

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended Q1 of 2024 and 2023 and Independent Auditors' Report

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Independent Auditors' Report

The Board of Directors and Shareholders

Ta Chen Stainless Pipe Co., Ltd.

Foreword

We have audited the accompanying consolidated financial statements of Ta Chen Stainless Pipe Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows from January to March 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant accounting policy information (collectively referred to as the "consolidated financial statements"). It is the responsibility of the Company to prepare the consolidated financial statements and fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility as auditor is to draw a conclusion on the consolidated financial statements.

Scope

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

Basis for qualified conclusion

As mentioned in Note 12 to the consolidated financial statements, the financial statements of some non-material subsidiaries included in the above consolidated financial statements have not been reviewed by CPAs. The total assets of said subsidiaries were NT\$8,907,950 thousand and NT\$8,841,443 thousand ended March 31, 2024 and 2023, both 6% of the total consolidated

assets. The total liabilities thereof were NT\$1,818,178 thousand and NT\$2,167,591 thousand, both 3% of the total consolidated liabilities, on the same dates. The comprehensive incomes were NT\$22,062 thousand and NT\$107,612 thousand from January 1 to March 31, 2024 and 2023, namely 1% and 8% of the total consolidated comprehensive incomes.

In addition to those described in the preceding paragraphs, as mentioned in Note 13 to the consolidated financial statements, the balance of investments accounted for using equity method ended March 31, 2024 and 2023 were NT\$107,373 thousand and NT\$79,095 thousand. The shares of profit or loss of the associates recognized under the equity method from January 1 to March 31, 2024 and 2023 were NT\$7,719 thousand and NT\$655 thousand. Said information and the information disclosed in the notes to the consolidated financial statements were based on the evaluation and disclosed contents in the financial statements of said investees for the same period which has not yet audited by the CPAs.

Qualified Conclusion

Based on our audit results, except the financial statements of non-material subsidiaries referred to in the Basis for Qualified Conclusion paragraph, which might have caused the consolidated financial statements to be adjusted if they were audited by CPAs, in our opinion, none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that fail to conform with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises or the version of IAS 34 - "Interim Financial Reporting" approved by the Financial Supervisory Commission, or compromise the fair view of the financial position of the Group as of March 31, 2024 and 2023, its business performance and consolidated cash flow for the period from July 1 to March 31, 2024 and 2023.

Other Matter

We did not audit the financial statements of Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiary included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Therefore, the conclusion made by us, insofar as it relates to the amounts included for Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiary, is based solely on the reports of other auditors. The total assets of these subsidiaries as of March 31, 2024 and 2023 both accounted for less than 1% of the total consolidated assets, and the operating revenues of these subsidiaries for the three months ended March 31, 2024 and 2023 accounted for less than 1% of the consolidated operating revenue.

We did not audit the financial statements of TY Steel Co., Ltd. included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Therefore, the conclusion made by us with respect to said consolidated financial statements, insofar as it relates to said investment amount and comprehensive income thereof, is based solely on the reports of other auditors. As of March 31, 2024 and 2023, the total amount of the above

investments accounted for using the equity method were NT\$349,869 thousand and NT\$639,456 thousand, both accounting for less than 1% of the total consolidated assets; for the three months ended March 31, 2024 and 2023, the shares of the total comprehensive income accounted for using the equity method was NT\$130,938 thousand for the loss and NT\$21,388 thousand for the profit, accounting for (3%) and 2%, respectively, of the consolidated comprehensive income.

Deloitte Taiwan

CPA: Chi-Chen Li

CPA: Chao-Ching Yang

Securities and Futures Bureau Approval
Document No.

Tai-Cai-Zheng-(VI)-Zi No. 0920123784

Financial Supervisory Commission's approval
number

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

May 9, 2024

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

(Amounts in Thousands of New Taiwan Dollars)

