

Stock Code: 2028

WEI CHIH STEEL INDUSTRIAL CO., LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

AND INDEPENDENT AUDITORS' REPORT

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Independent Auditors' Report

To the Board of Directors and Shareholders
Wei Chih Steel Industrial Co., Ltd.

Opinion

We have audited the accompanying balance sheets of Wei Chih steel Industrial Co., Ltd. (the "Company") as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Authenticity of sales revenue

Please refer to Note 4(17) to the Financial Statements for the relevant accounting policies on revenue recognition.

Description of key audit matter

Wei Chih steel Industrial Co., Ltd mainly engages in the manufacturing and processing of steel rebars, bar steels, wire rods, steel billets and other steel products. The net sales revenue for the year ended December 31, 2024 was 10,196,132 thousand, and the sales revenue from specific customers has changed significantly, comparing with the previous year. The authenticity of sales revenue from specific customers is therefore considered a key audit matter.

How the matter was addressed in our audit:

We have carried out the main audit procedures as follows:

1. Understand and test the internal controls that is relevant with the authenticity of sales revenue from customers.
2. Obtain detailed sales revenue data from the specific customers mentioned above, and select samples to review shipping documents. Verify whether the payer and the amount of payment match the sales targets and revenue amounts recognized to verify the authenticity of sales revenue.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



The engagement partners on the audit resulting in this independent auditors' report are Jen Yao Hsieh and Shu Man Tsai.

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China
March 12, 2025

Notice to Readers

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

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

WEI CHIH STEEL INDUSTRIAL CO., LTD.
BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Assets	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 140,444	1	\$ 59,278	1
Notes receivable, net	6(2)	61,520	1	67,103	1
Accounts receivable, net	6(3)	530,572	5	1,149,604	13
Other receivables		8,605	-	1,540	-
Inventories	6(4)	4,296,828	44	3,024,507	35
Prepayments	6(5)	158,003	2	225,050	3
Other financial assets - current	8	39,527	-	34,075	-
Total current assets		5,235,499	53	4,561,157	53
NONCURRENT ASSETS					
Financial assets at fair value through other comprehensive income or loss - noncurrent	6(6)	394,346	4	313,024	4
Property, plant and equipment	6(7)	4,226,820	43	3,705,497	43
Right-of-use assets	6(8)	33,583	-	38,620	-
Intangible assets	6(10)	177	-	579	-
Deferred income tax assets	6(27)	20,183	-	25,202	-
Refundable deposits		1,555	-	1,027	-
Total noncurrent assets		4,676,664	47	4,083,949	47
TOTAL ASSESTS		\$ 9,912,163	100	\$ 8,645,106	100
Liabilities and Equity					
CURRENT LIABILITIES					
Short-term loans	6(11)	\$ 1,193,183	12	\$ 593,149	6
Short-term notes and bills payable	6(12)	549,035	6	429,736	5
Contract liabilities - current	6(21)	378,720	4	29,999	-
Notes payables		142,530	1	317,309	4
Accounts payable		455,080	5	578,454	7
Accounts payable - related parties	7	30,681	-	22,377	-
Other payables	6(13)	402,735	4	504,015	6
Current tax liabilities		15,371	-	57,743	1
Provisions - current	6(14)	14,905	-	13,979	-
Lease liabilities - current	6(8)	5,034	-	4,894	-
Current portion of long-term loans	6(15)	191,979	2	167,885	2
Total current liabilities		3,379,253	34	2,719,540	31

Liabilities and Equity	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
NONCURRENT LIABILITIES					
Long-term loans	6(15)	\$ 1,802,332	19	\$ 1,386,083	16
Deferred income tax liabilities	6(27)	82	-	-	-
Lease liabilities - noncurrent	6(8)	31,380	-	36,414	-
Net defined benefit liabilities - noncurrent	6(16)	31,041	-	42,567	1
Guarantee deposits		1,020	-	1,020	-
Total noncurrent liabilities		1,865,855	19	1,466,084	17
Total Liabilities		5,245,108	53	4,185,624	48
EQUITY					
Share capital	6(17)				
Ordinary shares		\$ 3,257,148	32	\$ 3,257,148	38
Retained earnings	6(18)				
Legal reserve		259,247	3	225,131	3
Unappropriated earnings		817,944	8	723,065	8
Other equity	6(19)	373,427	4	292,105	3
Treasury stock	6(20)	(40,711)	-	(37,967)	-
Total equity		4,667,055	47	4,459,482	52
TOTAL LIABILITIES AND EQUITY		\$ 9,912,163	100	\$ 8,645,106	100

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

WEI CHIH STEEL INDUSTRIAL CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Note	Year Ended Decemberr 31			
		2024		2023	
		Amount	%	Amount	%
OPERATING REVENUES	6(21)	\$ 10,196,132	100	\$ 10,484,173	100
OPERATING COSTS	6(4)	(9,639,304)	(94)	(9,799,877)	(93)
GROSS PROFIT (LOSS)		556,828	6	684,296	7
OPERATING EXPENSES					
Sales and marketing		(62,857)	(1)	(57,085)	(1)
General and administrative		(120,140)	(1)	(110,074)	(1)
Research and development		-	-	(10,836)	-
Expected credit gain (loss)	6(3)	3,139	-	1,071	-
Total operating expenses		(179,858)	(2)	(176,924)	(2)
INCOME FROM OPERATIONS		376,970	4	507,372	5
NON-OPERATING INCOME AND EXPENSES					
Interest income	6(23)	1,586	-	1,747	-
Other income	6(24)	32,407	-	32,794	-
Other gains and losses	6(25)	10,829	-	(312)	-
Finance costs	6(26)	(58,424)	-	(42,479)	-
Total non-operating income and expenses		(13,602)	-	(8,250)	-
INCOME BEFORE INCOME TAX		363,368	4	499,122	5
INCOME TAX BENEFIT (EXPENSE)	6(27)	(47,165)		(83,905)	(1)
NET INCOME		316,203	4	415,217	4
OTHER COMPREHENSIVE INCOME (LOSS)	6(28)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		7,206	-	8,618	-
Unrealised gains (loss) on investments in equity instruments measured at fair value through other comprehensive income		81,322	1	911	-
Total other comprehensive income (loss), net of income tax		88,528	1	9,529	-
TOTAL COMPREHENSIVE INCOME		\$ 404,731	5	\$ 424,746	4
EARNINGS PER SHARE					
Basic	6(29)	\$ 0.98		\$ 1.28	
Diluted	6(29)	\$ 0.97		\$ 1.28	

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

WEI CHIH STEEL INDUSTRIAL CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

		Retained Earnings		Others		
	Ordinary Shares	Legal Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive income	Treasury stock	Total Equity
BALANCE AT JANUARY 1, 2023	\$ 3,257,148	\$ 178,178	\$ 654,411	\$ 291,194	\$ (30,229)	\$ 4,350,702
Appropriations of earnings:						
Legal reserve	-	46,953	(46,953)	-	-	-
Cash dividends	-	-	(308,228)	-	-	(308,228)
Net income in 2023	-	-	415,217	-	-	415,217
Other comprehensive income (loss) in 2023, net of income tax	-	-	8,618	911	-	9,529
Total comprehensive income in 2023	-	-	423,835	911	-	424,746
Treasury stock acquired	-	-	-	-	(7,738)	(7,738)
BALANCE AT DECEMBER 31, 2023	3,257,148	225,131	723,065	292,105	(37,967)	4,459,482
Appropriations of earnings:						
Legal reserve	-	34,116	(34,116)	-	-	-
Cash dividends	-	-	(194,414)	-	-	(194,414)
Net income in 2024	-	-	316,203	-	-	316,203
Other comprehensive income (loss) in 2024, net of income tax	-	-	7,206	81,322	-	88,528
Total comprehensive income in 2024	-	-	323,409	81,322	-	404,731
Treasury stock acquired	-	-	-	-	(2,744)	(2,744)
BALANCE AT DECEMBER 31, 2024	\$ 3,257,148	\$ 259,247	\$ 817,944	\$ 373,427	\$ (40,711)	\$ 4,667,055

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

WEI CHIH STEEL INDUSTRIAL CO., LTD.**STATEMENTS OF CASH FLOWS****(In Thousands of New Taiwan Dollars)**

Item	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 363,368	\$ 499,122
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation	356,262	264,689
Amortization	402	632
Expected credit loss (gain)	(3,139)	(1,071)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	-	1,458
Interest expense	58,424	42,479
Interest income	(1,586)	(1,747)
Dividend income	(14,899)	(21,784)
Loss (gain) on disposal and retirement of property, plant and equipment	-	(51)
Transfer of property, plant and equipment to expenses	15,287	18,957
Total adjustments to reconcile profit (loss)	410,751	303,562
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (increase) in notes receivable	5,611	(25,847)
Decrease (increase) in accounts receivable	622,143	240,047
Decrease (increase) in other receivables	(7,002)	(764)
Decrease (increase) in inventories	(1,201,242)	(335,884)
Decrease (increase) in prepayments	67,047	(49,100)
Total changes in operating assets	(513,443)	(171,548)
Net changes in operating liabilities		
Increase (decrease) in contract liabilities	348,721	(40,800)
Increase (decrease) in notes payable	(174,779)	30,727
Increase (decrease) in accounts payable	(115,070)	24,775
Increase (decrease) in other payables	(18,355)	(130,112)
Increase (decrease) in provisions	926	295
Increase (decrease) in net defined benefit liabilities	(4,320)	(5,126)
Total changes in operating liabilities	37,123	(120,241)
Total net changes in operating assets and liabilities	(476,320)	(291,789)
Total adjustments	(65,569)	11,773

Item	Year Ended December 31	
	2024	2023
Cash generated from (used in) operations	\$ 297,799	\$ 510,895
Interest received	1,523	2,121
Dividends received	14,899	21,784
Interest paid	(56,049)	(40,113)
Income tax returned (paid)	(84,436)	(171,828)
Net cash generated from (used in) operating activities	173,736	322,859
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	\$ -	\$ 2,444
Acquisition of property, plant and equipment	(977,627)	(703,361)
Proceeds from disposal of property, plant and equipment	-	1,829
Increase in refundable deposits	(528)	-
Decrease in refundable deposits	-	2,738
Acquisition of intangible assets	-	(179)
Increase in other financial assets	(5,452)	(6,539)
Net cash generated from (used in) investing activities	(983,607)	(703,068)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	600,034	205,479
Increase in short-term notes and bills payable	120,000	320,000
Increase in long-term loans	604,560	1,594,943
Decrease in long-term loans	(166,487)	(1,574,101)
Repayments of principal of lease liabilities	(4,894)	(4,971)
Cash dividends paid	(259,432)	(422,861)
Treasury stock acquired	(2,744)	(7,738)
Net cash generated from (used in) financing activities	891,037	110,751
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	81,166	(269,458)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	59,278	328,736
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 140,444	\$ 59,278

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

WEI CHIH STEEL INDUSTRIAL CO., LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Stated Otherwise)

1. GENERAL INFORMATION

- (1) The Company was incorporated in October 1982 under the former name of Shih Wei Steel Co., Ltd. The Company changed its name as Wei Chih Steel Industrial Co., Ltd. in July 1989, and consolidated with Wei Hung Construction Co., Ltd. on May 31, 1992. Main business items of the Company are processing, manufacturing, trading and importing / exporting of steel rebars, bar steels, wire rods, steel billets and other steel products. The Company also rents and sales of public housing units and commercial building constructed by construction engineering firms entrusted by the Company. However, such businesses were cancelled in 2010. The Company does not have the ultimate parent company.
- (2) The financial statements are presented in the Company's functional currency, New Taiwan Dollars.

2. THE AUTHORIZATION OF THE FINANCIAL STATEMENTS

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

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3-1 Effect of adoption of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC):

The adoption of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

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

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB
Amendments to IFRS 16 "Lease liabilities in sale and leaseback"	January 1, 2024 (Note)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024 (Note)
Amendments to IAS 1 "Non-current Liabilities with Covenants "	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier finance arrangement"	January 1, 2024 (Note)

(Note)The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2024.

1. Amendments to IFRS 16 "Lease liability in a sale and leaseback"

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

2. Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"

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

The aforementioned settlement refers to the transfer of cash, other economic resources, or the entity's equity instruments to the counterparty to extinguish the liability. However, if the terms of the liability provide the counterparty with an option to settle the liability using the entity's equity instruments, and this option is separately recognized in equity in accordance with IAS 32 "Financial Instruments: Presentation", then such terms do not affect the classification of the liability.

3. Amendment to IAS 1 "Non-current Liabilities with Covenants"

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

4. Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements "

Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of an entity, with the entity agreeing to repay the financing providers on the payment date agreed upon with the suppliers or at a later date. The amendments to IAS 7 require an entity to disclose information about its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on the entity's

liabilities, cash flows, and exposure to liquidity risk. The amendments to IFRS 7 incorporate into its application guidance that, when disclosing how an entity manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements and whether these arrangements may lead to a concentration of liquidity risk.

The Company has evaluated the aforementioned standards and interpretations, and there's no significant effect on the Company's financial position and performance.

3-2 Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted
New standards, interpretations and amendments endorsed by the FSC and effective from 2025 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

1. Amendments to IAS 21 "Lack of Exchangeability"

This amendment defines convertibility and provides guidance on how companies can determine the spot exchange rate on the measurement date when a currency lacks convertibility. The amendment also requires companies to provide more useful information in their financial statements when one currency is not convertible into another.

The Company has evaluated the aforementioned standards and interpretations, and there's no significant effect on the Company's financial position and performance.

