based on the market approach, which compares the ratio of the stock price to the net value of similar peers.

4. Adjustment of financial instruments measured by Level 3 fair value January 1 to June 30, 2024

	Financial assets at fair value through other comprehensive income
	<u>Equity instruments</u>
Opening Balance	\$ 786,447
Recognized in Other Comprehensive Income	( 79,182 )
Ending Balance	<u>\$ 707,265</u>

January 1 to June 30, 2023

	Financial assets at fair value through other comprehensive income
	<u>Equity instruments</u>
Opening Balance	\$ 741,799
Recognized in Other Comprehensive Income	2,055
Additional Ending Balance	<u>53,905</u> <u>\$ 797,759</u>

(III) Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Held for trading	\$ 1,322,217	\$ 666,952	\$ 801,527
Mandatorily classified as at FVTPL	77,315	108,645	95,184
Financial assets for hedging	494,338	697,866	1,649,256
Financial assets at amortized cost (Note 1)	25,353,716	23,047,794	27,988,772
Financial assets at FVTOCI	782,888	865,477	878,683
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	240,750	175,429	55,542
Financial liabilities at amortized cost (Note 2)	44,534,895	47,956,789	54,419,265

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

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term and long-term loans (long-term loans due in one year included), short-term bills payable, accounts payable (related parties included), other payables and guarantee deposit received (recognized in other non-current liabilities).

(IV) Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, short-term bills payable and borrowings. The Group'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 Group 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 Group 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 Group'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 Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (1) below), interest rates (refer to (2) below) and other price risk (refer to (3) below).

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

(1) Foreign exchange rate risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange swap contracts, foreign exchange forward contracts and foreign exchange option contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group'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 Six Months Ended June 30	
	2024	2023
Profit or loss	\$ 86,692	\$ 113,418

This was mainly attributable to the exposure on outstanding foreign currency and cash equivalents, receivables, other receivables, other financial assets, payables and loans, which were not hedged at the end of the reporting date.

The Group's sensitivity to foreign currency decreased during the current period due to the decrease in the sales of the US dollar-denominated goods, which is caused by the decrease in foreign currency trade receivables. 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.

(2) Interest rate risk

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Cash flow interest rate risk			
Financial assets	\$ 7,017,241	\$ 8,111,461	\$ 8,252,619
Financial liabilities	36,428,323	40,893,614	45,336,268

Sensitivity analysis

The sensitivity analysis below was determined based on the Group'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 and all other variables were held constant, the Group's pre-tax profit from January 1 to June 30, 2024 and 2023 would have been lower by NT\$147,055 thousand and NT\$185,418 thousand, respectively, which was merely a result of variable-rate debts.

Hedge accounting

The Group entered into interest rate swap contracts to mitigate the risk of changes in interest rates on the cash flow exposure related to its outstanding variable rate debts, and those transactions are designated as cash flow hedges. Interest rate swap contracts are settled on a monthly basis. Floating rate on interest swap contracts is an interbank interest rate. The Group will settle the difference between fixed and floating interest rate on a net basis.

The source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness is expected to emerge from these hedging relationships.

The outstanding interest rate swap contracts at the end of the reporting period were as follows:

## June 30, 2024

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount	
					Financial Assets	Asset
USD 300,000 (Note 1)	2027.5.6	1.78%	Compounded SOFR+0.11448%	Financial Assets for Hedging	\$	438,731
USD 10,000 (Note 2)	2026.5.1	0.975%	Compounded SOFR+0.11448%	Financial Assets for Hedging		18,664
USD 10,000 (Note 2)	2026.5.1	1.023%	Compounded SOFR+0.11448%	Financial Assets for Hedging		18,423
USD 10,000 (Note 2)	2026.5.1	1.005%	Compounded SOFR+0.11448%	Financial Assets for Hedging		18,520
						<u>\$ 494,338</u>

### Accumulated Gains or Losses on Hedging Instruments in Other Equity

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Continuing Hedges	Hedge Accounting No Longer Applied	
Cash flow hedge				
Syndicated Loans of TCI and TKA	(\$ 4,380,750)	\$ 438,731	\$	-
Syndicated Loans of BBI-USA	( 162,250)	36,340		-

Note 1: The Group designated the contract amount of US\$185,000 thousand as hedging instrument.

Note 2: The Group designated US\$25,000 thousand in the contract as hedging instrument.

## December 31, 2023

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount	
					Financial Assets	Asset
USD 300,000 (Note)	2027.5.6	1.78%	Compounded SOFR+0.11448%	Financial Assets for Hedging	\$	474,545
USD 75,000	2027.5.6	0.98%	Compounded SOFR+0.11448%	Financial Assets for Hedging		158,917
USD 10,000	2026.5.1	0.98%	Compounded SOFR+0.11448%	Financial Assets for Hedging		20,984
USD 10,000	2026.5.1	1.02%	Compounded SOFR+0.11448%	Financial Assets for Hedging		21,655
USD 10,000	2026.5.1	1.00%	Compounded SOFR+0.11448%	Financial Assets for Hedging		21,765
						<u>\$ 697,866</u>

### Accumulated Gains or Losses on Hedging Instruments in Other Equity

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Continuing Hedges	Hedge Accounting No Longer Applied	
Cash flow hedge				
Syndicated Loans of TCI and TKA	\$ 546,542	\$ 633,462	\$	-
Syndicated Loans of BBI-USA	-	64,404		-

Note: The Group designated the contract amount of US\$245,000 thousand as hedging instrument.

June 30, 2023

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount	
					Financial Assets	Asset
USD 300,000	2027.5.6	1.78%	USD LIBOR- 1month	Financial Assets for hedging	\$	800,257
USD 50,000	2027.5.6	0.67%	USD LIBOR- 1month	Financial Assets for hedging		195,131
USD 100,000	2024.5.6	1.31%	Term SOFR 1 month+0.1%	Financial Assets for hedging		106,649
USD 25,000	2024.5.6	1.37%	USD LIBOR- 1month	Financial Assets for Hedging		27,247
USD 50,000	2024.5.7	1.37%	USD LIBOR- 1month	Financial Assets for hedging		57,815
USD 75,000	2027.5.6	1.10%	USD LIBOR- 1month	Financial Assets for hedging		172,963
USD 50,000	2027.5.6	0.70%	USD LIBOR- 1month	Financial Assets for hedging		199,968
USD 10,000	2026.5.1	0.975%	USD LIBOR- 1month	Financial Assets for hedging		29,211
USD 10,000	2026.5.1	1.023%	USD LIBOR- 1month	Financial Assets for hedging		29,927
USD 10,000	2026.5.1	1.005%	USD LIBOR- 1month	Financial Assets for hedging		<u>30,088</u>
					\$	<u>1,649,256</u>

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Syndicated Loans of TCI and TKA	\$ -	\$ 1,560,030	\$ -
Syndicated Loans of BBI-USA	-	89,226	-

For the three months ended June 30, 2024

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item
		Due to Hedged Item Affecting P/L
Cash flow hedge		
Fluctuations of interest of loan	( \$ 201,233 )	\$ 61,620

For the six months ended June 30, 2024

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item
		Due to Hedged Item Affecting P/L
Cash flow hedge		
Fluctuations of interest of loan	( \$ 262,599 )	\$ 141,159

For the three months ended June 30, 2023

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item
Cash flow hedge		Due to Hedged Item Affecting P/L
Fluctuations of interest of loan	\$ 329,735	\$ 159,815

For the six months ended June 30, 2023

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item
Cash flow hedge		Due to Hedged Item Affecting P/L
Fluctuations of interest of loan	\$ 413,847	\$ 294,544

(3) Other price risk

The Group was exposed to market price risk through its investments in metal (i.e. aluminum and nickel) price swap contracts which aimed to lower the impact of material price fluctuations on profitability.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to market price risks at the end of the reporting period.

With regard to the unsettled aluminum and nickel price derivative instrument contracts as of June 30, 2024 and 2023, if market prices had been 1% higher/lower, pre-tax loss for the six months ended June 30, 2024 and 2023 would have increased/decreased by NT\$48,444 thousand and NT\$12,961 thousand, respectively, as a result of the changes in fair value of investments at fair value through profit or loss. With regard to the unsettled aluminum and nickel price swap contracts for the six months ended June 30, 2024 and 2023, the Group had recognized gains of NT\$381,585 thousand and gains of NT\$794,801 thousand regarding unrealized valuation gain or loss.

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 Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

- (1) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- (2) 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.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collaterals, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the risk management committee annually.