Code	Asset	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 9,926,223	7	\$ 9,424,771	7	\$ 12,715,320	9
1110	Financial assets at fair value through profit or loss - current (Note 7)	123,086	-	363,663	-	487,858	-
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	78,677	-	79,030	-	81,283	-
1136	Financial assets at amortized cost - current (Notes 9 and 31)	4,793,887	4	4,237,146	3	4,334,366	3
1139	Financial assets for hedging - current (Note 29)	-	-	-	-	20,511	-
1150	Notes receivable (Note 10)	46,041	-	58,572	-	28,776	-
1170	Accounts receivable, net (Notes 10, 24 and 31)	9,159,214	7	7,466,965	6	10,545,111	7
1200	Other receivables (Note 30)	270,533	-	343,010	-	343,106	-
1220	Current tax assets	1,104,966	1	1,133,906	1	1,177,174	1
130X	Inventories (Notes 11 and 31)	55,601,396	40	56,615,858	42	67,211,916	46
1421	Prepayments (Notes 18 and 30)	2,335,765	2	2,612,686	2	2,425,441	2
1470	Other current assets	104,448	-	67,094	-	115,125	-
11XX	Total current assets	<u>83,544,236</u>	<u>61</u>	<u>82,402,701</u>	<u>61</u>	<u>99,485,987</u>	<u>68</u>
	NON-CURRENT ASSETS						
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	669,831	-	411,934	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	693,126	1	786,447	1	797,759	1
1535	Financial assets at amortized cost - non-current (Notes 9, 30 and 31)	1,131,727	1	1,501,490	1	1,626,050	1
1538	Financial assets for hedging - non-current (Note 29)	691,285	-	697,866	1	1,356,632	1
1550	Investments accounted for using the equity method (Note 13)	405,360	-	526,927	-	665,856	-
1600	Property, plant and equipment (Notes 14 and 31)	31,244,360	23	29,301,180	22	24,695,264	17
1755	Right-of-use assets (Note 16)	7,923,678	6	7,930,832	6	6,990,985	5
1760	Investment properties (Note 15)	1,132,427	1	1,185,148	1	1,192,383	1
1805	Goodwill (Note 17)	4,359,763	3	4,186,666	3	4,177,756	3
1821	Other intangible assets (Note 17)	1,552,596	1	1,586,433	1	1,821,430	1
1840	Deferred income tax assets (Note 4)	1,681,203	1	1,806,530	1	2,092,090	1
1915	Prepayments for equipment (Note 18)	2,542,733	2	2,368,615	2	1,808,687	1
1975	Net defined benefit assets - non-current (Note 4)	133,425	-	133,774	-	129,944	-
1990	Other non-current assets	284,579	-	288,769	-	5,595	-
15XX	Total non-current assets	<u>54,446,093</u>	<u>39</u>	<u>52,712,611</u>	<u>39</u>	<u>47,360,431</u>	<u>32</u>
1XXX	Total assets	<u>\$ 137,990,329</u>	<u>100</u>	<u>\$ 135,115,312</u>	<u>100</u>	<u>\$ 146,846,418</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Notes 19 and 31)	\$ 14,907,019	11	\$ 17,955,293	13	\$ 13,089,450	9
2110	Short-term notes and bills payable (Notes 19 and 31)	679,889	-	569,906	1	1,489,152	1
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	183,520	-	175,429	-	15,675	-
2130	Contract liabilities - current (Note 24)	145,959	-	145,627	-	147,493	-
2150	Notes payable (Note 20)	98,040	-	108,038	-	141,738	-
2170	Accounts payable (Note 20)	2,044,157	1	1,666,922	1	2,545,194	2
2180	Accounts payable to related parties (Notes 20 and 30)	266,830	-	310,795	-	313,207	-
2219	Other payables (Note 21)	2,800,269	2	3,153,930	2	3,009,711	2
2230	Current income tax liabilities (Note 4)	1,083,417	1	918,108	1	1,692,102	1
2280	Lease liabilities - current (Note 16)	1,153,357	1	1,131,386	1	985,602	1
2320	Current portion of long-term borrowings (Notes 19 and 31)	2,188,512	2	1,274,888	1	5,876,030	4
2399	Other current liabilities	687,200	1	584,075	1	693,657	1
21XX	Total current liabilities	<u>26,238,169</u>	<u>19</u>	<u>27,994,397</u>	<u>21</u>	<u>29,999,011</u>	<u>21</u>
	NON-CURRENT LIABILITIES						
2540	Long-term borrowings (Notes 19 and 31)	23,061,044	17	22,870,654	17	32,648,116	22
2570	Deferred income tax liabilities (Note 4)	2,005,303	1	1,885,655	1	1,670,144	1
2580	Lease liabilities - non-current (Note 16)	7,769,510	6	7,729,011	6	6,825,223	5
2612	Long-term payables	46,291	-	45,182	-	49,263	-
2640	Net defined benefit liabilities - non-current (Note 4)	1,981	-	2,281	-	10,693	-
2670	Other non-current liabilities	115,257	-	108,823	-	126,241	-
25XX	Total non-current liabilities	<u>32,999,386</u>	<u>24</u>	<u>32,641,606</u>	<u>24</u>	<u>41,329,680</u>	<u>28</u>
2XXX	Total liabilities	<u>59,237,555</u>	<u>43</u>	<u>60,636,003</u>	<u>45</u>	<u>71,328,691</u>	<u>49</u>
	Equity attributable to owners of the Company (Note 23)						
	Ordinary shares						
3110	Share Capital	<u>24,342,606</u>	<u>17</u>	<u>24,342,606</u>	<u>18</u>	<u>20,285,505</u>	<u>14</u>
3200	Capital Surplus	<u>23,000,824</u>	<u>17</u>	<u>23,001,551</u>	<u>17</u>	<u>22,756,359</u>	<u>16</u>
	Retained earnings						
3310	Legal reserve	4,217,219	3	4,217,219	3	3,025,798	2
3320	Special reserve	64,308	-	64,308	-	3,883,805	3
3350	Unappropriated earnings	<u>15,290,505</u>	<u>11</u>	<u>14,079,877</u>	<u>11</u>	<u>17,016,810</u>	<u>11</u>
3300	Total retained earnings	<u>19,572,032</u>	<u>14</u>	<u>18,361,404</u>	<u>14</u>	<u>23,926,413</u>	<u>16</u>
3400	Other equity	<u>4,161,079</u>	<u>3</u>	<u>1,740,595</u>	<u>1</u>	<u>1,729,668</u>	<u>1</u>
3500	Treasury shares	(4,386,159)	(3)	(4,386,159)	(3)	(4,383,877)	(3)
31XX	Total equity attributable to owners of the Company	<u>66,690,382</u>	<u>48</u>	<u>63,059,997</u>	<u>47</u>	<u>64,314,068</u>	<u>44</u>
36XX	Non-controlling Interest (Note 23)	<u>12,062,392</u>	<u>9</u>	<u>11,419,312</u>	<u>8</u>	<u>11,203,659</u>	<u>7</u>
3XXX	Total equity	<u>78,752,774</u>	<u>57</u>	<u>74,479,309</u>	<u>55</u>	<u>75,517,727</u>	<u>51</u>
	Total liabilities and equity	<u>\$ 137,990,329</u>	<u>100</u>	<u>\$ 135,115,312</u>	<u>100</u>	<u>\$ 146,846,418</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' report of Deloitte Taiwan dated May 9, 2024.)