3-3 Effect of IFRSs issued by IASB but not yet endorsed and issued into effect by FSC :

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts involving natural electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial application IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
IFRS 18 "Presentation and disclosure of financial statements"	January 1, 2027
IFRS 19 "Non-public liability of the subsidiary: disclosure"	January 1, 2027
IFRS Annual Improvement – Volume 11	January 1, 2026

1. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments are as follows:

- (1) Clarifies the recognition and derecognition dates of certain financial assets and liabilities and introduces a new exception for the derecognition of a financial liability (or part of a financial liability) settled through an electronic payment system. Under this exception, an entity is permitted to derecognize a financial liability before the settlement date if, and only if, the entity has initiated a payment instruction and the following conditions are met:
 - A. The entity does not have the practical ability to revoke, stop, or cancel the payment instruction;
 - B. The entity no longer has the practical ability to access the cash used for settlement as a result of the payment instruction; and
 - C. The settlement risk associated with the electronic payment system is not significant.
- (2) Clarifies and provides additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope includes contractual terms that may alter cash flows based on contingent events (e.g., interest rates linked to ESG targets), instruments with nonrecourse features, and contractually linked instruments.
- (3) Introduce new disclosure requirements for certain instruments with contractual terms that may alter cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance (ESG) targets). These disclosures include a qualitative description of the nature of the contingent event, quantitative information on the potential changes in contractual cash flows resulting from these contractual terms, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to these contractual terms.
- (4) Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVTOCI). The entity shall disclose the fair value of each class of investment but is no longer required to disclose the fair value of each individual investment. Additionally, the amendments require the entity to disclose the fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains or losses related to investments derecognized during the reporting period; the fair value gains or losses related to investments held at the end of the reporting period; and any transfers of cumulative gains or losses within equity during the reporting period related to investments derecognized during that period.

2. Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
The amendments apply to contracts that expose an entity to variability in electricity generation due to uncontrollable natural conditions (such as the weather). These

amendments include:

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

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

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

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

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

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

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

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

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

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

4. IFRS 18 “Presentation and disclosure of financial statements”

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

5. IFRS 19 “Non-public liability of the subsidiary: disclosure”

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

In addition to the above impacts, as of the date of this financial report, the Company continues to evaluate the impact of the above standards and interpretations on the Company's financial position and financial performance, and the relevant impact will be disclosed when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently across all reporting periods unless otherwise stated.

4.1 Statement of Compliance

The accompanying financial statements have been prepared in conformity with the the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC with the effective dates.

4.2 Basis of preparation

(1) Except for the following items, the accompanying financial statements have been prepared on a historical cost basis:

- A. Financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss.
- B. Financial assets and liabilities measured at fair value through other comprehensive income.
- C. Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligation.

(2) The preparation of the financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group’s accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates have a significant impact on the financial statements are disclosed in Note 5.

4.3 Foreign Currencies

(1) Foreign currency transactions and balance

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

- B. Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- C. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

4.4 Classification of current and non-current items

- (1) Assets that meet one of the following criteria are classified as current assets; otherwise, they are classified as non-current assets:
 - A. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - B. Assets held mainly for trading purposes;
 - C. Assets that are expected to be realized within twelve months from the balance sheet date;
 - D. Cash and cash equivalents, excluding restricted cash and cash equivalents and those intended to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- (2) Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - A. Liabilities that are expected to be settled within the normal operating cycle;
 - B. Liabilities held mainly for trading purposes;
 - C. Liabilities that are to be paid off within twelve months from the balance sheet date (Even if a long-term refinancing or re-arrangement of payment agreements is completed after the balance sheet date and before the issuance of the financial report is approved, it is classified as current liabilities).
 - D. Liabilities for which there is no substantive right at the balance sheet date to defer settlement for at least twelve months after the balance sheet date. The classification of a liability is not affected if its terms allow the counterparty to settle it by issuing equity instruments at their discretion.

4.5 Cash and cash equivalents

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

4.6 Financial instruments

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

Financial assets and financial liabilities are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial assets

A. Measurement categories

All regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

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

a. Financial assets at amortized cost

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

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

Financial assets at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the following two cases, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

- i. Purchased or originated credit-impaired financial assets: for those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets: for those financial assets, the Company shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

b. Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or

loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

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

B. Impairment of financial assets

- a. At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivable and contract assets.
- b. The Company always recognize lifetime Expected Credit Loss (i.e. ECL) for accounts receivables. For other financial assets, the Company recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equaling to 12-month ECL.
- c. Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.
- d. The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

C. Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is meet:

- a. The contractual rights to receive cash flows from the financial asset expire.
- b. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- c. The Company neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it has not retained control of the financial asset.

On derecognition of financial assets at amortized cost in its entirety, the difference between the financial asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognition of debt instrument measured at fair value through other comprehensive income, the difference between the financial asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of equity instruments at fair value through other comprehensive income in its entirety, the cumulative profit and loss will be transferred directly to retained earnings without reclassified into profit and loss.

(2) Equity instruments

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

(3) Financial liabilities

A. Subsequent measurement

Financial liabilities other than those held for trading purposes and designated as at fair value through profit or loss are subsequently measured at amortized cost at the end of each reporting periods.

B. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(4) Modification of Financial Instruments

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

4.7 Inventories

Inventories are stated at the lower of cost and net realizable value, accounted for on a perpetual basis. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and costs necessary to make the sale.

4.8 Property, Plant, and Equipment

- (1) Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. For property, plant and equipment under construction, sample produced from testing whether the asset is functioning properly before its intended use are measured at lower of the costs or net realizable value. Proceeds from selling such an item and the cost of the item are recognized in profit or loss.
- (2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- (3) Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are, reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. Service lives estimated as follows:

Building and structure

Main buildings including plant and office building	21-56 years
Equipment of electromechanical dynamic force	9-46 years
Others	2-16 years
Machinery	2-36 years
Other equipment	2-36 years

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

4.9 Leases

The Company assesses whether the contract is (or includes) a lease at the date of the contract. For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

(1) The Company as lessee

Except for payments for low-value asset and short-term leases which will be recognized as expenses on a straight-line basis, the Company will recognize right-of-use assets and lease liabilities for all leases at the inception of lease.

Right-of-use asset

The right-of-use asset is initially measured at cost (including the initial measurement amount of the lease liability, the payments less incentives, initial direct costs and the estimated recover cost), the subsequent measurement is based on the cost less accumulated depreciation and accumulated impairment loss, and adjusting the amount of re-measures of lease liabilities.

The right-of-use asset recognized depreciation is using the straight-line basis from the date of the lease until the expiration of the useful life or the expiration of the lease term, the depreciation is provided that the title of the underlying asset will be acquired at the end of the lease period or, if the cost of the right-of-use asset reflects the execution of the purchase option.

Lease liability

The lease liability is initially measured by the present value of the lease payment (including fixed payment, substantive fixed payment, change in lease payment depending on the index or rate, etc.). If the implied interest rate on the lease is easy to determine, the lease payment is discounted using that interest rate. If the interest rate is not easy to determine, the lessee's increase borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If the lease period, the evaluation of the purchase choice, the amount of expected to be paid under the residual value guarantee or the change in the index or rate used to determine the lease payment result in a change in the future lease payment, the Company will measure the lease liability and adjust the right-of-use assets relatively. If the carrying amount has been reduced to zero, the remaining amount will recognize in the profit and loss. Lease liabilities are presented as a separate line item in the balance sheets.

(2) The Company as lessor

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

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments and variable lease payments that depend on an index or a rate. The net investment in a lease is measured at the present value of the sum of the lease payments receivable and any unguaranteed residual value plus initial direct costs and is presented

as a finance lease receivable. Finance lease income is allocated over the lease term so as to reflect a constant, periodic rate of return on the Company's net investment in the leases.

Under operating leases, lease payments, less any lease incentives payable, are recognized as lease income on a straight-line basis over the lease terms. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized those costs as an expense over the lease term on the same basis as the lease income.

4.10 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes), also include land held for a currently undetermined future use.

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

Investment properties in the course of construction are stated at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

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

4.11 Intangible assets

Separately acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over the following estimated lives: computer software - 4 to 5 years. The estimated useful life and amortization method for an intangible asset are reviewed at each financial year-end. Any changes in estimates is accounted for on a prospective basis.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal of the assets is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.12 Impairment of non-financial assets

The Company assesses at the end of reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the indication of impairment loss recognized in prior years for an asset other than goodwill no longer exists, the impairment loss is reversed to the extent of the loss previously recognized in profit or loss.

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date. The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as interest expense. Provisions are not recognized for future operating losses.

4.14 Employee benefits

(1) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

(2) Pensions

A. Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund from the plan or a reduction in future contributions to the plan.

B. Defined benefit plans

(A) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in the current period or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate used is determined by using the market yields (at the end of the reporting period) on government bonds denominated in the currency in which the benefits are to be paid.

(B) Remeasurements of defined benefit plans are recognized in other comprehensive income as incurred and are recorded as retained earnings.

(C) Past-service costs are recognised immediately in profit or loss.

(3) Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

(4) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or when it recognizes related restructuring costs, whichever is earlier. Benefits expected to be due more than 12 months after the balance sheet date are discounted to their present value.

4.15 Share capital

Ordinary shares are classified as equity. The classification of preferred stocks is based on the special rights entitled to preference shares based on the substance of the contract and the definition of financial liabilities and equity instruments. If preferred stocks meet the definition of a financial liability, they are classified as liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.

4.16 Income tax

- (1) The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity, respectively.
- (2) The current income tax charge is calculated based on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax calculated in accordance with Income Tax Act of the Republic of China is levied on the unappropriated retained earnings and is recorded as income tax expense in the subsequent year when the stockholders approve to distribute retain earnings.
- (3) Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and it does not give rise to equal deductible and taxable temporary differences at the time of transaction. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- (4) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses, and unused tax credits can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- (5) Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realized the asset and settle the liability simultaneously.
- (6) A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employee training, and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

4.17 Revenue Recognition

The Company applies the following steps for revenue recognition:

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

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is within one year, the Company does not adjust the promised amount of consideration for the effect of a significant financing component.

Revenue from the sale of goods comes from sales of steel rebars, wire rods, bar steels, steel billets and other steel products. Sales revenues are recognized while the control of goods is transferred to the customers since the customers have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. The Company recognizes revenues and accounts receivable at the point and presents it in net term after deducting sales return, quantity discount and sales allowance.

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

4.18 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. To the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Except for those qualifying capitalization, all other borrowing costs are recognized as an expense in profit or loss as incurred.

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

In the preparation of the Company's financial statements, the critical accounting judgments the Company has made and the major sources of estimation and assumption uncertainty are described as follows:

5.1 Critical judgements in applying accounting policies

(1) Business model assessment for financial assets

The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment involves judgment and consideration of all relevant evidence, such as how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how the managers of the assets are compensated. The Company constantly assesses the adequacy of its business model and monitors financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When these assets are derecognized prior to their maturity, the Company reviews the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. If the objective of the business for an asset is changed, the classification of the asset is prospectively changed from the reclassification date.

(2) Revenue recognition

The Company assesses if it controls the specified good or service before that good or service is transferred to a customer to determine whether it is acting as a principal or as an agent in the transaction in accordance with IFRS 15. Where the Company acts as an agent, revenue is recognized on a net basis.

When another party is involved in providing goods or services to a customer, the Company is a principal if the group obtains control of any one of the following:

- A. a good or another asset from the other party that it then transfers to the customer.
- B. a right to a service to be performed by the other party, which gives the Company the ability to direct that party to provide the service to the customer on the Company's behalf.

C. a good or service from the other party that it then combines with other goods or services in providing the specified good or service to the customer.

Indicators that the Company controls the specified good or service before it is transferred to the customer include, but are not limited to, the following:

- A. the entity is primarily responsible for fulfilling the promise to provide the specified good or service.
- B. the entity has inventory risk before or after the specified good or service has been transferred to a customer.
- C. the entity has discretion in establishing the price for the specified good or service.

(3) Lease terms

In determining the lease term, the Company considers all the facts and circumstances that create an economic incentive to exercise or not to exercise the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include the contractual terms and conditions for the periods covered by the option, significant leasehold improvements undertaken (or expected to be undertaken) over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Company occurs.

5.2 Critical accounting estimates and assumptions

(1) Revenue Recognition

The Company recognizes a refund for estimated future returns and other allowance in the same period the related revenue is recorded. The Company estimates sales returns and allowance based on historical experience and other known factors. The Company reassesses the reasonableness of the estimates periodically.

(2) Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions on risk of default and expected loss rates. The Company makes these assumptions and selects inputs for impairment calculation based on the Company's historical experience and existing market conditions, as well as forward looking information. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Important assumptions and input values used are referred to note 6(4).

(3) Fair value measurements and valuation processes

Where some of the Company's assets and liabilities measured at fair value have no quoted prices in active markets, the Company determines, based on relevant regulations and judgment, whether to engage third party qualified valuers and the appropriate valuation techniques for the fair value measurements.

Where Level 1 inputs are not available, the Company determines appropriate inputs by referring to the analyses of the financial position and the operation results of the investees, the most recent transaction prices, prices of the same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, and valuation multiples of comparable entities. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly. The Company updates inputs periodically according to market conditions to monitor the appropriateness of the fair value measurement. Please refer to Note 12(3) for fair value valuation technique and input values.

(4) Impairment assessment of tangible and intangible assets

In the course of impairment assessments, the Company determines, based on how assets are utilised and relevant industrial characteristics, the useful lives of assets and the future cash flows of a specific group of the assets. Changes in economic circumstances or the Company's strategy might result in material impairment of assets in the future.

(5) Realizability of deferred tax assets

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. The Company's management assesses the realizability of deferred tax assets by making critical accounting judgments and significant estimates of expected future revenue growth rate, gross profit rate, the tax exemption period, available tax credits, and tax planning, etc. Changes in the global economic environment, industrial environment, and laws and regulations might result in material adjustments to deferred tax assets.

(6) Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company needs to exercise judgments and estimates the net realizable value of inventory for obsolescence and unmarketable items on balance sheet date due to the rapid technology changes and writes down inventories to the net realizable value. Such an evaluation of inventories is mainly based on the demand for the products within a specified period in the future. Therefore, there might be material changes to the evaluation.

(7) Calculation of accrued pension obligations

When calculating the present value of defined pension obligations, the Company uses judgments and actuarial assumptions to determine related estimates, including discount rates and future salary increase rate. Changes in these assumptions may have a significantly impact on the carrying amount of defined pension obligations.

(8) Lessees' incremental borrowing rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, a risk-free rate for the same currency and relevant duration is selected as a reference rate, and the lessee's credit spread adjustments and lease specific adjustments (such as asset type, guarantees, etc.) are also taken into account.