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 Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group'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 Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had available unutilized short-term bank loan facilities set out in (3) below.

#### (1) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group'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 Group 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.

<u>June 30, 2024</u>	<u>Less than 1 year</u>	<u>On Demand and Less than 1 year</u>
Non-derivative financial liabilities		
Non-interest bearing liabilities	\$ 9,814,136	\$ 45,464
Lease liabilities	1,502,834	9,131,535
Fixed interest rate bank loans	1,127,345	745,196
Floating interest rate bank loans	20,021,509	19,341,352
	<u>\$ 32,465,824</u>	<u>\$ 29,263,547</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 1,502,834</u>	<u>\$ 5,251,015</u>	<u>\$ 3,880,520</u>

<u>December 31, 2023</u>	<u>Less than 1 year</u>	<u>More than 1 Year</u>
Non-derivative financial liabilities		
Non-interest bearing liabilities	\$ 5,239,685	\$ 45,185
Lease liabilities	1,378,225	8,836,538
Fixed interest rate bank loans	887,843	731,468
Floating interest rate bank loans	20,762,878	23,255,225
	<u>\$ 28,268,631</u>	<u>\$ 32,868,416</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 1,378,225</u>	<u>\$ 4,799,918</u>	<u>\$ 4,036,620</u>

	<u>Less than 1 year</u>	<u>More than 1 Year</u>
<u>June 30, 2023</u>		
Non-derivative financial liabilities		
Non-interest bearing liabilities	\$ 10,469,103	\$ 48,884
Lease liabilities	1,298,163	8,027,798
Fixed interest rate bank loans	2,273,932	725,128
Floating interest rate bank loans	18,032,707	32,553,040
	<u>\$ 32,073,905</u>	<u>\$ 41,354,850</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 1,298,163</u>	<u>\$ 4,419,662</u>	<u>\$ 3,608,136</u>

(2) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group'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.

	<u>Less than 1 year</u>	<u>1-5 years</u>
<u>June 30, 2024</u>		
Net settled		
Foreign exchange forward contracts	\$ 145,631	\$ -
Metal price derivative contracts	95,119	-
	<u>\$ 240,750</u>	<u>\$ -</u>
<u>December 31, 2023</u>		
Net settled		
Foreign exchange forward contracts	\$ 45,267	\$ -
Metal price derivative contracts	130,162	-
	<u>\$ 175,429</u>	<u>\$ -</u>

<u>June 30, 2023</u>	<u>Less than 1 year</u>	<u>1-5 years</u>
Net settled		
Foreign exchange forward contracts	\$ 54,406	\$ -
Metal price derivative contracts	1,136	-
	<u>\$ 55,542</u>	<u>\$ -</u>

(3) Financing facilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unsecured bank borrowing facilities, reviewed annually:			
Amount used	\$ 8,904,538	\$ 12,552,016	\$ 8,369,462
Amount unused	<u>8,359,377</u>	<u>8,137,051</u>	<u>10,360,684</u>
	<u>\$17,263,915</u>	<u>\$20,689,067</u>	<u>\$18,730,146</u>
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	\$29,732,178	\$30,277,763	\$40,007,252
Amount unused	<u>56,986,553</u>	<u>54,290,157</u>	<u>44,436,978</u>
	<u>\$86,718,731</u>	<u>\$84,567,920</u>	<u>\$84,444,230</u>

XXXI. Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

(I) The names of the related parties and their relationships with the Group

<u>Related Party Name</u>	<u>Relationship</u>
Jinn Her Enterprise Co., Ltd.	Corporate director of subsidiaries
Fang Sheng Screw Co., Ltd.	Related party in substance
LPJR Investment LLC. (LPJR)	Related party in substance
Ou Bo Hua Company	Related party in substance
Ying Lun Investment Co., Ltd.	Related party in substance
Winlink Fasteners Co., Ltd.	Related party in substance
Tong Win International Co., Ltd. (Tong Win)	Related party in substance
Re-Dai Precision Tools Co., Ltd (Rei-Dai)	Related party in substance
TY Steel Co., Ltd. (TY Steel)	Associate
Fuzhou Assured Brake Systems Co., Ltd. (Fuzhou Assured)	Associate of the Group before February 2023 (Note)
Ta Chen Green System Co., Ltd.	Associate
Victor Shieh	Related party in substance (Note 15)
Full Guan Co., Ltd.	Related party in substance (the person in charge is close relative)

Related Party Name	Relationship
Wei Mei Curtain Co., Ltd.	of the director of the subsidiary) Related party in substance (the person in charge is close relative of the director of the subsidiary)
Anders Enterprise Co., Ltd.	Related party in substance (the director is close relative of the general manager of the subsidiary)

Note: The transaction amount and balance of account disclosed in the Note when Right Way disposes of the company in March 2023 were incurred by related parties.

(II) Purchases of goods

Related Party Category / Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Jinn Her Enterprise Co., Ltd.	\$ 348,036	\$ 333,318	\$ 694,703	\$ 804,997
Fang Sheng Screw Co., Ltd.	140,617	209,585	288,009	414,801
Tong Win	96,278	341,039	236,424	739,976
Related party in substance	<u>24,570</u>	<u>66,568</u>	<u>45,524</u>	<u>171,679</u>
	<u>\$ 609,501</u>	<u>\$ 950,510</u>	<u>\$1,264,660</u>	<u>\$2,131,453</u>

The items and prices of the purchases from related parties do not have similar items to which they can be compared. The Company's payment term to related parties is 5 to 90 days or prepaid; and the payment term to third parties is prepaid or 0 to 90 days.

(III) Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Name	December 31,		
		June 30, 2024	2023	June 30, 2023
Other receivables	Corporate director of subsidiaries	\$ 419	\$ 666	\$ 794
	Related party in substance	<u>526</u>	<u>656</u>	<u>-</u>
		<u>\$ 945</u>	<u>\$ 1,322</u>	<u>\$ 794</u>

The outstanding accounts receivable from related parties are unsecured and no interest was accrued.

(IV) Payables to related parties

Line Item	Related Party Name	December 31,		
		June 30, 2024	2023	June 30, 2023
Accounts payable	Jinn Her Enterprise Co., Ltd.	\$ 159,904	\$ 178,149	\$ 135,853
	Fang Sheng Screw Co., Ltd.	90,052	99,784	140,524
	Related party in substance	<u>19,839</u>	<u>32,862</u>	<u>28,381</u>
		<u>\$ 269,795</u>	<u>\$ 310,795</u>	<u>\$ 304,758</u>

The outstanding accounts payable to related parties are unsecured and no interest was accrued.

(V) Prepayments

Related Party Name	June 30, 2024	December 31,	
		2023	June 30, 2023
Associate	\$ 20,000	\$ 20,000	\$ 20,000
Tong Win	45,996	-	-
	<u>\$ 65,996</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

(VI) Refundable deposits (recognized as financial assets at amortized cost - non current)

Related Party Name	June 30, 2024	December 31,	
		2023	June 30, 2023
Related party in substance	<u>\$ 1,760</u>	<u>\$ 1,760</u>	<u>\$ 1,760</u>

(VII) Loan to Related parties

Related Party Category / Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Interest income</u>				
Fuzhou Assured	\$ -	\$ -	\$ -	\$ 162

Note: It is an unsecured loan between Right Way Industrial Co., Ltd. and Fuzhou Assured Company. As of June 30, 2023, there was no balance. The interest is calculated according to the average interest rate of short-term borrowings from financial institutions by Right Way Industrial Co., Ltd in the current year.

(VIII) Lease agreements

The Group entered into a contract with its related parties in substance to rent Taipei office space, Tainan dormitories, Kaohsiung office, Kaohsiung plant, dormitories in California, five locations in total, and one car from April 2024 to December 2024. The rental is based on similar assets' market rental rates, which is 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:

	June 30, 2024	December 31,	
		2023	June 30, 2023
Future lease payables	<u>\$ 11,368</u>	<u>\$ 12,788</u>	<u>\$ 4,738</u>

Related Party Category / Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Lease expense</u>				
Related party in substance	<u>\$ 4,262</u>	<u>\$ 3,752</u>	<u>\$ 8,523</u>	<u>\$ 7,647</u>

The rental price for the lease from the related party is determined with reference to the market conditions.

(IX) Others

The Group engages substantive related parties Wei Mei Curtain Co., Ltd. to provide consulting services to operational needs. The Group paid the amounts of NT\$3,828 thousand of consulting expense (recognized as operating expense) for the six months ended June 30, 2024.