Chairman: Li-Yun, Hsieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
January 1 to March 31, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars)

(Except Earnings Per Share)

Code		January 1 to March 31, 2024		January 1 to March 31, 2023	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Note 24)	\$ 23,224,800	100	\$ 28,966,933	100
5000	OPERATING COSTS (Notes 11, 25 and 30)	<u>19,241,474</u>	<u>83</u>	<u>22,799,078</u>	<u>79</u>
5900	GROSS PROFIT	<u>3,983,326</u>	<u>17</u>	<u>6,167,855</u>	<u>21</u>
	OPERATING EXPENSES (Notes 10, 25 and 30)				
6100	Selling and marketing expenses	761,740	3	802,782	3
6200	General and administrative expenses	1,853,076	8	1,918,214	6
6450	Expected credit impairment loss	<u>3,556</u>	<u>-</u>	<u>943</u>	<u>-</u>
6000	Total operating expenses	<u>2,618,372</u>	<u>11</u>	<u>2,721,939</u>	<u>9</u>
6500	OTHER OPERATING INCOME AND EXPENSES (Note 25)	(<u>2,211</u>)	<u>-</u>	<u>950</u>	<u>-</u>
6900	PROFIT FROM OPERATIONS	<u>1,362,743</u>	<u>6</u>	<u>3,446,866</u>	<u>12</u>
	NON-OPERATING INCOME AND EXPENSES (Notes 25 and 30)				
7100	Interest income	159,884	1	45,838	-
7010	Other income	29,565	-	36,622	-
7020	Other gains and losses	762,518	3	81,406	-
7050	Finance costs	(247,773)	(1)	(368,193)	(1)
7060	Share of equity of associates accounted for using the equity method	(<u>115,217</u>)	(<u>1</u>)	(<u>12,864</u>)	<u>-</u>
7000	Total non-operating expenses	<u>588,977</u>	<u>2</u>	(<u>217,191</u>)	(<u>1</u>)
7900	PROFIT BEFORE INCOME TAX FOR THE YEAR	1,951,720	8	3,229,675	11
7950	INCOME TAX EXPENSE (Notes 4 and 26)	<u>507,082</u>	<u>2</u>	<u>822,266</u>	<u>2</u>
8200	NET PROFIT FOR THE YEAR	<u>1,444,638</u>	<u>6</u>	<u>2,407,409</u>	<u>9</u>

(To be Continued)

(Brought Forward)

Code		January 1 to March 31, 2024		January 1 to March 31, 2023	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23 and 26)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	\$ 4,876	-	\$ 12,688	-
8316	Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(96,942)	-	(6,028)	-
		(92,066)	-	6,660	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	2,857,246	12	(817,948)	(3)
8368	Gain on hedging instruments not subject to basis adjustment	(61,366)	-	71,253	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	11,989	-	(339,199)	(1)
		2,807,869	12	(1,085,894)	(4)
8300	Other comprehensive income (loss) for the year, net of income tax	2,715,803	12	(1,079,234)	(4)
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 4,160,441	18	\$ 1,328,175	5
8600	NET PROFIT ATTRIBUTABLE TO:				
8610	Owners of the Company	\$ 1,082,689	5	\$ 1,980,104	7
8620	Non-controlling Interests	361,949	1	427,305	1
		\$ 1,444,638	6	\$ 2,407,409	8
8700	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Owners of the Company	\$ 3,508,049	15	\$ 989,309	4
8720	Non-controlling Interests	652,392	3	338,866	1
		\$ 4,160,441	18	\$ 1,328,175	5
	EARNINGS PER SHARE (Note 27)				
9710	Basic	\$ 0.47		\$ 0.86	
9810	Diluted	0.47		0.85	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' report of Deloitte Taiwan dated May 9, 2024.)

Chairman: Li-Yun, Hsieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
January 1 to March 31, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company													
		Retained Earnings					Other Equity								
Code		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Treasury Shares	Total	Non-controlling Interests (Note 23)	Total Equity	
A1	Balance at January 1, 2023	\$20,285,505	\$22,783,377	\$ 3,025,798	\$ 3,883,805	\$15,024,018	\$ 1,152,771	(\$ 59,680)	\$ 1,640,060	\$ 2,733,151	(\$ 4,473,674)	\$63,261,980	\$10,635,215	\$73,897,195	
D1	Net profit from January 1 to March 31, 2023	-	-	-	-	1,980,104	-	-	-	-	-	1,980,104	427,305	2,407,409	
D3	Other comprehensive income after tax from January 1 to March 31, 2023	-	-	-	-	12,688	(743,382)	2,816	(262,917)	(1,003,483)	-	(990,795)	(88,439)	(1,079,234)	
D5	Total comprehensive income from January 1 to March 31, 2023	-	-	-	-	1,992,792	(743,382)	2,816	(262,917)	(1,003,483)	-	989,309	338,866	1,328,175	
M5	The difference between the consideration received or paid and the carrying amount of the subsidiaries' equity during actual disposal or acquisition	-	13,230	-	-	-	-	-	-	-	-	13,230	7,903	21,133	
M7	Share of changes in equity of subsidiaries	-	(40,378)	-	-	-	-	-	-	-	89,797	49,419	(30,800)	18,619	
N1	Recognition of subsidiaries' share-based payment transaction	-	130	-	-	-	-	-	-	-	-	130	171	301	
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	252,304	252,304	
Z1	Balance at March 31, 2023	\$20,285,505	\$22,756,359	\$ 3,025,798	\$ 3,883,805	\$17,016,810	\$ 409,389	(\$ 56,864)	\$ 1,377,143	\$ 1,729,668	(\$ 4,383,877)	\$64,314,068	\$11,203,659	\$75,517,727	
A1	Balance at January 1, 2024	\$24,342,606	\$23,001,551	\$ 4,217,219	\$ 64,308	\$14,079,877	\$ 1,290,561	(\$ 61,163)	\$ 511,197	\$ 1,740,595	(\$ 4,386,159)	\$63,059,997	\$11,419,312	\$74,479,309	
D1	Net Profit from January 1 to March 31, 2024	-	-	-	-	1,082,689	-	-	-	-	-	1,082,689	361,949	1,444,638	
D3	Other comprehensive income after tax from January 1 to March 31, 2024	-	-	-	-	4,876	2,500,954	(29,410)	(51,060)	2,420,484	-	2,425,360	290,443	2,715,803	
D5	Total comprehensive income from January 1 to March 31, 2024	-	-	-	-	1,087,565	2,500,954	(29,410)	(51,060)	2,420,484	-	3,508,049	652,392	4,160,441	
M7	Share of changes in equity of subsidiaries	-	(727)	-	-	123,063	-	-	-	-	-	122,336	(961)	121,375	
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(8,351)	(8,351)	
Z1	Balance at March 31, 2024	\$24,342,606	\$23,000,824	\$ 4,217,219	\$ 64,308	\$15,290,505	\$ 3,791,515	(\$ 90,573)	\$ 460,137	\$ 4,161,079	(\$ 4,386,159)	\$66,690,382	\$12,062,392	\$78,752,774	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' report of Deloitte Taiwan dated May 9, 2024.)