6. DESCRIPTION OF SIGNIFICANT ACCOUNTS

6.1 Cash and cash equivalents

Item	December 31, 2024	December 31, 2023
Cash on hand	\$488	\$168
Checking account	324	334
Demand deposits	87,104	56,752
Foreign currency deposits	52,528	2,024
Total	<u>\$140,444</u>	<u>\$59,278</u>

(1) The the Company deposits its cash and cash equivalents at several financial institutions that have high credit quality to diversify its risk. Therefore, the Company considers its cash and cash equivalents to have low credit risk.

(2) The Company had no cash and cash equivalents pledged to others.

6.2 Notes receivable, net

Item	December 31, 2024	December 31, 2023
At amortized cost		
Notes receivable	\$61,829	\$67,440
Less: Loss allowance	(309)	(337)
Notes receivable, net	<u>\$61,520</u>	<u>\$67,103</u>

(1) The Company had no notes receivable pledged to others.

(2) Please refer to Note 6(3) for the relevant disclosure of loss allowance for notes receivable.

6.3 Accounts receivable, net

Item	December 31, 2024	December 31, 2023
At amortized cost		
Accounts receivable	\$533,238	\$1,155,381
Less: Loss allowance	(2,666)	(5,777)
Accounts receivable, net	<u>\$530,572</u>	<u>\$1,149,604</u>

(1) The average credit period of sales of goods ranges from 7 to 60 days, which is determined by reference to the credit granting policy based on the counterparties' industrial characteristics, operation scales and profitability.

(2) The Company had no accounts receivable pledged to others.

(3) The Company using the simplified approach to recognize the loss allowance at an amount equal to lifetime expected credit losses (i.e. ECLs) for notes receivables and accounts receivables. The expected credit losses are calculated based on loss rates estimated by reference to past default experience and the current financial position of the debtor, adjusted for current and forecast economic conditions of the industry. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the following provision matrix for loss

allowance based on past due status is not further distinguished according to the Company's different customer base.

- (4) The loss allowances for notes receivable and accounts receivable according to the provision matrix were detailed below:

December 31, 2024	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime ECL)	Amortized cost
Not past due	0.5%~1%	\$595,067	(\$2,975)	\$592,092
1-90 days	10%	-	-	-
91-180 days	50%	-	-	-
Over 180 days	100%	-	-	-
Total		<u>\$595,067</u>	<u>(\$2,975)</u>	<u>\$592,092</u>

December 31, 2023	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime ECL)	Amortized cost
Not past due	0.5%~1%	\$1,222,821	(\$6,114)	\$1,216,707
1-90 days	10%	-	-	-
91-180 days	50%	-	-	-
Over 180 days	100%	-	-	-
Total		<u>\$1,222,821</u>	<u>(\$6,114)</u>	<u>\$1,216,707</u>

- (5) The movements of the loss allowances for notes receivable and accounts receivable were as follows:

	Year Ended December 31	
	2024	2023
Beginning balance	\$6,114	\$8,121
Add: Recognition of impairment losses	-	-
Less: Reversal of impairment losses	(3,139)	(1,071)
Less: Amounts written off	-	(936)
Ending balance	<u>\$2,975</u>	<u>\$6,114</u>

These amounts were recognized considering all other credit enhancements held by the Company. The other enhancements, such as letter of credits, held by the Company for these accounts receivable amounted to \$342,434 thousand and \$1,013,141 thousand as of December 31, 2024 and 2023, respectively.

The Company writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. However, the Company continues to engage in enforcement activity to recover the receivables due. Any recovered amounts are recognized in profit or loss. The Company has written off \$0 thousand and \$936 thousand for the years ended December 31, 2024 and 2023.

(6) Please refer to Note 12 for information on related credit risk management and evaluation method.

6.4 Inventories and costs of goods sold

Item	December 31, 2024	December 31, 2023
Raw materials	\$840,223	\$918,239
Supplies	406,158	338,927
Work in process	2,405,966	1,121,231
Finished goods	643,699	645,760
Other inventories	782	350
Total	<u>\$4,296,828</u>	<u>\$3,024,507</u>

(1) The related inventory gains (losses) recognized as costs of goods sold for the current year:

Items	Year ended December 31	
	2024	2023
Cost of goods sold	\$9,601,364	\$9,690,097
Unallocated overheads	37,940	110,501
Purchase contracts loss (recovery gain)	-	(721)
Total operating costs	<u>\$9,639,304</u>	<u>\$9,799,877</u>

(Note) Including the downtime loss due to the installation of energy-saving and carbon-reduction equipment and commissioning operations in July 2023, Note 9(5) for details.

(2) The Company recognized inventory valuation loss (gain) of both \$0 thousand for the years ended December 31, 2024 and 2023, respectively, due to inventory's write-down to net realizable value, or the net realizable value of inventories recovered as a result of market stabilization.

(3) The Company had no inventories pledged to others.

6.5 Prepayments

Item	December 31, 2024	December 31, 2023
Overpaid sales tax	\$ 38,456	\$16,174
Prepayments to supplies	53,906	156,708
Prepaid expenses	26,061	25,656
Input Tax	14,013	7,671
Other prepayments	25,567	18,841
Total	<u>\$158,003</u>	<u>\$225,050</u>

6.6 Financial assets at fair value through other comprehensive income

Item	December 31	
	2024	2023
Noncurrent		
Equity instruments		
Domestic unlisted shares	\$5,732	\$5,732
Domestic listed shares	15,187	15,187
Subtotal	\$20,919	\$20,919
Valuation adjustment	373,427	292,105
Total	<u>\$394,346</u>	<u>\$313,024</u>

(1) Investments in domestic listed and unlisted stocks are held for medium to long-term strategic purposes and are expected to be profitable through long-term investments. Accordingly, the management elected to designate these equity investments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

(2) Please refer to Note 12 for information on related credit risk management and evaluation method.

6.7 Property, plant and equipment

Item	December 31, 2024	December 31, 2023
Land	\$1,745,971	\$1,150,473
Buildings	1,375,487	1,375,487
Machinery	5,735,797	5,087,161
Other equipment	1,180,468	1,160,929
Equipment to be inspected and construction in progress	233,572	624,697
Total cost	<u>\$10,271,295</u>	<u>\$9,398,747</u>
Less: Accumulated depreciation	(6,044,475)	(5,693,250)
Accumulated impairment	-	-
Total	<u>\$4,226,820</u>	<u>\$3,705,497</u>

	Land	Buildings	Machinery	Other equipment	Equipment to be inspected and construction in progress	Total
<u>Cost</u>						
Balance at January 1, 2024	\$1,150,473	\$1,375,487	\$5,087,161	\$1,160,929	\$624,697	\$9,398,747
Additions	475,872	-	80,757	9,335	392,950	958,914
Reclassification	119,626	-	654,245	10,204	(784,075)	-
Transfer to expenses	-	-	(15,287)	-	-	(15,287)
Equipment spare parts are transferred to the material inventory	-	-	(71,079)	-	-	(71,079)
Balance at December 31, 2024	<u>\$1, 745, 971</u>	<u>\$1,375,487</u>	<u>\$5,735,797</u>	<u>\$1,180,468</u>	<u>\$233,572</u>	<u>\$10,271,295</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$998,626	\$3,699,717	\$994,907	\$ -	\$5,693,250
Depreciation expense	-	28,969	254,377	67,879	-	351,225
Balance at December 31, 2024	<u>\$ -</u>	<u>\$1,027,595</u>	<u>\$3,954,094</u>	<u>\$1,062,786</u>	<u>\$ -</u>	<u>\$6,044,475</u>

	Land	Buildings	Machinery	Other equipment	Equipment to be inspected and construction in progress	Total
<u>Costs</u>						
Balance at January 1, 2023	\$1,143,845	\$1,373,007	\$4,923,758	\$1,099,640	\$222,675	\$8,762,925
Additions	6,628	2,480	123,262	23,411	576,412	732,193
Disposals	-	-	-	(10,568)	-	(10,568)
Reclassification	-	-	125,944	48,446	(174,390)	-
Transfer to expenses	-	-	(18,957)	-	-	(18,957)
Equipment spare parts are transferred to the material inventory	-	-	(66,846)	-	-	(66,846)
Balance at December 31, 2023	<u>\$1,150,473</u>	<u>\$1,375,487</u>	<u>\$5,087,161</u>	<u>\$1,160,929</u>	<u>\$624,697</u>	<u>\$9,398,747</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ -	\$969,974	\$3,519,609	\$953,013	\$ -	\$5,442,596
Depreciation expense	-	28,652	180,108	50,684	-	259,444
Disposals	-	-	-	(8,790)	-	(8,790)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$998,626</u>	<u>\$3,699,717</u>	<u>\$994,907</u>	<u>\$ -</u>	<u>\$5,693,250</u>

1. Please refer to Note 6.26 for information on interest capitalization.
2. Please refer to Note 8 for information on the property, plant and equipment that were pledged to others.
3. The Company is unable to register the land under its name due to restrictions by laws and regulations. Therefore, the land is temporarily registered under the name of an individual. The amounts for the land as of December 31, 2024 and 2023 are \$165,972 thousand and \$148,266, respectively. Accordingly, the ownership was registered under the name of an individual with an affidavit as safeguard measures, when the restriction was cancelled, the land will be unconditionally transfer to the Company. As of December 31, 2024, the mortgage rights of the above-mentioned assets have been set up. The obligee is the Company or used as collateral for the Company's loans.

4. Reconciliation of current additions and the acquisition of property, plant and equipment in statement of cash flows is as follows:

Items	Year ended December 31	
	2024	2023
Increase in property, plant and equipment	\$958,914	\$732,193
Increase (decrease) in purchase of equipment payable	18,713	(28,832)
Cash paid for acquisition of property, plant and equipment	\$977,627	\$703,361

6.8 Lease agreements

(1) Right-of-use assets

Item	December 31	
	2024	2023
Land	\$63,807	\$63,807
Transportation equipment	622	622
Total cost	\$64,429	\$64,429
Less: Accumulated depreciation	(30,846)	(25,809)
Accumulated impairment	-	-
Right-of-use assets, net	\$33,583	\$38,620

Cost	Transportation		
	Land	Equipment	Total
Balance at January 1, 2024	\$63,807	\$622	\$64,429
Additions	-	-	-
Disposals	-	-	-
Balance at December 31, 2024	\$63,807	\$622	\$64,429
Accumulated Depreciation and Impairment			
Balance at January 1, 2024	\$25,187	\$622	\$25,809
Depreciation	5,037	-	5,037
Balance at December 31, 2024	\$30,224	\$622	\$30,846

Cost	Transportation		
	Land	Equipment	Total
Balance at January 1, 2023	\$63,807	\$622	\$64,429
Additions	-	-	-
Disposals	-	-	-
Balance at December 31, 2023	\$63,807	\$622	\$64,429

<u>Accumulated Depreciation and Impairment</u>			
Balance at January 1, 2023	\$20,150	\$414	\$20,564
Depreciation	5,037	208	5,245
Balance at December 31, 2023	<u>\$25,187</u>	<u>\$622</u>	<u>\$25,809</u>

(2) Lease liabilities

Item	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	<u>\$5,034</u>	<u>\$4,894</u>
Noncurrent	<u>\$31,380</u>	<u>\$36,414</u>

The ranges of discount rates for the lease liabilities:

Item	Year ended December 31	
	2024	2023
Land/Transportation equipment	2.68% ~ 2.83%	2.68% ~ 2.83%

Please refer to Note 12(2) for information on the maturity analysis of the lease liabilities.

(3) Material lease-in activities and terms

The Company leases land and transportation equipment for the use of plants and official vehicles. The lease terms range from 1 to 3 years. The Company has an option to renew part of the leases at the end of the lease terms. The company recognizes the lease renewal rights as lease liabilities. There was no indication of impairment for right-of-use assets as of December 31, 2024. Therefore, no impairment assessment was performed for these assets.

(4) Subleases of right-of-use assets: None.

(5) Other lease information:

Cash outflow relating to leases for the year is as follows:

Item	Year ended December 31	
	2024	2023
Expenses relating to short-term leases	<u>\$2,880</u>	<u>\$4,692</u>
Expenses relating to low-value asset leases	<u>\$ -</u>	<u>\$ -</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ -</u>	<u>\$ -</u>
Total cash outflow for leases (Note)	<u>(\$7,774)</u>	<u>(\$9,663)</u>

(Note): Payments of the principal portion of lease liabilities are included.

The Company elected to apply the recognition exemption for short-term leases and low-value asset leases and, thus, did not recognize right-of-use assets and lease liabilities.

6.9 Investment properties

Items	December 31, 2024	December 31, 2023
Land	\$2,709	\$2,709
Building	5,320	5,320
Total costs	\$8,029	\$8,029
Less: accumulated depreciation and impairment	(8,029)	(8,029)
Net	\$ -	\$ -

6.10 Intangible Assets

Item	December 31, 2024	December 31, 2023
Computer software	\$3,179	\$3,179
Less: Accumulated amortization	(3,002)	(2,600)
Net	\$177	\$579

Cost	December 31, 2024	December 31, 2023
Opening balance	\$3,179	\$3,000
Additions	-	179
Derecognition	-	-
Ending balance	\$3,179	\$3,179

Accumulated amortization and impairment	December 31, 2024	December 31, 2023
Opening balance	\$2,600	\$1,968
Amortization	402	632
Derecognition	-	-
Ending balance	\$3,002	\$2,600

6.11 Short-term loans

The Nature of loans	December 31, 2024	
	Amount	Interest rate
Purchase loans	\$769,282	2.23%-5.51%
Unsecured loans	423,901	1.95%-2.36%
Total	\$1,193,183	

The interest rate of New Taiwan dollar borrowing is 1.95%~2.43%, and the interest rate of US dollar borrowing is 5.51%.

The Nature of loans	December 31, 2023	
	Amount	Interest rate
Purchase loans	\$423,149	2.05%-2.42%
Unsecured loans	170,000	1.95%-2.10%
Total	<u>\$593,149</u>	

The interest rate of New Taiwan dollar borrowing is 1.95%-2.42%.