(X) Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 150,214	\$ 116,676	\$ 307,891	\$ 371,023
Post-employment benefits	489	358	886	709
	<u>\$ 150,703</u>	<u>\$ 117,034</u>	<u>\$ 308,777</u>	<u>\$ 371,732</u>

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

XXXII. Assets Pledged as Collateral or for Security

The following assets were provided as collateral for bank borrowings:

	December 31,		
	June 30, 2024	2023	June 30, 2023
Financial assets at amortized cost (pledged time deposits, pledged demand deposits and pledged repurchase agreements collateralized by bonds)	\$ 2,753,416	\$ 2,914,243	\$ 2,962,506
Accounts receivable	7,725,635	5,778,669	8,150,227
Inventories	48,171,947	50,667,356	60,305,088
Property, plant and equipment	<u>16,310,530</u>	<u>10,348,204</u>	<u>12,473,215</u>
	<u>\$ 74,961,528</u>	<u>\$ 69,708,472</u>	<u>\$ 83,891,036</u>

XXXIII. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2023 and 2022 were as follows:

(I) Unused letters of credit for purchases of raw materials are as follows:

	December 31,		
	June 30, 2024	2023	June 30, 2023
Unused letters of credit for purchases of raw materials	<u>\$ 580,013</u>	<u>\$ 401,796</u>	<u>\$ 784,361</u>

(II) Contract commitments which are not fulfilled by the Group are as follows:

	December 31,		
	June 30, 2024	2023	June 30, 2023
Acquisition of property, plant and equipment	<u>\$ 9,582,147</u>	<u>\$ 9,529,735</u>	<u>\$ 6,066,613</u>

(III) As of June 30, 2024, the subsidiary BBI-USA provided a letter of credit in the amount of NT\$165,495 thousand (US\$5,100 thousand) to Hudson Insurance Company, the insurance company of the customs broker of BBI-USA, as collateral for the customs investigation described below.

(IV) The U.S. Customs and Border Protection (CBP) has conducted an investigation into BBI-USA (including the import procedures, information about main vendors or manufacturers, product content, place of production, control of antidumping products, etc.) in accordance with the Tariff Act of 1930 in the U.S. since April 2014. The CBP's main purpose of the investigation is to find out whether the country of origin of certain steel threaded rods that BBI-USA

imported through merchants in China, in order to examine whether the makers of fasteners in China sell products to America through triangular trade to avoid anti-dumping duties. BBI-USA has estimated payback customs duty and fines in the amount of NT\$114,380 thousand (US\$3,525 thousand) until June 30, 2024, which was recognized as other payables, and BBI-USA has authorized lawyers to negotiate with U.S. Customs. The evaluation of the proposal for consultation options by U.S. Customs is currently under negotiation.

- (V) As of June 30, 2024, December 31 and June 30, 2023, the guaranteed notes submitted and payables issued by the Group for the loan was NT\$380,300 thousand, NT\$337,300 thousand and NT\$1,297,280 thousand, respectively.
- (VI) As of June 30, 2024, December 31 and June 30, 2023, the guaranteed notes issued by the Group as the performance guarantee were all NT\$1,500 thousand.

#### XXXIV. Significant Assets and Liabilities Denominated in Foreign Currencies

The Group'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:

Unit: Foreign Currency in Thousands; NTD Thousand

<u>June 30, 2024</u>			
<u>Financial assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 287,328	32.45	\$ 9,323,782
USD	5,138	7.1268	166,712
		(USD:CNY)	
EUR	762	34.71	26,441
EUR	4,485	7.6617	156,456
		(EUR:CNY)	
GBP	5,693	41.04	233,627
CAD	2,717	23.67	64,307
AUD	39,287	21.52	845,465
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	18,136	32.45	588,509
USD	1,015	7.1268	32,951
		(USD:CNY)	
USD	6,158	5.5588	199,817
		(USD:BRL)	

December 31, 2023

<u>Financial assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 379,058	30.705	\$ 11,638,987
USD	3,856	7.0827	118,400
		(USD:CNY)	
EUR	550	33.98	18,673
EUR	4,278	7.8592	145,745
		(EUR:CNY)	
CAD	3,490	23.2	80,979
AUD	36,894	20.98	774,032
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	16,100	30.705	494,354
USD	2,022	7.0827	62,089
		(USD:CNY)	
USD	5,930	4.8413	182,091
		(USD:BRL)	

June 30, 2023

<u>Financial assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 385,227	31.14	\$ 11,995,967
USD	4,762	7.2258	148,290
		(USD:CNY)	
EUR	708	33.81	23,944
EUR	3,587	7.8771	121,777
		(EUR:CNY)	
GBP	2,685	39.38	105,740
CAD	5,922	23.48	139,040
AUD	39,897	20.62	822,683
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	18,190	31.14	566,449
USD	1,015	7.2258	31,620
		(USD:CNY)	
USD	6,565	4.8192	204,425
		(USD:BRL)	

The Group is mainly exposed to the foreign exchange risk of the USD. The following information was aggregated by the functional currencies of the Group, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

		For the three months ended June 30, 2024		For the three months ended June 30, 2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)	
NTD	1 (NTD:NTD)	\$ 248,808	1 (NTD:NTD)	\$ 444,987	
		January 1 to June 30, 2024		January 1 to June 30, 2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)	
NTD	1 (NTD:NTD)	\$ 888,001	1 (NTD:NTD)	\$ 277,862	

### XXXV. Separately Disclosed Items

- (I) Information about significant transaction:
1. Financing provided to others (Table 2)
  2. Endorsements/ guarantees provided for others (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 30)
  10. Others: Intercompany relationships and significant intercompany transactions (Table 11)
- (II) Information on investees (Table 8)
- (III) 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, 7, 8, 9 and 11)
    - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - (3) The amount of property transactions and the amount of the resultant gains or losses

- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - (6) 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
- (IV) Information on major shareholders: the name, amount and proportion of shareholders who hold more than 5 % of the shares (Table 10).

### XXXVI. Segment Information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance is based on the types of goods provided. Stainless steel and aluminum segment as well as screw head and nuts segments are the main segments for the Group.

Specifically, the Group's reportable segments were as follows:

Stainless steel and aluminum segment - the Company, TCI, PPTH, ERI, TCH, Ta Chen (Shijiazhuang), Ta Chen (Boye), Yinrong (Shanghai) and TCE mainly focus on manufacturing and selling stainless steel pipes, stainless steel pipe fittings, as well as stainless steel plates (rolls), bars and aluminum products.

Aluminum manufacturing segment – the subsidiaries, TKA mainly focus on manufacturing and selling aluminum rolling.

Screws and nuts segment - BBI-TW, BBI-USA, BBI-CA, BBI-UK, BBI-AU, BBI-NZ and BBI-BZ mainly focus on selling screws and nuts.

Other segments - Lung Mei, Wei Mei Roller Blind, Wei Mei Hsin Shu Interior Decoration Co., Ltd., Right Way Industrial Co., Ltd., and Right Way North America Inc. mainly focus on the manufacture and sale of curtains and decorations, interior decoration and manufacturing and mobile parts.

#### Segment revenue and results

	<u>Stainless Steel and Aluminum</u>	<u>Aluminum Manufacturing</u>	<u>Screws and Nuts</u>	<u>Curtains and Decorations</u>	<u>Adjustments and Eliminations</u>	<u>Total</u>
<u>January 1 to June 30, 2024</u>						
Revenue from external customers	\$ 35,493,186	\$ -	\$ 10,613,935	\$ 1,253,019	\$ -	\$ 47,360,140
Inter-segment revenue	<u>4,220,698</u>	<u>11,861,578</u>	<u>425,258</u>	<u>69,924</u>	<u>( 16,577,458)</u>	<u>-</u>
Segment revenue	<u>\$ 39,713,884</u>	<u>\$ 11,861,578</u>	<u>\$ 11,039,193</u>	<u>\$ 1,322,943</u>	<u>( \$ 16,577,458)</u>	<u>\$ 47,360,140</u>
Segment profit (loss)	<u>\$ 1,707,035</u>	<u>\$ 239,852</u>	<u>\$ 1,567,239</u>	<u>( \$ 87,798)</u>	<u>\$ 1,635</u>	<u>\$ 3,427,963</u>
Non-operating income and expenses						1,151,991
Finance costs						( 541,468)
Share of equity of associates accounted for using the equity method						( 166,461)
Net income before tax						<u>\$ 3,872,025</u>
<u>January 1 to June 30, 2023</u>						
Revenue from external customers	\$ 41,956,741	\$ -	\$ 12,008,200	\$ 1,370,591	\$ -	\$ 55,335,532
Inter-segment revenue	<u>4,409,567</u>	<u>10,419,563</u>	<u>480,117</u>	<u>27,373</u>	<u>( 15,336,620)</u>	<u>-</u>
Segment revenue	<u>\$ 46,366,308</u>	<u>\$ 10,419,563</u>	<u>\$ 12,488,317</u>	<u>\$ 1,397,964</u>	<u>( \$ 15,336,620)</u>	<u>\$ 55,335,532</u>
Segment profit (loss)	<u>\$ 4,081,532</u>	<u>\$ 128,583</u>	<u>\$ 2,129,644</u>	<u>( \$ 245,974)</u>	<u>( \$ 66,640)</u>	<u>\$ 6,027,145</u>
Non-operating income and expenses						1,288,572
Finance costs						( 669,881)
Share of equity of associates accounted for using the equity method						( 92,360)
Net income before tax						<u>\$ 6,553,476</u>