Chairman: Li-Yun, Hsieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
January 1 to March 31, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars)

Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 1,951,720	\$ 3,229,675
A20010	Adjustments for:		
A20100	Depreciation Expense	614,848	557,132
A20200	Amortization expenses	99,832	98,041
A20300	Expected credit impairment loss	3,556	943
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	213,799	(534,905)
A20900	Finance costs	247,773	368,193
A21200	Interest income	(159,884)	(45,838)
A21300	Dividend income	-	(60)
A21900	Compensation costs of employee share options	-	301
A22300	Share of (profit) loss of associates	115,217	12,864
A22500	Loss (gain) on disposal and scrapping of property, plant and equipment	2,211	(950)
A23000	Gain on disposal of non-current assets held for sale	-	(4,455)
A24100	Unrealized loss (gain) on foreign currency exchange	(335,179)	85,174
A29900	Gain on bargain purchase and lease modifications	(224)	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	12,531	11,243
A31150	Accounts receivable	(1,418,590)	(2,540,849)
A31180	Other receivables	71,772	400,805
A31200	Inventories	3,182,158	4,280,184
A31230	Prepayments	309,565	(306,845)
A31240	Other current assets	(37,354)	(32,013)
A32125	Contract liabilities	332	(26,465)
A32130	Notes payable	(4,044)	35,851
A32150	Accounts payable	333,270	(153,198)
A32180	Other payables	(384,322)	(905,538)
A32230	Other current liabilities	103,125	(202,999)
A32240	Net defined benefit assets and liabilities	49	(20,527)
A33000	Cash generated from operations	4,922,161	4,305,764
A33500	Income tax paid	(4,543)	(15,520)
AAAA	Net cash generated from operating activities	<u>4,917,618</u>	<u>4,290,244</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(64,804)
B00040	Acquisition of financial assets at amortized cost	(323,740)	(1,744,032)
B00100	Acquisition of financial assets at fair value through profit or loss	(269,605)	(6,932)
B00200	Proceeds from sale of financial assets at fair value through profit or loss	46,577	9,250

(To be Continued)

(Brought Forward)

Code		January 1 to March 31, 2024	January 1 to March 31, 2023
B02300	Net cash inflow on disposed of subsidiary	\$ -	\$ 97,074
B02700	Payments for property, plant and equipment	(1,420,653)	(641,188)
B02800	Proceeds from disposal of property, plant and equipment	840	5,200
B03700	Increase in refundable deposits	(1,473)	(246,491)
B03800	Decrease in refundable deposits	160,782	11,889
B04500	Acquisition and purchase of intangible assets	(822)	(7,409)
B05400	Acquisition of investment properties	-	(1,331)
B06700	Increase in other non-current assets	-	(197)
B06800	Decrease in other non-current assets	1,567	-
B07100	Increase in prepayments for equipment	(209,737)	(617,308)
B07500	Interest received	160,589	27,218
B07600	Dividends received	-	60
BBBB	Net cash used in investing activities	(<u>1,855,675</u>)	(<u>3,179,001</u>)
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Proceeds from short-term borrowings	26,095,746	14,580,515
C00200	Repayments of short-term borrowings	(29,146,545)	(15,142,185)
C00500	Proceeds from short-term bills payable	2,088,932	3,176,114
C00600	Repayments of short-term bills payable	(1,980,000)	(2,580,000)
C01600	Proceeds from long-term borrowings	2,495,215	6,334,477
C01700	Repayments of long-term borrowings	(1,826,854)	(5,677,281)
C03500	Increase in payables	1,109	-
C03600	Decrease in payables	-	(1,890)
C04020	Repayment of the principal portion of lease	(284,302)	(254,999)
C05500	Disposal of interests in subsidiaries	-	21,133
C05600	Interest paid	(172,874)	(330,677)
C05800	Changes in non-controlling interests	(10,039)	311,706
C09900	Other financing activities	<u>6,434</u>	(<u>39,857</u>)
CCCC	Net cash inflow (outflow) from financing activities	(<u>2,733,178</u>)	<u>397,056</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>172,687</u>	(<u>27,266</u>)
EEEE	Net increase in cash and cash equivalents	501,452	1,481,033
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>9,424,771</u>	<u>11,234,287</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 9,926,223</u>	<u>\$ 12,715,320</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the independent auditors' report of Deloitte Taiwan dated May 9, 2024.)

Chairman: Li-Yun, Hsieh

CEO: Rung-Kun, Shieh

Accounting Manager: Denny Weng

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
January 1 to March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. Company History

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

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

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

II. Date and Procedure for Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Company’s Board of Directors and authorized for issue on May 9, 2024.