6.12 Short-term notes and bills payable

Item	December 31, 2024	December 31, 2023
Commercial paper	\$550,000	\$430,000
Less: unamortized discount	(965)	(264)
Net	<u>\$549,035</u>	<u>\$429,736</u>
Interest Rate Range	<u>1.56%-1.87%</u>	<u>1.968%-1.988%</u>

6.13 Other payables

Item	December 31, 2024	December 31, 2023
Water and electricity charges	\$75,915	\$74,380
Accrued payroll	56,494	60,137
Equipment payable	17,172	35,885
Interest payable	2,774	1,968
Slag cleaning freight	79,533	110,784
Quantity discounts	6,477	1,049
Business tax payable	-	6,451
Bonus to employees and remuneration to directors - last period	40	-
Bonus to employees and remuneration to directors - current period	9,317	5,042
Dividends payable	97,207	162,225
Purchase bonus	38,378	32,531
Other payables	19,428	13,563
Total	<u>\$402,735</u>	<u>\$504,015</u>

6.14 Provisions - current

Item	December 31, 2024	December 31, 2023
Employee benefits	\$14,905	\$13,979
Onerous purchase contracts	-	-
Total	<u>\$14,905</u>	<u>\$13,979</u>

Item	Employee benefits	Onerous Purchase contracts	Total
January 1, 2024	\$13,979	\$ -	\$13,979
Recognized during the period	14,905	-	14,905
Used during the period	(13,979)	-	(13,979)
December 31, 2024	<u>\$14,905</u>	<u>\$ -</u>	<u>\$14,905</u>

Items	Employee benefits	Onerous purchase contract	Total
January 1, 2023	\$12,963	\$721	\$13,684
Recognized during the period	13,979	-	13,979
Used during the period	(12,963)	(721)	(13,684)
December 31, 2023	<u>\$13,979</u>	<u>\$ -</u>	<u>\$13,979</u>

1. Provision for employee benefits is an estimate of employee's vested short-service leave.
2. Provision for onerous purchase contracts are the difference between the Company's unavoidable costs of meeting the contractual obligations and the economic benefits expected to be received from the contract.

6.15 Long-term loans and current portion

Item	December 31, 2024	December 31, 2023
Unsecured loans	\$460,006	\$646,943
Secured loans	1,537,460	912,450
Subtotal	\$1,997,466	\$1,559,393
Less: Current portion	(191,979)	(167,885)
Less: Unamortized discount	(3,155)	(5,425)
Total	<u>\$1,802,332</u>	<u>\$1,386,083</u>
Interest rate range	<u>1.72%-2.5284%</u>	<u>1.5950%-2.3543%</u>

1. According to loan agreements, the Company shall set up a special account for operating receipts in Mega International Commercial Bank, and promise that the cumulative amount of remittance (deposit) shall not be less than a certain amount every quarter from the day of drawing, and the average balance of the special account shall not be less than a certain amount in 3 months. Except for the quarter of the day of drawing, the review date will be the end of each quarter. If the Company does not meet the above criteria, the interest rate will be increased by another 0.1% from the next day of the quarter until the criteria is met. The Company has met the criteria of the contract in the recent quarter.

2. According to loan agreements, the Company shall maintain specific current ratios, debt ratios and interest coverage ratios after loan disbursement. After the day of drawing, the above-mentioned financial ratios of the annual financial reports shall be reviewed by the end of May each year, and the short-term borrowing limit shall not exceed 30,000 thousand if the above-mentioned financial ratios of the annual financial reports do not meet the criteria. The above-mentioned financial ratios of the second quarter financial reports shall continue to be reviewed, and if they do not meet the criteria, the short-term borrowing limit shall be reviewed. After reviewing the 2024 annual financial report, the financial ratios met the requirements of the loan contract.
3. Please refer to Note 8 for collaterals pledged for long-term borrowings.

6.16 Pension

1. Defined contribution plans

- (1) The employee pension plan under the Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. Pursuant to the plan, the Company makes monthly contributions of 6% of each individual employee's salary or wage to employees' pension accounts.
- (2) The amount to be contributed under the defined contribution plans was recognized as expense in the statements of comprehensive income, totaled \$9,881 thousand and \$9,636 thousand for the years ended December 31, 2024 and 2023 respectively.

2. Defined benefit plans

- (1) The Company has a respective defined benefit pension plan in accordance with the Labor Standards Law of the R.O.C. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited in Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of each year. If the account balance is not enough to pay the pension to the labors expected to be qualified for retirement in the following year, the Company will make contribution for the deficit by next March. The pension fund is managed by the government's designated authorities and the Company has no right to influence their investment strategies. The difference is allocated to the special account, and write off the net defined benefit liability are \$0 thousand on March 31, 2024 and 2023.
- (2) Amounts incurred from defined benefit plans were recognized for obligations in the balance sheet as follows:

Items	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$86,263	\$93,047
Fair value of plan assets	(55,222)	(50,480)
Net defined benefit liabilities (assets)	\$31,041	\$42,567

(3) Movements in net defined benefit liabilities are as follows:

Item	Year ended December 31, 2024		
	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
Balance at January 1	\$93,047	(\$50,480)	\$42,567
Service cost			
Current service cost	423	-	423
Interest expense (revenue)	1,093	(620)	473
Past service cost	-	-	-
Recognized in profit or loss	\$1,516	(\$620)	\$896
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$4,427)	(\$4,427)
Actuarial losses (gains) -			
Effect of change in demographic assumptions	-	-	-
Effect of change in financial assumptions	(2,593)	-	(2,593)
Experience adjustments	(186)	-	(186)
Recognized in other comprehensive income	(\$2,779)	(\$4,427)	(\$7,206)
Contribution from the employer	\$ -	(\$5,216)	(\$5,216)
Paid Pension	(5,521)	5,521	-
Balance at December 31	\$86,263	(\$55,222)	\$31,041

Items	Year ended December 31, 2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1	\$105,168	(\$48,857)	\$56,311
Service cost			
Current service cost	-	-	-
Interest expense (revenue)	1,339	(689)	650
Past service cost	-	-	-
Recognized in profit or loss	\$1,339	(\$689)	\$650
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$362)	(\$362)
Actuarial losses (gains) -			
Effect of change in demographic assumptions	-	-	-
Effect of change in financial assumptions	971	-	971
Experience adjustments	(9,227)	-	(9,227)
Recognized in other comprehensive income	(\$8,256)	(\$362)	(\$8,618)
Contribution from the employer	\$ -	(\$5,423)	(\$5,423)
Paid Pension	(5,204)	4,851	(353)
Balance at December 31	\$93,047	(\$50,480)	\$42,567

(4) Because of the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

A. Investment risk

The pension funds are invested in equity and debt securities, bank deposits, etc. at the discretion of the Bureau of Labor Funds of Ministry of Labor, or under the mandated management. However, under the Labor Standards Law, the rate of return on plan assets shall not be less than the average interest rate on a two-year time deposit published by the local banks.

B. Interest rate risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

C. Salary risk

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

(5) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions of the actuarial valuations were as follows:

Item	Measurement date December 31	
	2024	2023
Discount rate		
Employee	1.60%	1.20%
Manager	1.60%	1.20%
Rate of future salary increase	2.00%	2.00%
The weighted average duration of the defined benefit obligation - employee	7 years	8 years
The weighted average duration of the defined benefit obligation - manager	7 years	8 years

A. Assumptions on future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table (TSO).

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

December 31, 2024:

Items	Employee	Manager
Discount rate		
0.25% increase	(1,403)	(140)
0.25% decrease	1,444	143

Expected rate of salary increase		
0.25% increase	1,434	142
0.25% decrease	(1,401)	(140)

December 31, 2023:

Items	Employee	Manager
Discount rate		
0.25% increase	(1,662)	(161)
0.25% decrease	1,714	165
Expected rate of salary increase		
0.25% increase	1,696	163
0.25% decrease	(1,653)	(160)

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

(6) The Company's contribution for expected payment of pension plans for the year ended December 31, 2025 is \$5,984 thousand.

6.17 Share capital

1. The movements in the number of the Company's ordinary shares outstanding are as follows:

Items	Year ended December 31, 2024		Year ended December 31, 2023	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount
Ordinary shares	325,715	\$3,257,148	325,715	\$3,257,148

2. As of December 31, 2024, the authorized capital amount of the Company is \$7,200,000 thousand, consisting of 720,000 thousand shares, at par value of \$10 per share. The Company's paid-in capital is \$3,257,148 thousand, consisting of ordinary shares.

6.18 Retained earnings and dividend policy

1. According to the earnings distribution policy of the Company's articles of association, the Company's surplus earnings distribution or loss make-up can be done after the end of each quarter. If there is a surplus in the quarterly final accounts, it should first estimate and retain the tax payable, make up for the accumulated losses, estimate and retain the employee's remuneration and director's remuneration, and add 10% to the statutory reserve. When the legal reserve equals the Company's paid-in capital, 10% of the remaining amount is no longer to be set aside as legal reserve. The special earnings reserve shall be recognized or reversed in accordance with laws and

regulations. If there is still a earnings, the balance shall be added to the accumulated undistributed earnings of the previous quarter, and the board of directors shall prepare a earnings distribution proposal. When earnings are distributed in cash, it shall be subject to a resolution of the board of directors, and when earnings are distributed in the form of new shares, it shall be submitted to the shareholders' meeting for resolution. The Company's dividend policy is based on current and future development plans, consideration of the investment environment, domestic and foreign competition conditions, and maintenance of a sound long-term financial structure, as well as factors such as shareholders' interests. The total expected dividend distribution in cash is not less than 30% of the current after-tax net profit after making up for past losses, deducting legal reserve and the provision or reversal of special earnings reserve in accordance with laws and regulations. Except for improving the financial structure and meeting the capital needs of major capital expenditures, cash dividends shall not be less than 10% of the total dividends distributed in the current year.

2. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is limited to the portion in excess of 25% of the Company's paid-in capital.
3. The shareholders' meeting on June 12, 2023 approved the earnings distribution plan for the fourth quarter of 2022 and the board of directors in August 2023 approved the earnings distribution plan for for the second quarter of 2023. The appropriations and dividends per share were as follows:

Item	Appropriation of Earnings			Dividends Per Share (NT\$)	
	For Fiscal Year 2022	The second quarter of 2023	Total	The fourth quarter of 2022	The second quarter of 2023
	June 12, 2023	August 09, 2023	Total		
Resolution Date					
Legal reserve	\$14,195	\$32,758	\$46,953		
Cash dividends	146,003	162,225	308,228	\$0.45	\$0.50
Total	\$160,198	\$194,983	\$355,181		

4. The shareholders' meeting on June 20, 2024 approved the earnings distribution plan for the fourth quarter of 2023 and the board of directors in August 2024 approved the earnings distribution plan for the second quarter of 2024. The appropriations and dividends per share were as follows:

Item	Appropriation of Earnings		Dividends Per Share (NT\$)	
	The fourth quarter of 2023	The second quarter of 2024	The fourth quarter of 2023	The second quarter of 2024
Resolution Date	June 20, 2024	August 13, 2024	Total	
Legal reserve	\$9,625	\$24,491	\$34,116	
Cash dividends	97,207	97,207	194,414	
Total	<u>\$106,832</u>	<u>\$121,698</u>	<u>\$228,530</u>	

5. Reconciliation of the dividends resolved and cash dividends paid in statement of cash flows is as follows:

Item	Year ended December 31	
	2024	2023
Cash dividend for the period	\$194,414	\$308,228
Increase or decrease in dividends payable	65,018	114,633
Amount of cash dividends paid in the current period	<u>\$259,432</u>	<u>\$422,861</u>

6. The earnings distribution plan for the fourth quarter of 2024 approved by the Board of Directors is as follows:

Item	Appropriation of Earnings	Dividends Per Share (NT\$)
	The fourth quarter of 2024	
Resolution Date	March 12, 2025	
Legal reserve	<u>\$7,850</u>	

The appropriations of earnings for the fourth quarter of 2024 are to be presented for approval in the shareholders meeting to be held in June 2025.

7. Information on the resolution of the board of directors' and shareholders' meetings regarding the appropriation of earnings is available from the "Market Observation Post System" on the website of the TWSE.

6.19 Other Equity Items

Item	Unrealized gains (losses) on valuation of financial assets at FVTOCI	
	Year Ended December 31	
	2024	2023
Beginning balance	\$292,105	\$291,194
Unrealized gains (losses) on valuation financial assets at FVTOCI	81,322	911
Ending balance	<u>\$373,427</u>	<u>\$292,105</u>

6.20 Treasury stock

1.Reasons for share repurchase and movements in the number of the treasury shares are as follows:

2024:

Reasons for share repurchase	Unit: in thousand			
	Year ended December 31, 2024			
	January 1	Increase during the year	Decrease during the year	December 31
To be reissued to employees	1,583	110	-	1,693

2023 :

Reasons for share repurchase	Unit: in thousand			
	Year ended December 31, 2023			
	January 1	Increase during the year	Decrease during the year	December 31
To be reissued to employees	1,264	319	-	1,583

(1) The Company repurchased 2,000 thousand shares of ordinary stock from August 12, 2022 to October 11, 2022 at a price range of \$18 to \$28 per share by resolution of the Board of Directors on August 11, 2022 to motivate employees and retain outstanding talent. However, if the share price falls below the lower limit of the originally agreed range, the Company will continue to buy back the Company's shares, and as of October 11, 2022, the expiration date of the repurchase period, the Company has repurchased a total of 1,005 thousand shares.

- (2) The Company repurchased 1,000 thousand shares of ordinary shares from November 11, 2022 to January 9, 2023 at a price range of \$18 to \$24 per share by resolution of the Board of Directors on November 10, 2022 to motivate employees and retain outstanding talent. However, if the share price falls below the lower limit of the originally agreed range, the Company will continue to buy back the Company's shares, and as of December 31, 2022 and January 9, 2023, the expiration date of the repurchase period, the Company executed the repurchase of a total of 259 thousand shares.
- (3) The Company repurchased 2,000 thousand shares of ordinary shares from November 13, 2023 to January 12, 2024 at a price range of \$18 to \$25 per share by resolution of the Board of Directors on November 10, 2023 to motivate employees and retain outstanding talent. However, if the share price falls below the lower limit of the originally agreed range, the Company will continue to buy back the Company's shares, and as of December 31, 2023, a total of 319 thousand shares have been repurchased. In addition, as of January 12, 2024, the expiration date of the repurchase period, the Company executed the repurchase of a total of 429 thousand shares.
2. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued, outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
3. Pursuant to the R.O.C. Securities and Exchange Law, treasury shares should not be pledged as collateral and are not entitled to dividends before they are reissued.
4. Pursuant to the R.O.C. Securities and Exchange Law, treasury shares should be reissued to the employees within five years from the repurchase date and shares not reissued within the five-year period are to be retired. Treasury shares for protecting the Company's credit rating and the stockholders' interest should be retired within six months of repurchase.