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, rental revenue, interest income, gains or losses on disposals of financial instruments, foreign exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
MOVEMENTS OF PROPERTY, PLANT AND EQUIPMENT  
January 1 to June 30, 2024 and 2023

TABLE 1

	Land	Land Improvements	Buildings	Machinery and Equipment	Storage Equipment	Electrical Equipment	Transportation Equipment	Office Equipment	Molding Equipment	Leasehold Improvements	Leased Assets	Other Equipment	Property under construction	Total
<b>Cost</b>														
Balance at January 1, 2023	\$ 8,809,768	\$ 156,022	\$ 5,464,030	\$ 11,303,175	\$ 2,065,714	\$ 342,491	\$ 282,797	\$ 651,139	\$ 309,383	\$ 430,056	\$ 1,854	\$ 602,352	\$ 3,033,144	\$ 33,451,925
Additions	-	-	125,337	75,857	42,276	-	17,365	18,953	1,442	85,247	-	15,163	2,941,132	3,322,772
Disposals	( 3,896)	-	( 21,577)	( 27,160)	( 6,244)	-	( 12,546)	( 9,421)	( 1,727)	( 10,085)	-	( 14,990)	-	( 107,646)
Transferred to expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	1,427,535	18,972	2,439	-	2,439	1,214	234	4,606	-	33,553	( 190,357)	1,300,635
Effects of foreign currency exchange differences	4,761	887	90,237	65,585	31,812	-	( 1,156)	5,093	1	2,036	26	( 702)	69,090	267,670
Balance at June 30, 2023	<u>\$ 8,810,633</u>	<u>\$ 156,909</u>	<u>\$ 7,085,562</u>	<u>\$ 11,436,429</u>	<u>\$ 2,135,997</u>	<u>\$ 342,491</u>	<u>\$ 288,899</u>	<u>\$ 666,978</u>	<u>\$ 309,333</u>	<u>\$ 511,860</u>	<u>\$ 1,880</u>	<u>\$ 635,376</u>	<u>\$ 5,853,009</u>	<u>\$ 38,235,356</u>
<b>Accumulated Depreciation</b>														
Balance at January 1, 2023	\$ -	\$ 57,240	\$ 1,608,303	\$ 5,386,259	\$ 1,663,659	\$ 217,732	\$ 167,575	\$ 524,101	\$ 291,342	\$ 256,663	\$ 1,854	\$ 284,839	\$ -	\$ 10,459,567
Depreciation Expense	-	3,566	133,304	270,423	51,045	9,596	16,373	20,955	3,986	26,978	-	30,431	-	566,657
Disposals	-	-	( 21,577)	( 23,040)	( 5,905)	-	( 11,915)	( 9,029)	( 1,727)	( 10,086)	-	( 14,673)	-	( 97,952)
Reclassifications	-	-	-	( 2,116)	-	-	-	-	-	-	-	-	-	( 2,116)
Effects of foreign currency exchange differences	-	211	1,978	1,637	25,921	-	( 493)	4,490	1	1,646	26	( 628)	-	34,789
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 61,017</u>	<u>\$ 1,722,008</u>	<u>\$ 5,633,163</u>	<u>\$ 1,734,720</u>	<u>\$ 227,328</u>	<u>\$ 171,540</u>	<u>\$ 540,517</u>	<u>\$ 293,602</u>	<u>\$ 275,201</u>	<u>\$ 1,880</u>	<u>\$ 299,969</u>	<u>\$ -</u>	<u>\$ 10,960,945</u>
Net amount at June 30, 2023	<u>\$ 8,810,633</u>	<u>\$ 95,892</u>	<u>\$ 5,363,554</u>	<u>\$ 5,803,266</u>	<u>\$ 401,277</u>	<u>\$ 115,163</u>	<u>\$ 117,359</u>	<u>\$ 126,461</u>	<u>\$ 15,731</u>	<u>\$ 236,659</u>	<u>\$ -</u>	<u>\$ 335,407</u>	<u>\$ 5,853,009</u>	<u>\$ 27,274,411</u>
<b>Cost</b>														
Balance at January 1, 2024	\$ 8,870,637	\$ 156,277	\$ 7,186,927	\$ 11,505,688	\$ 2,140,418	\$ 342,491	\$ 286,920	\$ 686,365	\$ 347,490	\$ 533,056	\$ 1,854	\$ 610,229	\$ 8,061,769	\$ 40,730,121
Additions	21,855	740	6,482	860,547	66,736	-	11,162	24,244	741	12,380	-	9,735	1,394,036	2,408,658
Disposals	-	-	( 2,018)	( 30,531)	( 59,385)	-	( 6,716)	( 9,998)	( 5,763)	( 8,816)	-	( 3,792)	( 80)	( 127,099)
Reclassifications	76,941	-	4,306,957	1,902,168	40,111	-	( 35)	108,850	37	197	-	176	( 6,324,343)	111,059
Effects of foreign currency exchange differences	43,306	3,597	432,424	544,554	115,285	-	2,950	30,439	171	7,811	105	1,664	150,493	1,332,799
Balance at June 30, 2024	<u>\$ 9,012,739</u>	<u>\$ 160,614</u>	<u>\$ 11,930,772</u>	<u>\$ 14,782,426</u>	<u>\$ 2,303,165</u>	<u>\$ 342,491</u>	<u>\$ 294,281</u>	<u>\$ 839,900</u>	<u>\$ 342,676</u>	<u>\$ 544,628</u>	<u>\$ 1,959</u>	<u>\$ 618,012</u>	<u>\$ 3,281,875</u>	<u>\$ 44,455,538</u>
<b>Accumulated Depreciation</b>														
Balance at January 1, 2024	\$ -	\$ 64,409	\$ 1,856,960	\$ 5,857,686	\$ 1,760,031	\$ 236,866	\$ 182,297	\$ 557,376	\$ 296,449	\$ 286,559	\$ 1,854	\$ 328,454	\$ -	\$ 11,428,941
Depreciation Expense	-	3,764	174,393	303,527	49,725	9,476	16,652	24,999	2,820	33,065	-	29,257	-	647,678
Disposals	-	-	( 2,018)	( 17,677)	( 59,260)	-	( 5,409)	( 9,688)	( 5,763)	( 8,817)	-	( 3,955)	-	( 112,587)
Reclassifications	-	-	839	( 839)	-	-	-	-	-	( 23)	-	23	-	-
Effects of foreign currency exchange differences	-	941	54,891	167,876	94,958	1	2,505	23,346	-	6,274	105	2,327	-	353,224
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 69,114</u>	<u>\$ 2,085,065</u>	<u>\$ 6,310,573</u>	<u>\$ 1,845,454</u>	<u>\$ 246,343</u>	<u>\$ 196,045</u>	<u>\$ 596,033</u>	<u>\$ 293,506</u>	<u>\$ 317,058</u>	<u>\$ 1,959</u>	<u>\$ 356,106</u>	<u>\$ -</u>	<u>\$ 12,317,256</u>
Carrying amounts at January 1, 2024	<u>\$ 8,870,637</u>	<u>\$ 91,868</u>	<u>\$ 5,329,967</u>	<u>\$ 5,648,002</u>	<u>\$ 380,387</u>	<u>\$ 105,625</u>	<u>\$ 104,623</u>	<u>\$ 128,989</u>	<u>\$ 51,041</u>	<u>\$ 246,497</u>	<u>\$ -</u>	<u>\$ 281,775</u>	<u>\$ 8,061,769</u>	<u>\$ 29,301,180</u>
Net amount at June 30, 2024	<u>\$ 9,012,739</u>	<u>\$ 91,500</u>	<u>\$ 9,845,707</u>	<u>\$ 8,471,853</u>	<u>\$ 457,711</u>	<u>\$ 96,148</u>	<u>\$ 98,236</u>	<u>\$ 243,867</u>	<u>\$ 49,170</u>	<u>\$ 227,570</u>	<u>\$ -</u>	<u>\$ 261,906</u>	<u>\$ 3,281,875</u>	<u>\$ 32,138,282</u>