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

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

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

(II) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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”	Sunday, January 1, 2023
Amendments to IFRS 17	Sunday, January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	Sunday, January 1, 2023
IFRS 18 “Presentation and Disclosures of Financial Statements”	Friday, January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	Wednesday, January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new, amended and revised IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods

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

IFRS 18 "Presentation and Disclosures of Financial Statements"

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

- The income statement should divide the income and expenses into business, investment, fundraising, income tax, and discontinued operations.
- The income statement should present operating profit or loss, fundraising and profit or loss before income tax, as well as the subtotal and total of profit or loss.
- Provide guidance to improve the requirements about aggregation and segmentation: The Group shall identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and prepare the classification and aggregation based on the common characteristics to make various line items of the financial statements have at least one similar characteristics. Items with different characteristics should be broken down in the main financial statements and notes. The Group may only mark such items as "others" when no more informative name can be found.
- Add the disclosure of the performance measurement defined by the management: When the consolidated company engages in open communication outside the financial statements, and when the management's view of the consolidated company's overall financial performance on a certain aspect is communicated to the users of the financial statements, the information on performance measurements defined by management should be disclosed in a single note to the financial statements, including descriptions about the measurements, how to calculate them, reconciliations between them and any subtotals or totals specified in IFRS, adjustment of subtotal and total expressly defined by it and IFRSs, and impact of relevant adjustments on income tax and non-controlling interests, etc.

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

IV. Summary of Significant Accounting Policy Information

(I) Compliance Statement

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

(II) Basis of preparation

Except for financial instruments measured at fair value and net defined benefit assets (liabilities) recognized based on the present value of defined benefit obligations deducting the fair value of plan assets, the consolidated

financial statements have been prepared on the basis of historical cost.

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

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

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). The operating profit and loss of the acquired subsidiary has been included in the consolidated statement of comprehensive income since the acquisition date. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Refer to Note 12, Table 8 and Table 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(IV) Other significant accounting policies

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

1. Classification of current and non-current assets and liabilities
Current assets include:
 - (1) Assets held primarily for the purpose of trading;
 - (2) Assets expected to be realized within 12 months after the reporting period; and
 - (3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.Current liabilities include:
 - (1) Liabilities held primarily for the purpose of trading;
 - (2) Liabilities due to be settled within 12 months after the reporting period; and
 - (3) Liabilities for which there is no substantive right to defer the settlement period to at least 12 months after the balance sheet date.

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

2. Defined retirement benefits

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

3. Income Tax Expenses

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

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

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

VI. Cash and Cash Equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 1,893	\$ 2,284	\$ 1,671
Checking accounts and demand deposits	8,753,986	8,234,005	10,125,434
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	1,080,500	1,066,234	2,448,415
Repurchase agreements	89,844	122,248	139,800
	<u>\$ 9,926,223</u>	<u>\$ 9,424,771</u>	<u>\$ 12,715,320</u>

VII. Financial Instruments at Fair Value Through Profit or Loss

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets - current</u>			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (I)	\$ 10,348	\$ 135,837	\$ 12,769
Interest rate swap contracts (II)	30,496	82,221	-
Metal price derivative financial instruments contracts (III)			
Swap contracts	2,621	17,850	265,344
Forward contracts	1,346	19,110	103,132
Futures contracts	-	-	33,336
	<u>44,811</u>	<u>255,018</u>	<u>414,581</u>
<u>Financial assets mandatorily classified as at FVTPL</u>			
Non-derivative financial assets			
Mutual funds	78,275	108,645	73,277
	<u>\$ 123,086</u>	<u>\$ 363,663</u>	<u>\$ 487,858</u>
<u>Financial assets - non-current</u>			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Interest rate swap contracts (II)	\$ 669,831	\$ 411,934	\$ -
<u>Financial liabilities - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts (I)	\$ 79,524	\$ 45,267	\$ 15,555
Metal price derivative financial instruments contracts (III)			
Swap contracts	37,624	17,322	-
Forward contracts	24,364	41,023	120
Futures contracts	42,008	71,817	-
	<u>\$ 183,520</u>	<u>\$ 175,429</u>	<u>\$ 15,675</u>

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

March 31, 2024

Contract	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	AUD/USD	April 2024 to July 2024	AUD 8,515/USD 5,588
Buy	USD/NTD	April 2024	USD 400/NTD 12,741
Buy	USD/GBP	June 2024	USD 4,487/GBP 3,535
Sell	AUD/USD	April 2024 to March 2025	AUD 66,452/USD 43,712
Sell	GBP/USD	June 2024	GBP 21/USD 27
Sell	USD/EUR	May 2024 to January 2026	USD 29,829/EUR 26,608
Sell	USD/NTD	April 2024 to February 2025	USD 158,000/NTD 4,960,840

December 31, 2023

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

March 31, 2023

Contract	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	AUD/USD	April 2023 to June 2023	AUD 24,424/USD 16,329
Sell	AUD/USD	April 2023 to January 2024	AUD 65,309/USD 44,015
Sell	GBP/USD	April 2023 to June 2023	GBP 3,892/USD 4,690
Sell	USD/NTD	April 2023 to July 2023	USD 70,000/NTD 2,130,240
Sell	USD/EUR	January 2024 to January 2026	USD 38,014/EUR 33,960

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

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

March 31, 2024

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
USD 100,000	May 2024	1.31%	Term SOFR 1 month+0.1%
USD 295,000	May 2024 to May 2027	0.67% - 1.78%	Compounded SOFR+0.1148%

December 31, 2023

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

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

March 31, 2024

Swap contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (all foreign currencies/per Ton)	Maturity Date
Aluminum price swaps	USD 80,730	35,742	USD 2,138 - 2,400	April 2024 to January 2025
Aluminum price swaps of Midwestern United States	USD 2,569	5,675	USD 396 - 488	April 2024 to November 2024
Nickel price swaps	USD 25,156	1,483	USD 15,810 - 18,303	April 2024 to November 2025