6.21 Operating Revenue

Item	Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Sales of products	\$10,234,286	\$10,534,172
Sales of scraps	4,288	4,796
Total sales revenue from contracts with customers	\$10,238,574	\$10,538,968
Less: Sales return	(3,633)	(9,308)
Sales discount	(38,809)	(45,487)
Net sales revenue from contracts with customers	<u>\$10,196,132</u>	<u>\$10,484,173</u>

(1) Description of contract revenue

Sales and processing income of steel rebars and steel billets, wire rods and bars steel are mainly to traders and downstream manufacturers, and are sold at fixed prices per contractual terms, according to business practices, offer quantity discount for some products.

(2) Contract revenue details as follows:

The Company disaggregated revenue from contracts with customers into primary geographical markets and major goods line as follows:

Region	Year ended December 31	
	2024	2023
Taiwan	\$9,652,684	\$10,246,661
Australia	543,448	237,512
Total	<u>\$10,196,132</u>	<u>\$10,484,173</u>
Service		
Bars steel	\$955,926	\$1,082,566
Wire rods	427,939	350,024
Steel billets	92,623	515,722
Steel rebars	8,713,150	8,528,326
Others	6,494	7,535
Total	<u>\$10,196,132</u>	<u>\$10,484,173</u>
Timing of revenue recognition		
Revenue recognition at a specific timing	\$10,196,132	\$10,484,173
Revenue recognition over time	-	-
Total	<u>\$10,196,132</u>	<u>\$10,484,173</u>

(3) Contract balances

The Company recognized the accounts receivable, contract assets and contract liabilities related to customer contract revenue as follows:

	December 31		January 1
	2024	2023	2023
Accounts receivable	\$592,092	\$1,216,707	\$1,429,836
Contract Assets	-	-	-
Total	<u>\$592,092</u>	<u>\$1,216,707</u>	<u>\$1,429,836</u>
Contract liabilities	<u>\$378,720</u>	<u>\$29,999</u>	<u>\$70,799</u>

(4) Significant change in contract assets and contract liabilities

The change in contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

(5) The allowance for contract assets: None.

(6) Amount of satisfaction of performance obligations from previous period and beginning contract liabilities recognized in the current period as income were as follows:

Revenue in the current period	Year Ended December 31	
	2024	2023
From beginning contract liabilities - goods sale	\$19,661	\$69,336
From the previous period's satisfied performance	\$ -	\$ -

6.22 Employee benefits, depreciation, depletion and amortization expense

Nature	Year ended December 31, 2024		
	Operating costs	Operating expenses	Total
Employee benefits			
Salary	\$215,932	\$59,679	\$275,611
Insurance	21,372	6,225	27,597
Pension	8,580	2,197	10,777
Remuneration to director	-	7,476	7,476
Other	54,589	5,562	60,151
Depreciation	346,974	9,288	356,262
Amortization	-	402	402
Total	\$647,447	\$90,829	\$738,276

Nature	Year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefits			
Salary	\$209,034	\$49,615	\$258,649
Insurance	20,968	5,819	26,787
Pension	7,961	2,325	10,286
Remuneration to director	-	4,761	4,761
Other	54,192	5,653	59,845
Depreciation	253,780	10,909	264,689
Amortization	-	632	632
Total	\$545,935	\$79,714	\$625,649

1. Additional information of the number of employees and employee benefits expenses as of December 31, 2024 and 2023 were as follows:

Item	December 31	
	2024	2023
The number of employees	387	386
The number of directors did not serve concurrently as employee	7	7
Average employee benefits expenses	\$985	\$938
Average employee salary	\$725	\$682
Changes in adjusting average employee salary	6.30%	(2.29%)

2. The Company's salary and remuneration policy, including that for directors, managers and employees, is as follows:

(1) Directors' remuneration:

The remuneration to the directors shall be determined by the Board of Directors according to their degree of participation in the operation of the Company, the value of their contribution, and the general levels of the industry. The Company's Articles of Incorporation clearly stipulate that not higher than 2% of the annual profit shall be allocated as the director's remuneration.

(2) Managers' remuneration:

The remuneration to the managers is based on their duties, contributions, the Company's annual operation performance and in consideration of the Company's future risks, and is reviewed by the remuneration committee and submitted to the Board of Directors for resolution.

(3) Employees' compensation:

The Company is committed to providing employees with an industry-average salary and benefits. Under the premise of taking into account external competition, internal fairness and legitimacy, provide a competitive compensation system, and uphold the concept of profit sharing with employees, stay and motivate employees. The compensation of our employees includes monthly salaries and employee compensation paid by the Company on the basis of annual profitability. According to the company's revised articles of association on 20 June, 2024, 2% to 5% of the annual profit is to be allocated as employee' compensation; annual profits of 0.3% to 1% are set out in the Articles of Association of the Company as compensation for employees before revision.

3. According to the Company's article of incorporation, the Company has to appropriate employee compensation and remuneration to directors at the rate 2%~5%, and no higher than 2% of net profit before income tax, respectively. Any changes in the amounts, if any, after the annual financial statements were authorized for issue, shall

be recorded as a change in accounting estimate, and should be adjusted the next year.

4. The employees' compensation and remuneration to directors for the years ended December 31, 2024 and 2023 had been approved by the Board meeting held on March 12, 2025 and March 15, 2024, respectively, and the relevant amounts recognized in the parent company only financial statement were as follows:

	Year ended December 31			
	2024		2023	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
Resolution amount of allotment	\$7,454	\$1,863	\$4,992	\$2,496
Recognized in the annual financial statements	7,454	1,863	4,034	1,008
Difference	\$ -	\$ -	\$958	\$ 1,488

5. Information about the appropriation of employees' compensation and directors' remuneration by the Company as proposed by the Board of Directors are posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

6.23 Interest income

Item	Year Ended December 31	
	2024	2023
Interest on bank deposits	\$1,552	\$1,721
Others	34	26
Total	\$1,586	\$1,747

6.24 Other income

Item	Year ended December 31	
	2024	2023
Dividends	\$14,899	\$21,784
Income from disposal of iron scraps	1,249	4,078
Income from subsidy of government	888	6,326
Income from cancellation of contract compensation	14,952	-
Others	419	606
Total	\$32,407	\$32,794

6.25 Other gains and losses

Item	Year ended December 31	
	2024	2023
Net gain (loss) on foreign exchange	\$15,547	\$4,752
Gain (loss) on disposal of property, plant and equipment	-	51
Valuation gain (loss) of financial assets measured at FVTPL	-	(1,458)
Others	(4,718)	(3,657)
Total	<u>\$10,829</u>	<u>(\$312)</u>

6.26 Finance costs

Item	Year ended December 31	
	2024	2023
Interest on loans	\$64,878	\$52,918
Lease liabilities	1,106	1,245
Subtotal	\$65,984	\$54,163
Less: Qualified asset capitalization	(7,560)	(11,684)
Finance costs	<u>\$58,424</u>	<u>\$42,479</u>

6.27 Income tax

1. Income tax expense

(1) Components of income tax expenses:

Item	Year Ended December 31	
	2024	2023
<u>Current income tax</u>		
Current income tax on profits for the year	\$52,499	\$57,924
Adjustments for prior periods	(10,435)	3,900
Income tax expense recognized in profit or loss	<u>\$42,064</u>	<u>\$61,824</u>
<u>Deferred income tax</u>		
Origination and reversal of temporary differences	\$5,101	\$22,081
Deferred income tax expense	<u>\$5,101</u>	<u>\$22,081</u>
Income tax expense (benefit)	<u>\$47,165</u>	<u>\$83,905</u>

(2) Income tax expenses (benefit) relating to other comprehensive income: None.

2. Reconciliation between income tax and accounting profit for current year:

Items	Year ended December 31	
	2024	2023
Net profit before tax	\$363,368	\$499,122
Tax on net profit before tax at statutory rate	\$72,674	\$99,824
Tax effect of adjusted items:		
Slag cleaning freight have not been realized	(6,250)	(20,441)
Other adjustment	(4,085)	(6,863)
Adjustments for prior periods	(10,435)	3,900
Investment tax credits	(9,840)	(14,596)
Deferred income tax	5,101	22,081
Income tax expenses recognized in profit (loss)	\$47,165	\$83,905

The applicable business tax rate used by the Company is 20%. In addition, the tax rate applicable to unappropriated earning is 5%.

3. Deferred income tax assets or liabilities as a result of temporary difference, loss carry forwards and investment credit:

Item	Year ended December 31, 2024			
	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Temporary difference				
Return and discount liabilities	\$210	\$1,085	\$ -	\$1,295
Unrealized slag cleaning freight	22,157	(6,250)	-	15,907
Others	2,835	146	-	2,981
Subtotal	\$25,202	(\$5,019)	\$ -	\$20,183
Deferred income tax liabilities				
Others	\$ -	(\$82)	\$ -	(\$82)
Subtotal	\$ -	(\$82)	\$ -	(\$82)
Total	\$25,202	(\$5,101)	\$ -	\$20,101

Item	Year ended December 31, 2023			
	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Temporary difference				
Return and discount liabilities	\$2,375	(\$2,165)	\$ -	\$210
Unrealized slag cleaning freight	42,598	(20,441)	-	22,157
Others	2,738	97	-	2,835
Subtotal	\$47,711	(\$22,509)	\$ -	\$25,202

Deferred income tax liabilities				
Others	(\$428)	\$428	\$ -	\$ -
Subtotal	(\$428)	\$428	\$ -	\$ -
Total	\$47,283	(\$22,081)	\$ -	\$25,202

4. Not recognized as deferred income tax assets item:

Item	December 31, 2024	December 31, 2023
Pensions	\$6,208	\$8,513
Others	4,900	4,900

5. The Company's tax returns through 2022 have been assessed by the tax authorities.

6.28 Other comprehensive income (loss)

Nature	Year ended December 31, 2024		
	Amount before tax	Income tax benefit (expense)	Net after tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit obligation	\$7,206	\$ -	\$7,206
Unrealized gain (loss) on equity instruments at fair value through other comprehensive income	81,322	-	81,322
Recognized in other comprehensive income (loss)	\$88,528	\$ -	\$88,528
Nature	Year ended December 31, 2023		
	Amount before tax	Income tax benefit (expense)	Net after tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit obligation	\$8,618	\$ -	\$8,618
Unrealized gain (loss) on equity instruments at fair value through other comprehensive income	911	-	911
Recognized in other comprehensive income (loss)	\$9,529	\$ -	\$9,529

6.29 Earnings per share

Item	Year Ended December 31	
	2024	2023
A. Basic earnings (loss) per share		
Net income	\$316,203	\$415,217
Weighted average number of outstanding shares (thousand shares)	324,026	324,424
Basic earnings (loss) per share (after tax) (NT\$)	\$0.98	\$1.28
B. Diluted earnings (loss) per share		
Net income	\$316,203	\$415,217
Effect of the dilutive potential ordinary shares	-	-
Net income for calculating diluted earnings per share	\$316,203	\$415,217
Weighted average number of outstanding shares (thousand shares)	324,026	324,424
Effect of employees' compensation (thousand shares) (Note)	395	210
Weighted average number of ordinary shares outstanding after dilution (thousand shares)	324,421	324,634
Diluted earnings (loss) per share (after tax)(NT\$)	\$0.97	\$1.28

(Note) Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would 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.

7. RELATED PARTY TRANSACTIONS

7.1 Parent and ultimate controller:

The Company does not have parent and ultimate controller.

7.2 Related party name and category:

Related Party Name	Related Party Category
Kuo Su-Hui	Main management
Kuo Jui-His	Main management (Term of office expired in June 2023)
Kuo Shin-Hsien	Main management
Dai Ruei-Yi	Other related parties
Wang Yi-Ciou	Other related parties
Kuo Wen-Zhen	Other related parties
We Can Steel Co., Ltd.	Other related parties
Chien Yao Technology Co., Ltd.	Other related parties

7.3 Significant transactions with related parties:

(1) Sales:

Related Party Category	Year ended December 31	
	2024	2023
Other related party		
Other	\$17	\$3,775

Selling price and trading terms to the Company's related parties were the same with those to other customers. Payment terms were 10 days settlement once, 20 days TT. In addition, both parties can agree to postpone the payment.

(2) Purchase:

Type of related parties	Year ended December 31	
	2024	2023
Other related parties		
Other	\$352,573	\$309,536

The purchase prices with the related parties are equivalent to those with ordinary suppliers. Payment terms were 10 days settlement once, 20 days TT. However, both parties can agree to postpone the payments.

(3) Contract assets: None.

(4) Contract liabilities

Type of related parties	Year ended December 31	
	2024	2023
Other related parties		
Other	\$1,512	\$1,463

(5) Receivables from related parties (excluding loans to related parties and contract assets): None.

(6) Payables to related parties (excluded loans from related parties)

Item	Related party category/Name	December 31	
		2024	2023
Accounts payable	Other related parties		
	Other	\$30,681	\$22,377

(7) Lessee agreement:

A. Acquisition of right-of-use asset: None.

B. Lease liabilities

Type of related party	Lease target	December 31	
		2024	2023
Other related party /Dai Ruiyi	Land in NanBu Section	\$14,930	\$16,936
Other related party / Kuo Wen-Zhen (note)	Land in NanBu Section	21,484	24,372
Total		\$36,414	\$41,308

C. Lease liabilities - Interest expense

Related Party Category	Year Ended December 31	
	2024	2023
Other related parties	\$1,106	\$1,242

Above lease terms were based on the contract, and rent was paid monthly.

(8) Loans to related parties: None.

(9) Borrowing to related parties: None.

(10) Endorsements and guarantees: None.

(11) Others

A. Miscellaneous income

Related party category/Name	Year Ended December 31	
	2024	2023
Other related parties	\$16	\$23

These were mainly related to steel products cutting and other income.