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
FINANCING PROVIDED TO OTHERS  
January 1 to June 30, 2024

TABLE 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	The nature for 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	\$ 80,000	\$ 80,000	1.80%	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 6,531,067	\$ 26,124,270	
		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	-	6,531,067	26,124,270	
		TCI Texarkana, Inc.	Other receivables from related parties	Y	2,875,800	2,875,800	2,875,800	5.46%-5.85%	2	-	Operating capital	-	None	-	6,531,067	26,124,270	
1	Brighton-Best International (Taiwan) Inc.	Brighton-Best International (NZ), Limited	Other receivables from related parties	Y	8,921	5,806	5,806	Note 3	1	16,856	-	-	None	-	16,856	10,423,284	
		Brighton-Best International (AU), Pty Ltd.	Other receivables from related parties	Y	409,622	348,579	348,579	Note 3	1	581,208	-	-	None	-	581,208	10,423,284	
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Other receivables from related parties	Y	20,950	19,915	19,915	Note 3	1	21,693	-	-	None	-	21,693	10,423,284	
		Brighton-Best International (UK), Limited	Other receivables from related parties	Y	133,835	133,380	122,265	-	2	-	Operating capital	-	-	None	-	4,901,763	9,803,527
		Brighton-Best International (AU), Pty Ltd.	Other receivables from related parties	Y	43,040	43,040	21,520	Note 3	2	-	Operating capital	-	-	None	-	4,901,763	9,803,527
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Other receivables from related parties	Y	162,725	162,250	162,250	-	2	-	Operating capital	-	-	None	-	3,056,049	6,112,098
2	Brighton-Best International, Inc.	Brighton-Best International (Canada), Inc.	Other receivables from related parties	Y	81,363	81,125	-	-	2	-	Operating capital	-	None	-	3,056,049	6,112,098	
		Brighton-Best International (NZ), Limited	Other receivables from related parties	Y	75,320	75,320	66,222	-	2	-	Operating capital	-	-	None	-	180,816	361,633
3	Brighton-Best International (AU), Pty Ltd.	Brighton-Best International (NZ), Limited	Other receivables from related parties	Y	75,320	75,320	66,222	-	2	-	Operating capital	-	-	None	-	180,816	361,633
4	Hupao Technology Co., Ltd.	Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	45,000	-	-	1.50%	2	-	Operating capital	-	None	-	46,928	93,856	
5	Shie Shin Enterprise Co., Ltd.	Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	38,000	38,000	38,000	1.50%	2	-	Operating capital	-	None	-	71,645	143,290	
6	Right way industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables from related parties	Y	48,818	48,675	48,675	5.0%	1	94,645	-	-	None	-	94,645	1,080,200	
7	Empire Resources, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	3,413,205	2,798,205	2,150,205	-	2	-	Operating capital	-	None	-	4,871,952	4,871,952	
		Imbali Metals BVBA	Other receivables from related parties	Y	258,160	258,160	166,823	1M SOFR+1.6%	2	-	Operating capital	-	None	-	4,871,952	4,871,952	
		Empire Resources (UK)Limited	Other receivables from related parties	Y	442,050	226,800	-	1M SOFR+1.6%	2	-	Operating capital	-	None	-	4,871,952	4,871,952	
8	Primus Pipe and Tube Holding, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	14,393	-	-	-	2	-	Operating capital	-	None	-	1,748,337	1,748,337	
9	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	Other receivables from related parties	Y	194,810	194,810	162,810	4.50%	2	-	Operating capital	-	None	-	2,529,850	2,529,850	
10	8911 Kelso Drive	Empire Resources, Inc.	Other receivables from related parties	Y	80,655	80,655	80,655	-	2	-	Operating capital	-	None	-	94,835	94,835	

Note 1:

	Financing Limit for Each Borrower	Aggregate Financing Limit
The Company	Net worth × 10%	Net worth × 40%
Brighton-Best International (Taiwan) Inc.	For business transaction: Recently business transaction amount	For business transaction: Recently business transaction amount plus 40% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International, Inc.	For short-term financing: 20% 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
Brighton-Best International (AU), Pty Ltd.	20% 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
Hupao Technology CO., LTD.	20% 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
Shie Shin Enterprise Co., Ltd.	20% 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
Empire Resources, Inc.	Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth	Net worth × 100%
Primus Pipe and Tube Holding, Inc.	Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth	Net worth × 100%
Ta Chen (Hong Kong) Limited	Not exceed 100% of net worth for 1,000% held subsidiary, for others not exceed 40% of net worth	Net worth × 1,000%
8911 Kelso Drive	Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth	Net worth × 100%
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 business transaction: 40% of net worth in recently audited financial statements reviewed financial statements
	For short-term financing: 15% 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

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

Note 2: Nature of Financing

Business transaction

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 accrues no interest.

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
ENDORSEMENTS/ GUARANTEES PROVIDED  
January 1 to June 30, 2024

TABLE 3

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorser/ Guarantor	Endorsee/ Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	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)	Endorsement/ Guarantee Given by Parent on Behalf of 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	\$ 130,621,348	\$ 100,188	\$ 100,188	\$ -	\$ -	-	\$ 130,621,348	Y	N	N
		Empire Resources, Inc.	Sub-subsidiary	130,621,348	181,170	181,170	-	-	-		Y	N	N
		Ta Chen (Boye) Co., Ltd.	Sub-subsidiary	130,621,348	157,608	157,608	118,854	-	-		Y	N	Y
		TMCT Products, Inc.	Sub-subsidiary	130,621,348	174,132	174,132	152,366	-	-		Y	N	N
		Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiary	130,621,348	2,090,000	2,090,000	1,116,831	-	3		Y	N	N
		TCI Texarkana, Inc.	Sub-subsidiary	130,621,348	913,500	913,500	-	-	1		Y	N	N
		Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Sub-subsidiary	130,621,348	145,000	145,000	87,125	-	-		Y	N	N
1	Brighton-Best International (Taiwan) Inc.	Brighton-Best International (AU), Pty Ltd.	Subsidiary (100% ownership)	19,607,054	174,877	174,877	-	-	1	24,508,817	N	N	N
		Brighton-Best International (NZ), Limited	Subsidiary (100% ownership)	19,607,054	91,537	90,937	-	-	-		N	N	N
2	Ta Chen Empire Co., Ltd. (TCE)	Hupao Technology Co., Ltd.	Subsidiary (80% ownership)	4,260,926	148,000	148,000	148,000	-	3	5,326,158	N	N	N
		Noei Geeng Enterprise Co., Ltd.	Subsidiary (80% ownership)	4,260,926	190,000	190,000	190,000	-	4		N	N	N
3	Ta Chen International, Inc.	Empire Resources Pacific, Ltd.	Sub-subsidiary	110,267,126	29,230,500	29,230,500	2,433,750	-	53	110,267,126	N	N	N
		TCI Investment Group, Inc.	Subsidiary	110,267,126	29,230,500	29,230,500	2,433,750	-	53		N	N	N
		Empire Resources, Inc.	Subsidiary	110,267,126	29,230,500	29,230,500	2,433,750	-	53		N	N	N
		TCI Texarkana, Inc.	Subsidiary	110,267,126	39,222,060	39,222,060	6,003,250	-	71		N	N	N
		Primus Pipe and Tube Holding, Inc.	Subsidiary	110,267,126	29,230,500	29,230,500	2,433,750	-	53		N	N	N
4	Empire Resources, Inc.	Primus Pipe and Tube Inc.	Sub-subsidiary	110,267,126	29,230,500	29,230,500	2,433,750	-	53	97,439,040	N	N	N
		Ta Chen International, Inc.	Parent Company	97,439,040	29,230,500	29,230,500	2,433,750	-	600		N	N	N
		Empire Resources Pacific, Ltd.	Subsidiary	97,439,040	29,230,500	29,230,500	2,433,750	-	600		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	97,439,040	29,230,500	29,230,500	2,433,750	-	600		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	97,439,040	29,230,500	29,230,500	2,433,750	-	600		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	97,439,040	29,230,500	29,230,500	2,433,750	-	600		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	97,439,040	29,230,500	29,230,500	2,433,750	-	600		N	N	N
5	TCI Investment Group, Inc.	Ta Chen International, Inc.	Parent Company	66,252,200	29,230,500	29,230,500	2,433,750	-	15,442	66,252,200	N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	66,252,200	29,230,500	29,230,500	2,433,750	-	15,442		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	66,252,200	29,230,500	29,230,500	2,433,750	-	15,442		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	66,252,200	29,230,500	29,230,500	2,433,750	-	15,442		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	66,252,200	29,230,500	29,230,500	2,433,750	-	15,442		N	N	N
6	Empire Resources Pacific, Ltd.	Primus Pipe and Tube, Inc.	Fellow subsidiaries	66,252,200	29,230,500	29,230,500	2,433,750	-	15,442	18,980,844	N	N	N
		Ta Chen International, Inc.	Parent Company	38,500,000	29,230,500	29,230,500	2,433,750	-	18,980,844		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	38,500,000	29,230,500	29,230,500	2,433,750	-	18,980,844		N	N	N
		Empire Resources, Inc.	Parent Company	38,500,000	29,230,500	29,230,500	2,433,750	-	18,980,844		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	38,500,000	29,230,500	29,230,500	2,433,750	-	18,980,844		N	N	N
7	Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	38,500,000	29,230,500	29,230,500	2,433,750	-	18,980,844	38,500,000	N	N	N
		Ta Chen International, Inc.	Parent Company	61,191,795	29,230,500	29,230,500	2,433,750	-	1,672		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	61,191,795	29,230,500	29,230,500	2,433,750	-	1,672		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	61,191,795	29,230,500	29,230,500	2,433,750	-	1,672		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	61,191,795	29,230,500	29,230,500	2,433,750	-	1,672		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	61,191,795	29,230,500	29,230,500	2,433,750	-	1,672		N	N	N
		Primus Pipe and Tube, Inc.	Subsidiary	61,191,795	29,230,500	29,230,500	2,433,750	-	1,672		N	N	N