Forward contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (all foreign currencies/per Ton)	Maturity Date
Aluminum price forwards	USD 50,882	22,288	USD 2,157 - 2,407	April 2024 to December 2024
Nickel price forwards	USD 33,809	2,014	USD 16,097 - 18,799	April 2024 to November 2024

Futures contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (all foreign currencies/per Ton)	Maturity Date
Aluminum price futures	USD 40,460	18,075	USD 2,163 - 2,356	April 2024 to July 2024
Aluminum price futures	EUR 1,642	800	EUR 2,036 - 2,094	April 2024 to June 2024
Aluminum price futures	GBP 2,619	1,475	GBP 1,757 - 1,823	April 2024 to July 2024

December 31, 2023

Swap contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (Per Ton)	Maturity Date
Aluminum price swaps	USD 65,768	29,558	USD 2,086 - 2,486	January 2024 to September 2024
Aluminum price swaps of Midwestern United States	USD 2,131	4,800	USD 414 - 482	January 2024 to November 2024
Nickel price swaps	USD 19,410	1,080	USD 16,226 - 22,700	January 2024 to June 2024

Forward contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (Per Ton)	Maturity Date
Aluminum price forwards	USD 65,857	28,879	USD 2,128 - 2,588	January 2024 to August 2024
Nickel price forwards	USD 44,166	2,600	USD 16,396 - 21,032	January 2024 to September 2024

Futures contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (Per Ton)	Maturity Date
Aluminum price futures	USD 47,532	21,425	USD 2,104 - 2,413	January 2024 to May 2024
Aluminum price futures	EUR 2,302	1,125	EUR 1,976 - 2,084	January 2024 to March 2024
Aluminum price futures	GBP 2,866	1,600	GBP 1,703 - 1,852	January 2024 to April 2024

March 31, 2023

Swap contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (all foreign currencies/per Ton)	Maturity Date
Aluminum price swaps	USD 116,895	48,544	USD 2,194 - 2,673	April 2023 to October 2023
Aluminum price swaps of Midwestern United States	USD 5,501	9,750	USD 486 - 632	April 2023 to December 2023
Nickel price swaps	USD 14,952	563	USD 23,370 - 29,092	April 2023 to August 2023

Forward contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (all foreign currencies/per Ton)	Maturity Date
Aluminum price forwards	USD 62,121	25,787	USD 2,215 - 2,604	April 2023 to February 2024
Nickel price forwards	USD 71,601	2,896	USD 23,378 - 28,717	April 2023 to November 2023

Futures contracts

Contract	Notional Amount (in Thousands)	Transaction Amount (In Tons)	Contract Price (all foreign currencies/per Ton)	Maturity Date
Aluminum price futures	USD 41,359	17,050	USD 2,245 - 2,637	April 2023 to August 2023
Aluminum price futures	EUR 4,656	2,075	EUR 2,144 - 2,312	April 2023 to June 2023
Aluminum price futures	GBP 4,190	2,075	GBP 1,860 - 2,114	April 2023 to August 2023

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

The net gain (loss) attributable to the above financial instrument transactions from January 1 to March 31, 2024 and 2023 are stated as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Mutual funds	\$ 4,499	(\$ 5,815)
Interest rate swap contracts	182,132	-
Foreign exchange swap contracts	26,940	(1,374)
Foreign exchange forward contracts	(150,065)	17,327
Metal price derivative financial instrument contracts	81,368	233,414
	<u>\$ 144,874</u>	<u>\$ 243,552</u>

VIII. Financial Assets at Fair Value Through Other Comprehensive Income

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Foreign investments			
Listed shares	<u>\$ 78,677</u>	<u>\$ 79,030</u>	<u>\$ 81,283</u>
<u>Non-current</u>			
Domestic investments			
Emerging market shares	\$ 665,974	\$ 759,295	\$ -
Unlisted shares	<u>27,152</u>	<u>27,152</u>	<u>797,759</u>
	<u>\$ 693,126</u>	<u>\$ 786,447</u>	<u>\$ 797,759</u>

The Group invested in said equity instruments for the medium to long-term strategic purposes and expected to seek profit through the long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

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

IX. Financial Assets at Amortized Cost

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Pledged time deposits	\$ 875,052	\$ 780,642	\$ 728,540
Pledged demand deposits (reserve account)	1,436,209	1,502,636	1,675,070
Pledged repurchase agreements collateralized by bonds	20,626	20,567	30,676
Time deposits with original maturities more than 3 months	<u>2,462,000</u>	<u>1,933,301</u>	<u>1,900,080</u>
	<u>\$4,793,887</u>	<u>\$4,237,146</u>	<u>\$4,334,366</u>
<u>Non-current</u>			
Pledged time deposits	\$ 157,000	\$ 390,000	\$ 390,000
Pledged demand deposits (reserve account)	220,397	220,398	199,405
Refundable deposits	<u>754,330</u>	<u>891,092</u>	<u>1,036,645</u>
	<u>\$1,131,727</u>	<u>\$1,501,490</u>	<u>\$1,626,050</u>

- (I) The ranges of interest rates for time deposits (including both time deposits with original maturities of more than three months and pledged time deposits) were approximately 0.53% - 5.9%, 0.54% - 5.68% and 0.1% - 5.18% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- (II) Refer to Note 31 for the information relating to investments in financial assets at amortized cost pledged as security.

X. Notes Receivable and Accounts Receivable, Net

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 46,041</u>	<u>\$ 58,572</u>	<u>\$ 28,776</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 9,200,854	\$ 7,503,623	\$ 10,598,968
Less: Allowance for impairment loss	(<u>41,640</u>)	(<u>36,658</u>)	(<u>53,857</u>)
	<u>\$ 9,159,214</u>	<u>\$ 7,466,965</u>	<u>\$ 10,545,111</u>

The average credit period of the sale of goods was 30-90 days. No interest was charged on accounts receivable. The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information or its own trading records to rate its customers. The Group's exposures and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the Group annually.