B. Others

Type of related parties	Significant Transactions
Key management of the Company	The Company's land amounting to \$165,972 thousand and \$148,266 thousand as of December 31 2024 and 2023, respectively, is unable to be registered under the name of the Company due to regulatory restriction. Accordingly, the ownership was registered under the name of an individual with an affidavit as safeguard measures, when the restriction was cancelled, the land will be unconditionally transfer to the Company. As of December 31, 2024, the procedure of setting up the mortgage right to the Company was completed.

7.4 Information about remunerations to the major management:

Item	Year Ended December 31	
	2024	2023
Salary and other short-term employee benefits	\$12,916	\$13,560
Benefits after retirement	108	108
Other long-term employee benefits	-	-
Total	<u>\$13,024</u>	<u>\$13,668</u>

8. PLEDGED ASSETS

The following assets have been pledged as collateral for long-term and short-term loans:

Item	December 31	
	2024	2023
Other financial assets – current	\$39,527	\$34,075
Property, plant and equipment (net)	2,023,870	1,735,078
Total	<u>\$2,063,397</u>	<u>\$1,769,153</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) Guarantee notes issued to banks by the Company for loans totaled \$1,378,742 thousand and \$1,386,478 thousand as of December 31, 2024 and 2023, respectively, and recognized as deposit guarantee notes and guarantee notes payable.
- (2) Guarantee notes received by the Company for its performance totaled \$199,586 thousand and \$188,258 thousand as of December 31, 2024 and 2023, respectively, and recognized as guaranteed notes received and guaranteed notes receivable.
- (3) The unused letters of credit as of December 31, 2024 and 2023 were as follows:

Item	Unit: in thousands			
	2024		2023	
L/C Amount	EUR	85	EUR	384
	USD	9,336	USD	9,725
	JPY	2,964	JPY	60,800

- (4) Capital expenditures committed but not yet incurred are as follows:

Related Party Category	December 31	
	2024	2023
Property, plant and equipment	<u>\$179,225</u>	<u>\$298,865</u>

- (5) In order to comply with the government's 2050 net zero carbon emissions policy goal and fulfill corporate social responsibility, the Company plans to implement energy-saving and carbon-reducing equipment to reduce carbon emissions per unit of product by improving production efficiency and process optimisation. And invest in solar photovoltaic and energy storage equipment. The duration of the plan is from 2022 to 2025. The Company expects to purchase machinery and equipment of 1,559,667 thousand, and as of December 31, 2024,

the Company has invested 922,257 thousand (Including the amount of the equipment that has been set up for the transfer process). In order to cooperate with the installation and trial run of energy-saving and carbon-reducing equipment, the steel making and steel-rolling production lines will shut down temporarily, starting from July 3 and July 10, 2023, respectively, to August 2 and August 5, 2023, respectively. The total fixed and related costs and losses during the shut down period were approximately 73,215 thousand (Cost of goods sold - unapportioned manufacturing expenses). After the equipment installation is completed, in addition to improving the energy-saving and carbon-reducing efficiency of equipment, increasing production capacity and efficiency, which is beneficial to reducing production costs, it can also reduce the unit carbon emissions of products, which will relatively reduce future environmental protection-related costs and expenditures, help improving the Company's competitiveness, and also fulfill corporate social responsibility.

- (6) The Company's board of directors passed a resolution on May 13, 2024, that in order to meet the needs of plant expansion and energy transformation, the Company plans to purchase 21 parcels including land number 1173 in the Fu'an section of Guantian District, Tainan City, and 4 parcels including land number 1681 in the NanBu section of Guantian District, Tainan City. The Company authorized the chairman to handle relevant matters within the range of the appraisal amount of \$581,046 thousand and within 5% exceeding the appraisal amount. The Company entered into a sales contract with the landowners Mr. Yang and Mr. Guo on June 6, 2024. The total contract price was \$563,000 thousand. As of December 31, 2024, the transaction price has been fully paid.

The Company entered into a sales contract with the landowners Mr. Huang and 2 other people purchase land number 30 and 30-2 in the NanBu section of Guantian District, Tainan City on December 10, 2023. The total contract price was \$17,706 thousand. As of December 31, 2024, the transaction price has been fully paid.

The Company entered into a sales contract with the landowners Mr. Chen purchase land number 1261 in the Fu'an section of Guantian District, Tainan City on October 14, 2024. The total contract price was \$7,000 thousand. As of December 31, 2024, the transaction price has been fully paid.

- (7) The Company's board of directors passed a resolution on November 11, 2024, that in order to response to the expansion of demand for moulded products, the Company plans to expand the cutting plant on the land purchased on June 6, 2024 in the Fu'an section and the NanBu section of Guantian District, Tainan City, and is expected to invest approximately 911,000 thousand (including the land price of 563,000 thousand) between 2024 and 2027 years, in addition, in response to the global environmental protection awareness and actively promote the energy transition, The Company also plans to install solar photovoltaic equipment on the land in the Fu'an section and NanBu section of Guantian District, with an estimated investment of about 80,000 thousand, in an effort to achieve the sustainable development goals.

10. SIGNIFICANT DISASTER LOSS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE.

12. OTHERS

(1) Capital risk management

As the Company needs to maintain sufficient capital to meet the needs for expansion and plant and equipment improvement, capital management of the Company focuses on ensuring there are sufficient financial resources and operating plans to meet the demands for operating capital, capital expenditure, research and development expense, loan repayment and dividend distribution in the next 12 months.

(2) Financial Instruments

A. Financial risk of financial instruments

Financial risk management policies

The Company's daily operations are affected by various financial risks, e.g. market risk (including exchange rate, interest rate and price risks), credit risk and liquidity risk. The Company is devoted to identify, assess and avoid market uncertainties in order to eliminate the potential adverse effects of market changes on the financial performance. Before engaging in significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. While the financial plan is underway, the Company shall comply with relevant financial operation procedures on the overall financial risk management and segregation of duties at all times.

The nature and degree of significant financial risks

(1) Market risks

a. Foreign exchange rate risk:

- (a) The Company is exposed to exchange rate risk arising from the sales, purchases and borrowings in currencies other than the Company's functional currency. Functional currencies adopted by entities within the Company mainly comprise New Taiwan Dollars, Such transactions are denominated mainly in USD, EUR and GBP. To avoid a decrease in the value of assets dominated in foreign currency and volatility in future cash flows due to changes in exchange rates, the Company hedges the exchange rate risk with foreign-currency borrowings. Those financial instruments can diminish but not completely eliminate the impacts of changes in exchange rate.

(b) Exchange rate exposure and sensitivity analysis

			December 31, 2024			
Amount in Foreign currency	Exchange rate	Presented amount (NTD)	Sensitivity analysis			
			Range of variation	Effect on profit or loss	Effect on equity	
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	1,587	32,785	52,024	Appreciate by 1%	520	-

<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	844	32.785	27,273	Appreciate by 1%	(273)	-
December 31, 2023						
	Amount in		Presented amount (NTD)	Sensitivity analysis		
	Foreign currency	Exchange rate			Effect on	Effect on
				Rage of variation	profit or loss	equity
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	446	30.705	13,714	Appreciate by 1%	137	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	968	30.705	29,439	Appreciate by 1%	(294)	-

(c) Due to the exchange rate volatility, total exchange gains and losses (including realized and unrealized) from the Company's monetary items amounted to \$15,547 thousand and \$4,752 thousand for the years ended December 31, 2024 and 2023, respectively.

b. Price risk

Since the company holds equity instrument investments, the company is exposed to the price risk of equity instruments. The company's equity instruments invested in the balance sheet are classified as financial assets measured at FVOCI. The Company mainly invests in domestic listed and unlisted equity instruments. The price of such securities can be affected by changes in future value of those investment targets.

If the equity instrument price goes up or down by 1%. The post-tax other comprehensive income for the year 2024 and 2023 will increase or decrease by \$3,943 thousand and \$3,130 thousand due to the increase or decrease of the fair value of financial assets measured at FVTOCI.

c. Interest rate risk

The carrying amount of the Company's financial assets and financial liabilities that are exposed to interest rate risk at the reporting date is stated as follows:

Item	<u>Carrying Amount</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
With fair value interest rate risk		
Financial assets	\$ -	\$ -
Financial liabilities	(585,449)	(471,044)
Net	<u>(\$585,449)</u>	<u>(\$471,044)</u>

With cash flow interest rate risk

Financial assets	\$179,159	\$92,851
Financial liabilities	(3,187,494)	(2,147,117)
Net	<u>(\$3,008,335)</u>	<u>(\$2,054,266)</u>

(a) Sensitivity analysis of those with fair value interest rate risk:

The company does not classify any financial assets and liabilities with fixed interest rates as financial assets measured at fair value through other comprehensive loss periods, and does not specify derivatives (interest rate exchange) as a fair value hedge accounting model. The following hedging tools. Therefore, changes in the reported daily interest rate will not affect profit or loss and other comprehensive net profits.

(b) Sensitivity analysis of those with cash flow interest rate risk:

The interest-fluctuate instruments possessed by the Company were floating-interest assets (liabilities). Therefore the effective interest rate, as well as the future cash flows, changes along with the market movement. Every one percent increase (reduce) in the market interest will increase (decrease) the net profit by (\$30,083) thousand and (\$20,543) thousand for the years 2024 and 2023, respectively.

(2) Credit risk

Credit risk refers to the risk of financial loss to the Company arising from default by counterparties of financial instruments on the contract obligations. Credit risk of the Company mainly comes from receivables under operating activities and bank deposits and other financial instruments under investing activities. Credit risks related to operation and finance risks are managed separately.

a. Credit risk related to operations:

To maintain the quality of accounts receivable, the Company has established the procedures for credit risk management with regards to its operations.

Risk assessment on individual customer includes factors that could affect the customer's ability to pay, such as the customer's financial status, the Company's internal credit ratings, historical transactions and current economic conditions.

b. Financial credit risk

The credit risks of bank deposits and other Financial instruments are measured and monitored by the Company's financial departments. The Company does not expect significant credit risk because the counterparties are creditworthy and investment-graded financial institutions, companies and government agencies without any significant default concerns. In addition, the Company does not have any debt instrument investments that are either measured at amortized cost, or at FVTOCI.

(A) Credit concentration risk

As of December 31, 2024 and 2023, the top ten clients accounted for 78.84% and 65.95% of the Company's accounts receivable, indicating a credit concentration risk. However, no significant credit concentration risk was shown from the remaining accounts receivables.

(B) Measurement of expected credit impairment loss

(a) Accounts receivables and contract assets apply the simplified approach. Please refer to Note 6.3 for details.

(b) Indications for determining whether the credit risk is increased significantly: None (the Company does not have any debt instrument investments that are either measured at amortized cost, or at FVTOCI).

(C) Collaterals and other credit enhancement held to avoid credit risks from financial assets

The following table shows the maximum exposure to credit risk regarding financial assets recognized in the balance sheets, pledged collateral, master netting arrangements and other credit enhancement held by the Company:

December 31, 2024	Carrying Amount	Decreased amount of maximum exposure to credit risks			
		Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	\$ -	\$ -	\$ -	\$ -	\$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable :					
Financial assets measured at FVTOCI	394,346	-	-	-	-
Total	<u>\$394,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023	Carrying Amount	Decreased amount of maximum exposure to credit risks			
		Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	\$ -	\$ -	\$ -	\$ -	\$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable :					
Financial assets measured at FVTOCI	313,024	-	-	-	-
Total	<u>\$313,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Liquidity risk

a. Liquidity risk management:

The company's object in managing liquidity risk is to maintain a sufficient level of cash and cash equivalent, highly-liquid marketable securities and for daily operation in order to ensure the financial flexibility of the Company.

b. Maturity analysis of financial liabilities:

The table below shows an analysis of the financial liabilities held by the Company with defined repayment terms based on maturity dates and undiscounted payment at maturity:

Non-derivative financial Liabilities	December 31, 2024						Carrying amount
	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	
Short-term loans	\$1,193,183	\$ -	\$ -	\$ -	\$ -	\$1,193,183	\$1,193,183
Short-term notes and bills payable	550,000	-	-	-	-	550,000	549,035
Notes payable	142,530	-	-	-	-	142,530	142,530
Accounts payable	485,761	-	-	-	-	485,761	485,761
Other payables	402,735	-	-	-	-	402,735	402,735
Lease Liabilities	3,000	3,000	6,000	18,000	10,000	40,000	36,414
Long-term loans (including current portion)	96,084	96,199	238,038	1,343,956	223,189	1,997,466	1,994,311
Guarantee deposits	-	-	-	-	1,020	1,020	1,020
Total	\$2,873,293	\$99,199	\$244,038	\$1,361,956	\$234,209	\$4,812,695	\$4,804,989

Further information on the maturity analysis of lease liabilities was as follows:

Lease liabilities	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Total undiscounted lease payments
	\$6,000	\$24,000	\$10,000	\$ -	\$ -	\$ -	\$40,000

Non-derivative financial Liability	December 31, 2023						Carrying amount
	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	
Short-term loans	\$553,149	\$40,000	\$ -	\$ -	\$ -	\$593,149	\$593,149
Short-term notes and bills payable	430,000	-	-	-	-	430,000	429,736
Notes payable	317,309	-	-	-	-	317,309	317,309
Accounts payable	600,831	-	-	-	-	600,831	600,831
Other payables	498,973	5,042	-	-	-	504,015	504,015
Lease Liabilities	3,000	3,000	6,000	18,000	16,000	46,000	41,308
Long-term loans (including current portion)	74,289	94,182	188,480	993,044	209,398	1,559,393	1,553,968
Guarantee deposits	-	-	-	-	1,020	1,020	1,020
Total	\$2,477,551	\$142,224	\$194,480	\$1,011,044	\$226,418	\$4,051,717	\$4,041,336

Further information for lease liabilities with repayment periods was as follows:

Item	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Undiscounted payments
	\$6,000	\$24,000	\$16,000	\$ -	\$ -	\$ -	\$46,000

The Company does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

B. Types of Financial instruments

	December 31	
	2024	2023
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$140,444	\$59,278
Notes receivable and accounts receivable	592,092	1,216,707
Other receivables	8,605	1,540
Other financial assets - current	39,527	34,075
Refundable deposits	1,555	1,027
Financial assets at fair value through other comprehensive income or loss - noncurrent	394,346	313,024
Financial liabilities		
Financial liabilities measured at amortized costs		
Short-term loans	1,193,183	593,149
Short-term notes and bills payable	549,035	429,736
Notes payable and accounts payable (including related parties)	628,291	918,140
Other payables	402,735	504,015
Long-term liabilities-current portion	191,979	167,885
Long-term liabilities	1,802,332	1,386,083
Lease liabilities (including current portion)	36,414	41,308
Deposits received	1,020	1,020

(3) Fair value information:

A. For information on fair value of financial assets and financial liabilities not measured at fair value, please refer to Note 12.(3).C

B. Definition of the three levels in fair value:

Level 1:

Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Most of derivative instruments that the Company invested is included in Level 2.