(To be Continued)

(Brought Forward)

No.	Endorser/ Guarantor	Endorsee/ Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	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)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
8	Primus Pipe and Tube Inc.	Ta Chen International, Inc.	Parent Company	\$ 82,948,250	\$ 29,230,500	\$ 29,230,500	\$ 2,433,750	\$ -	1,938	\$ 82,948,250	N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	82,948,250	29,230,500	29,230,500	2,433,750	-	1,938		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	82,948,250	29,230,500	29,230,500	2,433,750	-	1,938		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	82,948,250	29,230,500	29,230,500	2,433,750	-	1,938		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	82,948,250	29,230,500	29,230,500	2,433,750	-	1,938		N	N	N
		Primus Pipe and Tube Holding, Inc.	Parent Company	82,948,250	29,230,500	29,230,500	2,433,750	-	1,938		N	N	N
9	TCI Texarkana, Inc.	Empire Resources Pacific Ltd.	Fellow subsidiaries	51,961,615	29,230,500	29,230,500	2,433,750	-	281	51,961,615	N	N	N
		Primus Pipe and Tube Holdings, Inc.	Fellow subsidiaries	51,961,615	29,230,500	29,230,500	2,433,750	-	281		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	51,961,615	29,230,500	29,230,500	2,433,750	-	281		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	51,961,615	29,230,500	29,230,500	2,433,750	-	281		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	51,961,615	29,230,500	29,230,500	2,433,750	-	281		N	N	N
		Ta Chen International, Inc.	Parent Company	51,961,615	29,230,500	29,230,500	2,433,750	-	281		N	N	N

Note:

	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.	Net worth × 80%	Net worth × 100%
Ta Chen Empire Co., Ltd.	Net worth × 80%	Net worth × 100%
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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
MARKETABLE SECURITIES HELD  
June 30, 2024

TABLE 4

(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	At the End of the Period			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	\$ 5,124	-	\$ 5,124
	Capital ASEAN Fund TWD	None	Financial assets at fair value through profit or loss - current	61,156.30	731	-	731
	Union Multi-Asset High Income Fund A TWD	None	Financial assets at fair value through profit or loss - current	200,000.00	1,890	-	1,890
	Amundi TW - US Dollar Core Fixed Income Fund- A2 TWD (C)	None	Financial assets at fair value through profit or loss - current	100,000.00	1,029	-	1,029
	Shin Kong Hang Seng TECH Index Fund (TWD)	None	Financial assets at fair value through profit or loss - current	100,000.00	414	-	414
	UBS (TW) Bond Fund - Fixed Income Fund of Funds (TWD) A	None	Financial assets at fair value through profit or loss - current	100,000.00	856	-	856
	PineBridge ESG Quantitative Income & Growth Fund A USD	None	Financial assets at fair value through profit or loss - current	27,863.17	9,464	-	9,464
	KGI ESG Sustainable Emerging Market Bond Fund - TWD A	None	Financial assets at fair value through profit or loss - current	500,000.00	4,377	-	4,377
	KGI ESG Sustainable Emerging Market Bond Fund - USD A	None	Financial assets at fair value through profit or loss - current	15,000.00	4,329	-	4,329
	HSBC ESG Sustainable Multi-Asset Fund of Funds ACHTWD	None	Financial assets at fair value through profit or loss - current	150,000.00	1,454	-	1,454
	BlackRock Global Funds - Global Allocation Fund A2	None	Financial assets at fair value through profit or loss - current	1,947.29	4,912	-	4,912
	Jih Sun Vietnam Opportunity Fund A (TWD)	None	Financial assets at fair value through profit or loss - current	500,000.00	4,600	-	4,600
	SinoPac ESG Global Digital Infrastructure Fund-TWD Acc. N	None	Financial assets at fair value through profit or loss - current	500,000.00	4,620	-	4,620
	TSMC LTD.	None	Financial assets at fair value through profit or loss - current	-	6,461	-	6,461
	Morningstar Global High-Yield Bond GR USD - USD Acc	None	Financial assets at fair value through profit or loss - current	10,000.00	3,280	-	3,280
	Mega Income and Growth Multi-Asset Fund-Acc (TWD)	None	Financial assets at fair value through profit or loss - current	300,000.00	3,133	-	3,133
	Mega Income and Growth Multi-Asset Fund-Acc (TWD)	None	Financial assets at fair value through profit or loss - current	400,000.00	4,188	-	4,188
	Union US Preferred Invst Grd Bd-A (USD)	None	Financial assets at fair value through profit or loss - current	6,000.00	1,942	-	1,942
	Union US Preferred Invst Grd Bd-A (USD)	None	Financial assets at fair value through profit or loss - current	14,000.00	4,531	-	4,531
	CTBC High Grade Strategic Income Bond Fund-TWD A	None	Financial assets at fair value through profit or loss - current	700,000.00	6,982	-	6,982
	SinoPac Innovative Healthcare Multi-Asset Fund - Accumulation - TWD	None	Financial assets at fair value through profit or loss - current	300,000.00	2,998	-	2,998
					\$ 77,315		\$ 77,315
		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	2.5	\$ 4,353
	Sunny Bank Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,698,872	12,000	0.05	12,000
	Greencasa Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	553,824	10,799	18	10,799
				\$ 27,152			\$ 27,152
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	\$ 3,896	5.33	\$ 3,896
	Ascent Industries Co Com	None	Financial assets at fair value through other comprehensive income - current	226,472	71,727	2.21	71,727
				\$ 75,623			\$ 75,623
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	\$ 383,427	9.58	\$ 383,427
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through profit or loss - current	5,113,089	183,561	0.21	183,561
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income - non-current	162,090,795	5,819,060	6.66	5,819,060
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	223,533	0.26	223,533
	Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	116,921,815	4,197,493	4.80	4,197,493
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	13,037,000	447,169	1.26	447,169
	Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	30,840,493	296,686	7.41	296,686
	Unlisted shares - ROC						
	Phoenix Motor Corporation	None	Financial assets at fair value through profit or loss - current	600,000	-	-	-

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.