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

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status for notes receivable and the provision for loss allowance based on invoice date for accounts receivable are not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes receivable and accounts receivable based on the Group's provision matrix.

Notes receivable

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

Accounts receivable

March 31, 2024

	No indication of default of debtor				Indication of default of debtor	Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	100%	
Expected credit loss rate	0.04%	0.81%	0.49%	23.02%	100%	
Gross carrying amount	\$ 8,594,487	\$ 398,766	\$ 101,741	\$ 92,438	\$ 13,422	\$ 9,200,854
Loss allowance (Lifetime ECLs)	(3,217)	(3,228)	(496)	(21,277)	(13,422)	(41,640)
Amortized cost	<u>\$ 8,591,270</u>	<u>\$ 395,538</u>	<u>\$ 101,245</u>	<u>\$ 71,161</u>	<u>\$ -</u>	<u>\$ 9,159,214</u>

December 31, 2023

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

March 31, 2023

	No indication of default of debtor				Indication of default of debtor	Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	100%	
Expected credit loss rate	0.03%	0.01%	0%	40.44%	100%	
Gross carrying amount	\$ 9,801,169	\$ 564,594	\$ 125,099	\$ 96,099	\$ 12,007	\$10,598,968
Loss allowance (Lifetime ECLs)	(2,910)	(73)	(1)	(38,866)	(12,007)	(53,857)
Amortized cost	<u>\$ 9,798,259</u>	<u>\$ 564,521</u>	<u>\$ 125,098</u>	<u>\$ 57,233</u>	<u>\$ -</u>	<u>\$10,545,111</u>

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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Opening balance	\$ 36,658	\$ 53,176
Provision in current period	3,556	943
Foreign exchange gains and losses	1,426	(262)
Ending Balance	<u>\$ 41,640</u>	<u>\$ 53,857</u>

Refer to Note 31 for the carrying amount of the Group's accounts receivable pledged as collateral for bank borrowings.

XI. Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods and merchandise	\$ 40,808,930	\$ 41,265,238	\$ 47,540,675
Work in progress	7,825,930	7,595,777	9,730,348
Raw materials	3,766,350	4,513,877	6,627,121
Materials	944,068	781,984	450,230
Merchandise in transit	106,633	193,702	2,674,720
Raw materials in transit	<u>2,149,485</u>	<u>2,265,280</u>	<u>188,822</u>
	<u>\$ 55,601,396</u>	<u>\$ 56,615,858</u>	<u>\$ 67,211,916</u>

The cost of inventories recognized as cost of goods sold from January 1 to March 31, 2024 and 2023 was NT\$19,241,474 thousand and NT\$22,799,078 thousand, respectively.

Refer to Note 31 for the carrying amount of the Group's inventories pledged as collateral for bank borrowings.

XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Ta Chen International, Inc. (TCI)	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	100	100	100	
	Ta Chen (B.V.I.) Holdings Ltd. ("Ta Chen BVI")	Investment	100	100	100	3.
	Brighton-Best International (Taiwan) Inc. ("BBI-TW")	Import, export and sale of screws and nuts	42.81	42.81	42.77	1.
	Yinrong (Shanghai) Investment Management Limited	Investment	100	100	100	3.
	Wei Mei Roller Blind Co., Ltd. (Wei-Mei Roller Blind)	Manufacture and sale of curtains and decorations	70	70	70	
	Ta Chen (Hong Kong) Limited	General trading	100	100	100	3.
	Ta Chen Lung Mei Home Life Co., Ltd. (Lung Mei)	Manufacture and sale of curtains and decorations	99.96	99.96	99.75	4.
	Ta Chen Interior Design Co., Ltd.	Interior Design and Renovation	-	-	100	6.
	Right way industrial Co., Ltd. (Right way)	Manufacture of engine and automobiles parts	0.26	0.26	0.26	
	TCI	TCI Investment Group, Inc.	100	100	100	
	Empire Resources, Inc. (ERI)	Import, export and sale of stainless steel and aluminum products	100	100	100	
	Primus Pipe and Tube Holding, Inc.	Investment	100	100	100	
	TCI Texarkana Inc. (TKA)	Manufacture and sale of aluminum products	100	100	100	

(To be Continued)

(Brought Forward)

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
ERI	Empire Resources Pacific Ltd.	Import, export and sale of stainless steel and aluminum products	100	100	100	
	Imbali Metals BVBA	Import, export and sale of stainless steel and aluminum products	100	100	100	
	Empire Resources UK Ltd.	Import, export and sale of stainless steel and aluminum products	100	100	100	
	8911 Kelso Drive	Import, export and sale of stainless steel and aluminum products	100	100	100	
Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube, Inc.	Manufacture and sale of stainless steel	100	100	100	
Ta Chen BVI	Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	93.14	93.14	93.14	3.
	Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	100	100	100	3.
	TMCT Products, Inc.	Investment	100	100	100	3.
	Los Osos Holdings, Inc.	Investment	100	100	100	3.
	Clarke St. Property Holding, LLC	Investment	100	100	100	3.
Los Osos Holdings, Inc.	Procurmore Trading, Inc.	Investment	100	100	100	3.
Wei Mei Roller Blind Co., Ltd. (Wei Mei)	Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Manufacture and sale of curtains and decorations	100	100	100	
BBI-TW	Brighton-Best International, Inc. (BBI-USA)	Import, export and sale of screws and nuts	100	100	100	
	Brighton-Best International (Canada), Inc. (BBI-CA)	Import and sale of screws and nuts	100	100	100	3.
	Brighton-Best International (UK), Limited. (BBI-UK)	Import and sale of screws and nuts	100	100	100	3.
	Brighton-Best International (AU), Pty Ltd. (BBI-AU)	Import and sale of screws and nuts	100	100	100	3.
	Brighton-Best International (NZ), Limited. (BBI-NZ)	Import and sale of screws and nuts	100	100	100	3.
	Brighton-Best International Inc. (Cayman) (BBI-CAYMAN)	Investment	-	-	-	2. and 3.
	TA CHEN Empire Co., Ltd. (TCE)	Import, export and sale of aluminum products	100	100	100	
	Brighton-Best International (HK), Limited	Investment	-	-	-	2. and 3.
	Right way industrial Co., Ltd. (Right way)	Manufacture of engine and automobiles parts	17.82	17.82	17.86	
	Brighton-Best International, Inc.	Import and sale of screws and nuts	100	100	100	3.
Brighton-Best International, Inc.	Brighton-Best International (Brasil), Comercio de Parafusos Ltda. (BBI-BZ)					
Brighton-Best International Inc. (Cayman)	Cheng-Rong (Shanghai) International Trading Ltd.	Trading	-	-	-	2. and 3.
Brighton-Best International (HK), Limited	Brighton-Best (Hong Kong) Holding Limited	Investment	-	-	-	3. and 7.