Level 3

Unobservable inputs for the asset or liability. The fair value of the Company's investment in some derivative instruments and equity investment without active market is included in Level 3.

C. Financial instruments not measured at fair value

Management of the Company thinks that the carrying amount of financial instruments not measured at fair value, including cash and cash equivalents, accounts receivable, other financial assets, refundable deposits, short term loans, notes payable and, notes receivables and accounts payable, lease liabilities (including current and non-current), long-term loans (including current portion), and guarantee deposits is the reasonable approximation of their fair value.

D. Fair value hierarchy:

The fair value hierarchy of financial instrument is measured at fair value on a recurring basis. Information about the Company's fair value hierarchy was disclosed in the following table:

Item	December 31, 2024			Total
	Level 1	Level 2	Level 3	
Assets:				
Recurring fair value				
Financial assets measured at FVTOCI				
Domestic listed stocks	\$385,417	\$ -	\$ -	\$385,417
Domestic unlisted stocks	-	-	8,929	8,929
Total	\$385,417	\$ -	\$8,929	\$394,346

Item	December 31, 2023			Total
	Level 1	Level 2	Level 3	
Assets:				
Recurring fair value				
Financial assets measured at FVTOCI				
Domestic listed stocks	\$306,992	\$ -	\$ -	\$306,992
Domestic unlisted stocks	-	-	6,032	6,032
Total	\$306,992	\$ -	\$6,032	\$313,024

E. Fair value valuation technique for instruments measured at fair value:

The fair value of financial instruments with quoted prices in active markets is the quoted market prices. Market prices published by major trading centers and exchanges for on-the-run government bonds are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in active markets. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If one of the conditions fails, the market is not deemed active. In general, indications of an inactive market include a wide bid-ask spread, a significant increase in the bid-ask spread and low level of trading volume. The fair value of financial instruments with

active markets held by the Company are stated by their natures and types as follows:

a. Listed stocks: closing prices.

b. Except for financial assets with an active market, the fair value of other financial assets is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, the discounted cash flow method, or other valuation technique e.g. the one that applies market information available on the balance sheet date to a pricing model for calculation.

The fair value of the Company's holding of unlisted stocks for which no active market exists is estimated by using the market approach, which refers to the valuation of similar entities, quoted prices from a third party, the net worth of an entity and the operating performance. Significant unobservable inputs used to measure fair value are listed in the table below:

December 31, 2024 :

Item	Measurement technique	Major unobservable input value	interval	Relationship between input value and fair value
Financial assets at fair value through other comprehensive income or loss - stock	Market Approach	Market liquidity discount rate	29.06%	The higher the degree of lack of liquidity, the lower the fair value estimate

December 31, 2023 :

Item	Measurement technique	Major unobservable input value	interval	Relationship between input value and fair value
Financial assets at fair value through other comprehensive income or loss - stock	Market Approach	Market liquidity discount rate	26.99%	The higher the degree of lack of liquidity, the lower the fair value estimate

c. Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Company. Therefore, when needed, estimates from the valuation model would be adjusted based on additional parameters, e.g. model risk or liquidity risk. According to the Company's policies of fair value valuation management and relevant control procedures, the Company's management considers that valuation adjustments as being necessary and appropriate for a fair and just presentation of financial and non-financial instruments on the standalone balance sheet. Every price data and parameters used in the valuation is reviewed thoroughly and adjusted for current market conditions.

d. The Company incorporates the adjustment of credit risk assessment into the fair value measurement of financial and non-financial instruments to reflect the credit risk of counter-party and the credit quality of the Company.

F. Transfers between Level 1 and Level 2 fair value hierarchy: None.

G.Statement of changes in Level 3 fair value hierarchy-Financial assets measured at FVTOCI-unlisted stocks

Item	Investment in unquoted financial instruments	
	2024	2023
January 1	\$6,032	\$6,224
Proceeds from capital reduction	-	(2,444)
Recognized in other comprehensive income	2,897	2,252
December 31	<u>\$8,929</u>	<u>\$6,032</u>

H. Valuation process for Level 3 fair value measurement:

Valuation process regarding fair value Level 3 is conducted by the independence of fair value of financial instruments is verified though use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed so as to ensure their reasonableness.

(4) Transfer of financial assets: None.

(5) Offsetting financial assets and financial liabilities: None.

13. SUPPLEMENTARY DISCLOSURES

A. Significant transactions information

- (a) Financings provided: None.
- (b) Endorsements and guarantees provided to others: None.
- (c) Marketable securities held: Table 1.
- (d) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- (e) Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: Table 2.
- (f) Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- (g) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 3.
- (h) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- (i) Information about the derivative financial instruments transaction: None.

B. Information on investees: None.

C. Information on investment in Mainland China: None.

D. Information on major shareholders (List all shareholders with a stake of 5 percent or greater in shareholding percentage and the number of shares): Table 4.

Table 1

Wei Chih Steel Industrial Co., Ltd.

Marketable securities held

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Securities held	Marketable securities	Relationship with the securities issuer	General Ledger Account	Ending balance				Note
				Shares (in thousands)	Carrying amount	Percentage of Ownership	Fair value	
Wei Chih Steel Industrial Co., Ltd.	Stock - Xiao Gang Warehousing Co., Ltd.	-	Financial assets at fair value through other comprehensive income	733	8,929	8.15%	8,929	
Wei Chih Steel Industrial Co., Ltd.	Stock- Taiwan Steel Union Co., Ltd.	-	Financial assets at fair value through other comprehensive income	3,351	385,417	3.01%	385,417	

Table 2

Wei Chih Steel Industrial Co., Ltd.

Acquisition of individual Real Estate Properties at Costs of At Least NT\$300 Million or 20% of the Paid-in Capital

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Real Estate	Transaction Date	Transaction Amount	Payment Term	Counterparty	Relationship with the Seller	Prior transaction of related counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Wei Chih Steel Industrial Co., Ltd.	Land	June 6, 2024	\$563,000	\$563,000	Mr. Yang and Mr.Guo	-	-	-	-	-	The transaction amount was determined by both parties based on the appraisal value of \$581,046 thousand provided by a professional institution.	Capacity Expansion - Under Construction	-

Table 3

Wei Chih Steel Industrial Co., Ltd.

Total Purchases from or Sales to Related Parties of at Least NT\$100 Million or 20% of the Paid-in Capital

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Purchaser/ Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
WEI CHIH STEEL INDUSTRIAL CO., LTD.	Chien Yao Technology Co., Ltd.	The chairman of Chien Yao Technology Co., Ltd. is within the second degree of kinship of the chairman of the Company	Purchases	352,573	4.06%	Settlement at 10 Days TT 20 Days	Equivalent	The purchase prices with the related parties are equivalent to those with ordinary suppliers. Payment terms were 10 days settlement once, 20 days TT. However, both parties can agree to postpone the payments.	Accounts payable 30,681	4.88%	

Table 4

Wei Chih Steel Industrial Co., Ltd.
Information On Major Shareholders
December 31, 2024

(Unit: shares)

Shares Name of Major Shareholder	Number of Shares	Percentage of Ownership (%)
HUI CHUN INVESTMENT CO., LTD	42,099,000	12.99%
EN HUI INVESTMENT CO., LTD	32,354,201	9.99%
CHIEN YAO TECHNOLOGY CO., LTD.	32,005,604	9.88%
LI EN INVESTMENT CO., LTD	26,006,000	8.03%
UNI-SOLEIL ENTERPRISE CO., LTD.	17,770,000	5.48%

Note: 1.The information of major shareholders is based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of December 31, 2024. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

2.The number of shares issued is calculated by deducting the number of shares in the treasury.

14. SEGMENT INFORMATION

(1) Segment Financial Information:

The Company operates single industry only, mainly for the steel processing and manufacturing of steel rebar, bar steels, billes steel, and wire rods. The end uses of the products are similar, and the operating decision maker of the Company assesses the overall performance and resource allocation. It is identified that the Company has only a single reporting segment.

(2) Geographical Information:

A. Revenue from external customers (classified by the countries where the customers are located):

Area	Year ended December 31	
	2024	2023
Taiwan	\$9,652,684	\$10,246,661
Australia	543,448	237,512
Total	\$10,196,132	\$10,484,173

B. Noncurrent Assets:

Area	December 31	
	2024	2023
Taiwan	\$4,260,580	\$3,744,696

(3) Major customer information:

Customer	Year ended December 31, 2024	
	Amount	Percentage of Net Sale (%)
A Customer	\$1,313,085	12.88%
B Customer	1,225,651	12.02%

Customer	Year ended December 31, 2023	
	Amount	Percentage of Net Sale (%)
A Customer	\$1,317,104	12.56%
B Customer	1,224,695	11.68%

STATEMENTS OF MAJOR ACCOUNTING ITEMS
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Wei Chih Steel Industrial Co., Ltd.
Statement of Cash and Cash Equivalents
December 31, 2024

In Thousands of New Taiwan Dollars and Foreign Currencies

Item	Description	Amount	Note	
Cash	Foreign Currency	\$ -	USD	(Note 1)
		-	EUR	(Note 2)
		1	CNY	(Note 5)
		-	KRW	3 thousand (Note 6)
		-	JPY	1 thousand (Note 3)
	New Taiwan Dollars	427		
	Working fund	60		
Subtotal		\$488		
Cash in bank	Checking accounts	\$324		
	Demand accounts	87,104		
	foreign deposits	52,001	USD	1,586 thousand (Note 1)
		346	EUR	10 thousand (Note 2)
		-	JPY	1 thousand (Note 3)
		181	SGD	7 thousand (Note 4)
Subtotal		\$139,956		
Total		\$140,444		

Note 1: Exchange rate vs. USD is 1 : 32.785
Note 2: Exchange rate vs. EUR is 1 : 34.14
Note 3: Exchange rate vs. JPY is 1 : 0.2099
Note 4: Exchange rate vs. SGD is 1 : 24.13
Note 5: Exchange rate vs. CNY is 1 : 4.478
Note 6: Exchange rate vs. KRW is 1 : 0.02246

Wei Chih Steel Industrial Co., Ltd.
Statement of Notes Receivable
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
A Company	Notes Receivable	\$17,300	
B Company	Notes Receivable	15,829	
C Company	Notes Receivable	12,491	
D Company	Notes Receivable	3,819	
E Company	Notes Receivable	3,115	
Others	Under 5%	9,275	
Total		\$61,829	
Less: Loss allowance		(309)	
Net		<u>\$61,520</u>	

Wei Chih Steel Industrial Co., Ltd.
Statement of Accounts Receivable
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
A Company	Trade receivable	\$145,927	
B Company	Trade receivable	47,766	
C Company	Trade receivable	42,907	
D Company	Trade receivable	39,483	
E Company	Trade receivable	36,229	
Others	Under 5%	220,926	
Total		\$533,238	
Less: Loss allowance		(2,666)	
Net		\$530,572	

Wei Chih Steel Industrial Co., Ltd.
Statement of Other Receivables
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Interest receivable	Interest income from live and fixed deposits	\$63	
Tax refunds receivable	Receivable and refund of business tax, etc.	1,334	
Other receivables	Other	7,208	
Total		\$8,605	

Wei Chih Steel Industrial Co., Ltd.
Statement of Inventories
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount		Remark
		Cost	Market price	
Raw materials	Scrap steel	\$840,223	\$ 1,051,867	
Supplies	Heavy oils and electrode bars etc.	406,158	406,158	
Work in process	Steel billet	2,405,966	2,796,166	
Finished goods	Steel rebars, bar steels and wire rods	643,699	740,567	
Scraps	Iron oxide	782	782	
Total		\$4,296,828	\$4,995,540	
Less: Allowance for inventory loss		-	-	
Net		\$4,296,828	\$4,995,540	

Wei Chih Steel Industrial Co., Ltd.
Statement of Other Financial Assets - Current
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Restricted Demand Deposits	Reserve account deposits	\$34,505	
Restricted Foreign Currency Deposits	Reserve account deposits	22	USD 1 thousand (Note)
Restricted Fixed Deposits	More than 3 months fixed deposit	5,000	
Total		<u>\$34,075</u>	

Note: Exchange rate vs. USD is 1 : 32.785

Wei Chih Steel Industrial Co., Ltd.
Statement of changes in financial assets at fair value through other comprehensive income - noncurrent
For the year ended December 31, 2024

Units: In thousand shares; In Thousands of New Taiwan Dollars

Title	Balance, January 1, 2024		Increase		Decrease		Balance, December 31, 2024				
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding ratio	Amount	Collateral	Remark
Listed Company											
Taiwan Steel Union Co., Ltd.	3,351	\$306,992	-	\$78,425	-	\$ -	3,351	3.01%	\$385,417	None	
Unlisted Company											
Xiao Gang Warehousing Co., Ltd.	733	6,032	-	2,897	-	-	733	8.15%	8,929	None	
Total		<u>\$313,024</u>		<u>\$81,322</u>		<u>\$ -</u>			<u>\$394,346</u>		

Note: Current increase of \$81,322 thousand includes unrealized gain on financial assets at FVTOCI.