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital  
January 1 to June 30, 2024

TABLE 5

(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)	\$ 543,538 (US\$ 16,750 thousand)	Payments are made according to the contract, with NT\$518,156 thousand paid (US\$15,968 thousand)	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	3,092,485 (US\$ 95,300 thousand)	691,996 (US\$ 21,325 thousand) paid	H&M Construction Co., Inc.	Non-related party	N/A	N/A	N/A	-	N/A	For operation	None
	Building	2023.9.25	4,275,904 (US\$ 131,769 thousand)	406,112 (US\$ 12,515 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 NT\$100 million or 20% of the paid-in capital  
January 1 to June 30, 2024

TABLE 6

(Amounts in Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Percentage of total purchase (sale) (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of total accounts receivable (payable) (%)	
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	(Sale)	( \$ 4,115,878 )	( 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.	\$ 5,899,442	97	-
Ta Chen International, Inc.	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	(Sale)	( 136,476 )	-	Within 30 days	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration.	Same	44,849	1	-
	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	Purchase	10,682,940	44	Within 30 days	General market price	Same	( 1,717,151 )	( 24 )	-
	Primus Pipe and Tube, Inc.	Sub-subsidiaries (100% indirect shareholding)	Purchase	201,065	1	Within 30 days	General market price	Same	( 40,383 )	( 1 )	-
Empire Resources, Inc. Brighton-Best International (Taiwan) Inc.	TCI Texarkana, Inc.	Fellow subsidiaries	Purchase	1,178,638	90	Within 30 days	General market price	Same	( 202,959 )	( 96 )	-
	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	(Sale)	( 2,729,589 )	( 84 )	Within 180 days	No third-party could be compared	No third-party could be compared	1,134,344	68	-
	Brighton-Best International (AU), Pty Ltd.	Subsidiaries (100% ownership)	(Sale)	( 278,070 )	( 9 )	Within 180 days	No third-party could be compared	No third-party could be compared	352,619	21	-
	Brighton-Best International (Canada), Inc.	Subsidiaries (100% ownership)	(Sale)	( 141,447 )	( 4 )	Within 180 days	No third-party could be compared	No third-party could be compared	60,903	4	-
	Fang Sheng Screw Co., Ltd.	Related party in substance	Purchase	288,009	9	Within 45-90 days	No third-party could be compared	Note	( 90,052 )	( 15 )	-
	Tong Win International Co., Ltd.	Related party in substance	Purchase	236,424	8	T/T 5 days after final acceptance or prepaid	No third-party could be compared	Note	( 11,608 )	( 2 )	-
Brighton-Best International, Inc.	Jinn Her Enterprise Co., Ltd.	Corporate director of subsidiaries	Purchase	150,516	5	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	( 29,554 )	( 5 )	-
	Jinn Her Enterprise Co., Ltd.	Corporate directors of parent entity	Purchase	544,187	13	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	( 130,350 )	( 10 )	-
Ta Chen Empire Co., Ltd. (TCE)	Ta Chen International, Inc.	Fellow subsidiaries	(Sale)	( 423,432 )	( 100 )	Within 180 days	No third-party could be compared	No third-party could be compared	489,918	100	-

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

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  
June 30, 2024

TABLE 7

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)	\$ 5,899,442	1.4	\$ -	-	\$ 1,028,771	\$ -
	TCI Texarkana, Inc.	Sub-subsidiaries (100% ownership)	2,875,800	Note 2	-	-	-	-
	Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiaries (99.96% ownership)	200,000	Note 2	-	-	-	-
Ta Chen (B.V.I.) Holdings Ltd.	Ta Chen (Shijiazhuang) Co., Ltd.	Subsidiaries (93.14% ownership)	261,200	Note 3	-	-	-	-
TCI Texarkana, Inc.	Ta Chen International, Inc.	Parent Company	1,717,151	13.7	-	-	1,627,235	-
Empire Resources, Inc.	Empire Resources, Inc.	Fellow subsidiaries	202,959	11.21	-	-	196,830	-
	Ta Chen International, Inc.	Parent Company	2,150,205	Note 2	-	-	-	-
Ta Chen (Hong Kong) Limited	Imbali Metals BVBA	Subsidiaries (100% ownership)	166,823	Note 2	-	-	-	-
	Ta Chen (Boye) Co., Ltd.	Fellow subsidiaries	162,810	Note 2	-	-	-	-
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	1,134,344	2.92	-	-	838,975	-
	Brighton-Best International (AU), Pty Inc.	Subsidiaries (100% ownership)	352,619	1.63	-	-	-	-
	Brighton-Best International (AU), Pty Inc.	Subsidiaries (100% ownership)	463,563	Note 2	-	-	154,533	-
	Brighton-Best International (UK), Limited	Subsidiaries (100% ownership)	122,265	Note 2	-	-	3,191	-
Brighton-Best International, Inc.	Ta Chen Empire Co., Ltd. (TCE)	Subsidiaries (100% ownership)	256,052	Note 2	-	-	-	-
	Brighton-Best International (Brasil), Comercio de Parafusos Ltda	Subsidiaries (100% ownership)	162,250	Note 2	-	-	16,225	-
Ta Chen Empire Co., Ltd. (TCE)	Ta Chen International, Inc.	Fellow subsidiaries	489,918	2.01	-	-	57,301	-

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  
January 1 to June 30, 2024

TABLE 8

(Amounts in Thousands of New Taiwan Dollars)

Name of Investment Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Held at the End of the Period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				At the End of Current Period	At the End of Last Year	Number of Shares	%	Carrying Amount			
The Company	Ta Chen International, Inc.	USA	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	\$ 23,327,317	\$ 23,327,317	734,836	100	\$ 54,330,262	\$ 938,770	\$ 864,072	Note 2
	Ta Chen (B.V.I.) Holdings Ltd.	British Virgin Islands	Investment	990,817	990,817	32,625,300	100	2,077,157	28,536	26,990	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	5,854,962	1,117,102	490,296	Note 6
	WEI MEI ROLLER BLIND CO., LTD.	Taiwan	Manufacture and sale of curtains and cloth products	70,000	70,000	7,000,000	70	85,194	7,005	4,903	
	Ta Chen Lung Mei Home Life Co., Ltd.	Taiwan	Manufacture and sale of curtains and cloth products	1,406,468	1,406,468	29,987,363	99.96	19,814	( 116,223 )	( 116,772 )	
	Ta Chen (Hong Kong) Limited	Hong Kong	Trade	279,720	279,720	10,000,000	100	252,985	3,888	3,886	
	TY Steel Co., Ltd.	Thailand	Manufacture of steel billets and steel bars	889,216	889,216	105,583,200	38.75	232,809	( 487,737 )	( 189,017 )	
	Ta Chen GREEN SYSTEM CO., LTD.	Taiwan	Interior design	60,000	60,000	6,000,000	50	58,652	21	( 845 )	
	Right Way Industrial Co., Ltd.	Taiwan	Manufacture and sales of automobile and motorcycle parts	17,843	17,843	779,000	0.26	7,005	18,520	48	
	City Mocean Co.,Ltd.	Taiwan	asset management industry	4,900	4,900	490,000	49	1,741	( 3,015 )	( 1,553 )	
Ta Chen International, Inc.	TCI Investment Group, Inc.	USA	Import, export and sale of screws and nuts	94,950	94,950	3,000	100	189,292	( 2,823 )	-	
	Empire Resources, Inc.	USA	Investment	1,714,340	1,714,340	8,250,455	100	4,871,952	65,860		
	Primus Pipe and Tube Holding, Inc.	USA	Investment	877,540	877,540	29,000	100	1,748,337	17,965		
	TCI Texarkana, Inc.	USA	Manufacture and sale of aluminum products	12,331,500	12,331,500	80,000	100	10,392,323	165,156		
Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube, Inc.	USA	Manufacture and sale of stainless steel	873,575	873,575	1,000	100	1,508,150	21,919		
Empire Resources, Inc.	Empire Resources Pacific Ltd.	USA	Import, export and sale of stainless steel and aluminum products	-	-	100	100	154	( 158 )		Note 5
	Imbali Metals BVBA	Belgium	Import, export and sale of stainless steel and aluminum products	624	624	1,000	100	196,214	( 21,884 )		Note 5
	Empire Resources UK Ltd.	United Kingdom	Import, export and sale of stainless steel and aluminum products	208,224	208,224	5,400,000	100	404,690	4,064		Note 5
	8911 Kelso Drive	USA	Import, export and sale of stainless steel and aluminum products	-	-	-	100	-	( 128 )		Note 5
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	USA	Import, export and sale of screws and nuts	5,801,521	5,801,521	186,480	100	14,099,140	780,488		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	930,003	876		Note 2
	Brighton-Best International (Canada), Inc.	Canada	Import, export and sale of screws and nuts	381,149	381,149	12,003,893	100	1,171,441	39,907		Note 2
	Brighton-Best International (UK), Limited	United Kingdom	Import, export and sale of screws and nuts	453,097	453,097	9,200,000	100	498,233	2,532		Note 2
	Brighton-Best International (NZ), Limited	New Zealand	Import, export and sale of screws and nuts	19,328	19,328	1,000	100	14,017	620		Note 2
	Ta Chen Empire Co., Ltd. (TCE)	Taiwan	Import, export and sale of aluminum products	5,300,000	5,300,000	530,000,000	100	5,326,158	17,101		
	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	731,073	18,520		
Brighton-Best International, Inc.	Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Brazil	Import and sale of screws and nuts	6,486	6,486	4,000,000	100	( 57,130 )	( 17,563 )		
Ta Chen Empire Co., Ltd. (TCE)	Noei Geeng Enterprise Co., Ltd.	Taiwan	Manufacturing of screws and nuts	77,785	77,785	7,778,598	80	77,852	( 2,730 )		
	Hupao Technology CO., LTD.	Taiwan	Energy technology service industry	191,092	191,092	19,109,228	80	186,660	( 1,313 )		
	Shie Shin Enterprise Co., Ltd.	Taiwan	Manufacturing of screws and nuts	285,171	285,171	28,517,132	80	286,749	210		
Brighton-Best (Hong Kong) Limited	Brighton-Best (Hong Kong) Holding Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 9
Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Malaysia	Manufacture of automobile and motorcycle pistons	208,299	208,299	28,665,667	79.63	270,615	( 1,145 )		Note 8
	Excellent Growth Investments Limited	British Virgin Islands	Investment	626,415	626,415	20,073,457	100	96	1		
	Right Way North America Inc.	USA	Trading of Automobile Engine Parts	1,575	1,575	-	100	5,306	( 6 )		

(To be Continued)

(Brought Forward)

Name of Investment Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Held at the End of the Period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				At the End of Current Period	At the End of Last Year	Number of Shares	%	Carrying Amount			
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Malaysia	Connecting rod manufacturing	\$ 49,777 (MYR 7,235)	\$ 49,777 (MYR 7,235)	8,950,000	89.50	\$ 1,444	( \$ 6 )		Note 8
Ta Chen (B.V.I.) Holdings Ltd.	TMCT Products, Inc.	USA	Investment	156,850	156,850	5,500	100	171,759	13,849		
	Los Osos Holdings, Inc.	USA	Investment	110,237	110,237	-	100	76,898	( 199 )		
	Clarke St. Property Holdings, LLC	USA	Investment	14,240	14,240	-	100	15,626	( 63 )		
TMCT Products, Inc.	Amerinox Texarkana, LLC	USA	Aluminum processing industry	28	28	-	49	37,073	50,926		
Los Osos Holdings, Inc.	Procurmore Trading, Inc.	USA	Trade	557	557	-	100	557	-		
WEI MEI ROLLER BLIND CO., LTD.	WEI MEI HSIN SHU INTERIOR DECORATION CO., LTD.	Taiwan	Manufacture and trade of window decorations	166,282	166,282	7,500,000	100	183,047	10,215		

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: The foreign currency amount listed by Right Way Industrial Co., Ltd. is converted according to the average exchange rate of the Bank of Taiwan at the end of June 2024 (MYR: NTD = 1: 6.88).

Note 9: The establishment and registration were completed in May 2019, but no capital has been injected yet. In addition, the approval notice for dissolution was obtained in February 2024.

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES  
January 1 to June 30, 2024

TABLE 9

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period (Note 2)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 and 7)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024	Note
					Outward	Inward							
Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	\$ 163,200	(2) Ta Chen (B.V.I.) Holdings Ltd.	\$ 136,397	\$ -	\$ -	\$ 136,397	( \$ 1,712 )	93.14	( \$ 1,595 )	\$ 405,549	\$ -	
Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	381,920	(2) Ta Chen (B.V.I.) Holdings Ltd.(Note 5)	322,618	-	-	322,618	( 117 )	100	( 117 )	428,951	-	
Yinrong (Shanghai) Investment Management Limited	Investment	2,506	(3) The Company's direct investment	2,506	-	-	2,506	18	100	18	6,467	-	
Cheng-Rong (Shanghai) International Trading Ltd. (Note 6)	Investment	-	(2) Brighton-Best International, Inc. (Cayman)	-	-	-	-	-	-	-	-	-	

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China at the End of the Period (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	\$ 461,521 551,488 (USD 16,995)	\$ 1,033,612 551,488 (USD 16,995)	\$ 39,186,404 (Note 3) 1,620,300 (Note 8)

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

1. If in preparation, no investment gains or losses yet, it should be noted.
2. 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 by CPAs of Taiwan's parent company.
  - (3) Others: The financial statement isn't audited by CPAs.

Note 2: The related amount is converted according to the average exchange rate of the Bank of Taiwan at the end of June 2024. (USD: NTD = 1: 32.45, RMB: NTD = 1: 4.553)

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:  
NT\$65,310,674 thousand x 60% = NT\$39,186,404 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: Inclusive of NT\$61,424 thousand (US\$1,993 thousand) capital increase out of retained earnings.

Note 6: Established in June 2016 and no investment funding has been remitted.

Note 7: The difference is caused by the recognition of amortization attributed to unrealized gain on selling assets.

Note 8: Right Way's net worth of equity x 60% = NT\$2,700,500 thousand x 60% = NT\$1,620,300 thousand.

Ta Chen Stainless Pipe Co., Ltd.  
 INFORMATION OF MAJOR SHAREHOLDERS  
 June 30, 2024

TABLE 10

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.

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
January 1 to June 30, 2024

TABLE 11

(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	Ta Chen International, Inc.	(1)	Revenue from sale of goods	\$ 4,115,878	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 4-6 months.	9
1	Ta Chen International, Inc.	Ta Chen International, Inc.	(1)	Accounts receivables	5,899,442	-	4
		TCI Texarkana, Inc.	(1)	Other receivables	2,875,800	-	2
		Ta Chen Lung Mei Home Life Co., Ltd.	(1)	Other Receivables	200,000	-	-
		Primus Pipe and Tube, Inc.	(3)	Cost of goods sold	201,065	General market price, payment term is 40 days.	-
		Primus Pipe and Tube, Inc.	(3)	Accounts Payable	40,383	-	-
		Ta Chen Empire Co., Ltd.	(3)	Cost of goods sold	423,432	General market price, payment term is 4-6 months	1
		Ta Chen Empire Co., Ltd.	(3)	Accounts payable	489,918	-	-
		TCI Texarkana, Inc.	(3)	Other receivables	2,433,750	-	2
		TCI Texarkana, Inc.	(3)	Cost of goods sold	10,682,940	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 1 month.	23
				TCI Texarkana, Inc.	(3)	Accounts Payable	1,717,151
2	Empire Resources, Inc.	TCI Texarkana, Inc.	(3)	Revenue from sale of goods	136,476	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 1 month.	-
		TCI Texarkana, Inc.	(3)	Accounts receivables	44,849	-	-
		TCI Texarkana, Inc.	(3)	Prepayments for purchases	12,770,726	-	9
		Empire Resources, Inc.	(3)	Other payable	2,150,205	-	2
		Imbali Metals BVBA	(3)	Other receivables	166,823	-	-
		TCI Texarkana, Inc.	(3)	Cost of goods sold	1,178,638	No comparable transactions available	2
		TCI Texarkana, Inc.	(3)	Accounts payable	202,959	-	-
		Ta Chen (Shijiazhuang) Co., Ltd.	(3)	Other receivables	261,200	-	-
		Ta Chen (Hong Kong) Limited	(3)	Other receivables	162,810	-	-
		5	Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	(3)	Revenue from sale of goods	2,729,589
Brighton-Best International, Inc.	(3)			Accounts receivables	1,134,344	-	1
Brighton-Best International (Canada), Inc.	(3)			Revenue from sale of goods	141,447	No comparable transactions available	-
Brighton-Best International (Canada), Inc.	(3)			Accounts receivables	60,903	-	-
Brighton-Best International (UK), Limited	(3)			Other receivables	122,265	-	-
Brighton-Best International (AU), Pty Ltd.	(3)			Revenue from sale of goods	278,070	No comparable transactions available	-
Brighton-Best International (AU), Pty Ltd.	(3)			Accounts receivables	352,619	-	-
Brighton-Best International (AU), Pty Ltd.	(3)			Other receivables	463,563	-	-
Ta Chen Empire Co., Ltd. (TCE)	(3)			Other receivables	256,052	-	-
6	Brighton-Best International, Inc.			Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	(3)	Other receivables	162,250

Note: The relationships with counterparties are as follows:

- 1) Parent to subsidiaries
- 2) Subsidiaries to parent
- 3) Subsidiaries to subsidiaries