Wei Chih Steel Industrial Co., Ltd.
Statement of Refundable Deposits
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Refundable deposits	Official vehicles guarantee	\$1,373	
	Land lease deposits	28	
	Other guarantee deposits	154	
Total		\$1,555	

Wei Chih Steel Industrial Co., Ltd.
STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Creditor	Description	Ending Balance	Contract Period	Loan Commitment	Collateral	Remark
Mega - Tainan	Loan for material purchase	\$5,495	October 22, 2024~ April 18, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	16,863	October 23, 2024~ April 21, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	16,262	October 24, 2024~ April 22, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	35,834	November 06, 2024~ May 05, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	18,292	November 08, 2024~ May 07, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	9,459	November 12, 2024~ May 09, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	29,826	November 13, 2024~ May 12, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	12,048	December 03, 2024~ May 29, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	7,841	December 04, 2024~ June 02, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	43,236	December 05, 2024~ June 03, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	9,036	December 09, 2024~ June 06, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	11,940	December 10, 2024~ June 06, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	8,926	December 11, 2024~ June 09, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	16,290	December 12, 2024~ June 10, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	29,919	December 13, 2024~ June 11, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	11,656	December 16, 2024~ June 13, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	6,095	December 24, 2024~ June 20, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	20,941	December 25, 2024~ June 23, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	4,648	December 26, 2024~ June 24, 2025	400,000	Yes	
Mega - Tainan	Loan for material purchase	14,862	December 27, 2024~ June 25, 2025	400,000	Yes	

Creditor	Description	Ending Balance	Contract Period	Loan Commitment	Collateral	Remark
Huanan Bank - Tainan	Loan for material purchase	5,315	December 31, 2024~ June 25, 2025	USD 2,480	None	USD 162 thousand (Note)
Taishin Bank - Tainan	Working capital	100,000	November 19, 2024~ January 19, 2025	300,000	None	
Taishin Bank - Tainan	Loan for material purchase	30,105	November 13, 2024~ January 13, 2025	150,000	None	
Taishin Bank - Tainan	Loan for material purchase	11,280	November 22, 2024~ January 22, 2025	150,000	None	
Taishin Bank - Tainan	Loan for material purchase	39,449	November 25, 2024~ January 25, 2025	150,000	None	
Taishin Bank - Tainan	Loan for material purchase	11,875	November 26, 2024~ January 26, 2025	150,000	None	
EnTie Bank - Tainan	Working capital	50,000	December 13, 2024~ January 13, 2025	300,000	None	
Chang Hwa Bank - Tainan	Loan for material purchase	36,840	August 05, 2024~ February 01, 2025	120,000	Yes	
Chang Hwa Bank - Tainan	Loan for material purchase	70,360	November 08, 2024~ May 07, 2025	120,000	Yes	
Yuanta Commercial Bank	Working capital	72,901	July 30, 2024~ July 30, 2025	80,000	None	
Yuanta Commercial Bank	Working capital	51,000	November 07, 2024~ November 05, 2025	80,000	None	
Shin Kong Bank	Loan for material purchase	16,078	August 14, 2024~ February 10, 2025	200,000	None	
Shin Kong Bank	Loan for material purchase	33,775	August 15, 2024~ February 11, 2025	200,000	None	
Shin Kong Bank	Loan for material purchase	65,279	August 26, 2024~ February 22, 2025	200,000	None	
Shin Kong Bank	Loan for material purchase	74,178	October 15, 2024~ April 12, 2025	200,000	None	
China CITIC Bank - Tainan	Working capital	50,000	September 02, 2024~ February 27, 2025	100,000	None	
China CITIC Bank - Tainan	Working capital	50,000	September 24, 2024~ March 24, 2025	100,000	None	
Wingfung Bank - Tainan	Working capital	50,000	October 07, 2024~ January 03, 2025	100,000	None	
Wingfung Bank - Tainan	Loan for material purchase	45,279	October 11, 2024~ April 08, 2025	100,000	None	
Total		<u>\$1,193,183</u>				
Range of Interest Rates (%)		<u>1.95%-5.51%</u>				

Note: Exchange rate vs. USD is 1 : 32.785

Wei Chih Steel Industrial Co., Ltd.
STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLE
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Creditor	Contract Period	Issued Amount	Discount	Book Value	Remark
Commercial Paper	China Bills Finance Corporation	December 13, 2024~ January 13, 2025	\$100,000	(\$77)	\$ 99,923	
Commercial Paper	International Bills Finance Corporation	November 29, 2024~ January 17, 2025	100,000	(138)	99,862	
Commercial Paper	Ta Ching Bills Finance Corporation	December 09, 2024~ February 10, 2025	100,000	(246)	99,754	
Commercial Paper	Dah Chung Bills Finance Corporation	December 12, 2024~ February 10, 2025	100,000	(242)	99,758	
Commercial Paper	Mega Bills Finance Co., Ltd.	December 20, 2024~ February 11, 2025	100,000	(248)	99,752	
Commercial Paper	O-Bank	December 06, 2024~ January 06, 2025	50,000	(14)	49,986	
Total			<u>\$550,000</u>	<u>(\$965)</u>	<u>\$549,035</u>	
Range of Interest Rates					<u>1.56%-1.87%</u>	

Wei Chih Steel Industrial Co., Ltd.
STATEMENT OF CONTRACT LIABILITIES - CURRENT
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Client Name	Description	Amount	Remark
Company A	Unearned sales revenue	\$ 91,887	
Company B	Unearned sales revenue	81,720	
Company C	Unearned sales revenue	68,118	
Company D	Unearned sales revenue	23,667	
Others	Under 5%	113,328	
Total		<u>\$ 378,720</u>	

Wei Chih Steel Industrial Co., Ltd.
Statement of Notes Payable
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Unrelated parties			
Company A	Trade payable	\$11,222	
Company B	Trade payable	11,028	
Company C	Trade payable	10,372	
Company D	Trade payable	8,158	
Company E	Trade payable	7,128	
Others	Under 5%	94,622	
Total		<u>\$142,530</u>	

Wei Chih Steel Industrial Co., Ltd.
Statement of Accounts Payable
December 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Unrelated parties			
Company A	Trade payable	\$47,001	
Company B	Trade payable	30,594	
Others	Under 5%	377,485	
Subtotal		<u>\$455,080</u>	
Related parties			
Chien Yao Technology Co., Ltd.	Trade payable	\$30,681	
Subtotal		<u>\$30,681</u>	
Total		<u><u>\$485,761</u></u>	

Wei Chih Steel Industrial Co., Ltd.
Statement of Long-Term Loans And Current Portion of Long-Term Loans
December 31, 2024

In Thousands of New Taiwan Dollars

Creditors	Description	Ending balance	Contract Term (mm/dd/yy)	Mortgage or Guarantee	Remark
Mega - Tainan	Secured loan	\$770,250	July 26, 2023-July 26, 2028	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Land Bank of Taiwan)	Credit loan	47,708	June 06, 2023-May 15, 2028	None	
Accelerate investment project loans for Taiwanese enterprises (Land Bank of Taiwan)	Credit loan	36,452	June 14, 2023-May 15, 2028	None	
Accelerate investment project loans for Taiwanese enterprises (Land Bank of Taiwan)	Credit loan	49,159	June 26, 2023-May 15, 2028	None	
Accelerate investment project loans for Taiwanese enterprises (Land Bank of Taiwan)	Credit loan	42,192	July 04, 2023-May 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	1,532	August 15, 2023-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	2,520	August 15, 2023-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Credit loan	4,234	August 17, 2023-August 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	2,500	December 11, 2023-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	1,100	December 11, 2023-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Credit loan	1,700	December 11, 2023-August 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Credit loan	2,600	December 11, 2023-August 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	73,000	December 21, 2023-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	28,000	January 31,2024-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Credit loan	16,000	January 31,2024-August 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	14,350	May 31,2024-August 15, 2030	Machinery and equipment	

Creditors	Description	Ending balance	Contract Term (mm/dd/yy)	Mortgage or Guarantee	Remark
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	1,021	June 25, 2024-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	7,165	June 25, 2024-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Credit loan	2,129	June 25, 2024-August 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	274	June 25, 2024-August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Credit loan	902	June 25, 2024-August 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Taipei Fubon Bank)	Secured loan	21,530	July 31,2024- August 15, 2030	Machinery and equipment	
Accelerate investment project loans for Taiwanese enterprises (First Bank)	Credit loan	200,000	June 14, 2023-May 15, 2031	None	
Accelerate investment project loans for Taiwanese enterprises (First Bank)	Credit loan	40,000	June 30, 2023-June 15, 2031	None	
Accelerate investment project loans for Taiwanese enterprises (First Bank)	Credit loan	10,000	September 22,2023-June 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	9,526	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	81,978	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	9,526	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	6,048	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	1,075	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	9,261	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	23,339	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	14,490	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	2,150	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	24,660	August 15,2023- August 15, 2030	Land and plant	

Creditors	Description	Ending balance	Contract Term (mm/dd/yy)	Mortgage or Guarantee	Remark
Accelerate investment project loans for Taiwanese enterprises (Mega Bank)	Secured loan	19,859	August 15,2023- August 15, 2030	Land and plant	
Accelerate investment project loans for Taiwanese enterprises (Chang Hwa Bank)	Credit loan	6,930	December 07, 2023-November 15, 2030	None	
Accelerate investment project loans for Taiwanese enterprises (Chang Hwa Bank)	Secured loan	124,306	November 26, 2024-November26, 2039	Land	
Accelerate investment project loans for Taiwanese enterprises (Chang Hwa Bank)	Secured loan	288,000	November 26, 2024-May 26, 2028	Land	
Subtotal		\$ 1,997,466			
Less: Unamortized discount		(3,155)			
Less: Current portion of long – term loans		(191,979)			
Total		\$1,802,332			
Range of interest rates		1.72%-2.5284%			

Wei Chih Steel Industrial Co., Ltd.
Statement of Guarantee Deposits Received
December 31, 2024

In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Dust Collector's Deposit	Dust Collector's Deposit	\$1,000	
Restaurant Deposit	Restaurant Deposit	20	
Total		<u>\$1,020</u>	

Wei Chih Steel Industrial Co., Ltd.

Statement of Net Revenue

For The Year December 31, 2024

Item	Description	In Thousands of New Taiwan Dollars	
		Amount	Remark
Sales revenue:			
Steel rebars	449,928 Tons	\$ 8,717,116	
Bar steels	40,731 Tons	988,595	
Billets steels	5,121 Tons	92,629	
Wire rods	17,753 Tons	433,740	
Others	86 Tons	6,494	
Subtotal of income		\$10,238,574	
Less: sale return	157 Tons	(3,633)	
Less: sale discount		(38,809)	
Net sales revenue		<u>\$10,196,132</u>	

Wei Chih Steel Industrial Co., Ltd.
Statement Of Operating Cost
For The Year Ended December 31, 2024

Item	In Thousands of New Taiwan Dollars 2024
Raw materials, beginning of the year	\$918,239
Add: Raw materials purchased	7,409,457
Less: Raw materials, ending of the year	(840,223)
Raw materials sold	(937)
Raw materials used	\$7,486,536
Supplies, beginning of the year	\$338,927
Add: Supplies purchased	1,102,407
Less: Supplies, ending of the year	(406,158)
Supplies sold	(285)
Transfer to operating expenses	(189,135)
Supplies used	\$845,756
Add: Direct labor	\$154,643
Factory overhead	2,220,597
Production cost	\$10,707,532
Work in progress, beginning of the year	1,121,231
Work in progress purchased	147,569
Add: Transfer from finished goods	8,936,774
Less: Work in progress, ending of the year	(2,405,966)
Work in Progress sold	(88,431)
Scraps	(2,430)
Cost of finished goods	\$18,416,279
Finished goods, beginning of the year	645,760
Add: Finished goods purchased	29,133
Less: Finished goods, ending of the year	(643,699)
Transfer to work in progress	(8,936,774)
Transfer to operating expenses	(986)
Cost of finished goods sold	\$9,509,713
Cost adjustment items :	
Unallocated fixed factory overhead	37,940
Total cost of goods sold	\$9,547,653
Cost of raw materials sold	937
Cost of supplies sold	285
Cost of work in progress	88,431
Cost of scraps sold	1,998
Total operating cost	\$9,639,304

Wei Chih Steel Industrial Co., Ltd.
Statement of Factory Overheads
For The Year Ended December 31, 2024

In Thousands of New Taiwan Dollars

Items	Amount
Indirect labor	\$64,499
Rent	1,189
Freight	18,112
Postage	5
Travel	2,231
Repairs & maintenance	211,040
Utilities	1,053,459
Insurance	23,877
Processing-outsourced	40,369
Tax	2,968
Depreciation	346,974
Meal	8,250
Employee's welfare	5,352
Consumables	279,973
Pensions	8,580
Overtime pays	37,777
Training	1,022
Miscellaneous purchase	3,623
Traffic	360
Others	148,877
Less: Unallocated fixed factory overhead	(37,940)
Total	<u><u>\$2,220,597</u></u>

Wei Chih Steel Industrial Co., Ltd.
Statement of operating expenses
For the Year Ended December 31, 2024

in Thousands of New Taiwan Dollars

Item	Selling and marketing expenses	General and administrative expenses	Research and development expenses	Total
Payroll	\$9,871	\$57,740	\$ -	\$67,611
Rent	1,375	316	-	1,691
Stationery supplies	-	51	-	51
Traveling	947	715	-	1,662
Shipping	35,505	19	-	35,524
Postage	96	1,892	-	1,988
Repairs & maintenance	172	2,236	-	2,408
Advertising	44	801	-	845
Utilities	8	3,492	-	3,500
Insurance	919	7,767	-	8,686
Entertainment	564	7,180	-	7,744
Donate	-	6,397	-	6,397
Tax	-	921	-	921
Meal	255	860	-	1,115
Employee's welfare	168	1,122	-	1,290
Commission expense	1,969	-	-	1,969
Labor cost	-	2,781	-	2,781
Overtime pay	131	2,570	-	2,701
Pension	206	1,991	-	2,197
Traffic	65	263	-	328
Export	8,585	-	-	8,585
Newspapers & Magazines	5	441	-	446
Training fee	-	44	-	44
Others	1,972	10,422	-	12,394
Depreciation	-	9,288	-	9,288
Amortizations	-	402	-	402
Miscellaneous equipment	-	429	-	429
Research and development expenses	-	-	-	-
Total	<u>\$62,857</u>	<u>\$120,140</u>	<u>\$ -</u>	<u>\$182,997</u>