(To be Continued)

(Brought Forward)

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Producer of quality pistons for motorcycles, commercial vehicles, automobiles, etc.	79.63	79.63	79.63	
	Excellent Growth Investments Limited	Investment	100	100	100	
	Right Way North America Inc	Trading of Automobile Engine Parts	100	100	100	
	Right way global co., ltd.	Trading of automobiles.	100	100	100	5.
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd	Connecting rod manufacturing	89.5	89.5	89.5	
Ta Chen Empire Co., Ltd. ("TCE")	Noei Geeng Enterprise Co., Ltd.	Manufacturing of screws and nuts	80	80	80	3.
	Hupao Technology CO., LTD.	Energy Technical Services	80	80	80	3.
	Shie Shin Enterprise Co., Ltd.	Manufacturing of screws and nuts	80	80	80	3.

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

See Tables 8 and 9 for the information of location and main business and products of subsidiaries.

(II) Subsidiaries excluded from the consolidated financial statements: None.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	March 31, 2024	December 31, 2023	March 31, 2023
BBI-TW	57.19%	57.19%	57.23%
Right Way	81.92%	81.92%	81.88%

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

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

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests	
	January 1 to March 31, 2024	January 1 to March 31, 2023
BBI-TW (excluding non-controlling interests of subsidiary)	\$ 351,692	\$ 416,201
Right Way	10,316	18,722
Others	(59)	(7,618)
Total	<u>\$ 361,949</u>	<u>\$ 427,305</u>

Name of Subsidiary	Non-controlling Interests		
	March 31, 2024	December 31, 2023	March 31, 2023
BBI-TW (excluding non-controlling interests of subsidiary)	\$ 8,654,238	\$ 7,983,968	\$ 7,684,020
Right Way	3,207,661	3,235,934	3,234,621
Others	200,493	199,410	285,018
Total	<u>\$ 12,062,392</u>	<u>\$ 11,419,312</u>	<u>\$ 11,203,659</u>

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

BBI-TW and BBI-TW's subsidiaries:

	March 31, 2024	December 31, 2023	March 31, 2023
CURRENT ASSETS	\$ 21,871,864	\$ 22,144,734	\$ 25,503,879
Non-current assets	24,396,266	25,351,615	23,955,380
Current liabilities	(9,561,206)	(10,483,181)	(13,611,011)
Non-current liabilities	(7,908,787)	(8,458,145)	(8,310,684)
Equity	<u>\$ 28,798,137</u>	<u>\$ 28,555,023</u>	<u>\$ 27,537,564</u>
Equity attributable to:			
Owners of BBI-TW	\$ 10,893,154	\$ 10,776,749	\$ 10,294,682
Non-controlling interests of BBI-TW	14,552,195	14,396,689	13,775,185
Non-controlling interests of BBI-TW's subsidiaries	<u>3,352,788</u>	<u>3,381,585</u>	<u>3,467,697</u>
	<u>\$ 28,798,137</u>	<u>\$ 28,555,023</u>	<u>\$ 27,537,564</u>

	January 1 to March 31, 2024	January 1 to March 31, 2023
Revenue	<u>\$ 5,708,095</u>	<u>\$ 6,635,794</u>
Net profit	\$ 589,748	\$ 767,388
Other comprehensive income for the year	(<u>336,595</u>)	<u>585,681</u>
Total comprehensive income for the year	<u>\$ 253,153</u>	<u>\$ 1,353,069</u>
Profit attributable to:		
Owners of BBI-TW	\$ 228,109	\$ 332,819
Non-controlling interests of BBI-TW	351,692	416,201
Non-controlling interests of BBI-TW's subsidiaries	<u>9,947</u>	<u>18,368</u>
	<u>\$ 589,748</u>	<u>\$ 767,388</u>
Total comprehensive income attributable to:		
Owners of BBI-TW	(\$ 397,636)	\$ 1,014,593
Non-controlling interests of BBI-TW	671,235	339,575
Non-controlling interests of BBI-TW's subsidiaries	(<u>20,446</u>)	(<u>1,099</u>)
	<u>\$ 253,153</u>	<u>\$ 1,353,069</u>
Net cash outflow from:		
Operating activities	\$ 1,374,875	\$ 518,345
Investing activities	127,780	(14,359)
Financing activities	(1,864,344)	68,909
Effects of foreign currency exchange differences	<u>10,633</u>	(<u>3,971</u>)
Net cash inflow (outflow)	(<u>\$ 351,056</u>)	<u>\$ 568,924</u>

XIII. Investments Accounted for Using Equity Method

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Investments in associates</u>			
Associates that are individually material			
TY Steel Co., Ltd.	<u>\$ 297,987</u>	<u>\$ 428,925</u>	<u>\$ 586,761</u>
Associates that are not individually material			
Amerinox Texakana, LLC	46,394	35,210	15,596
Ta Chen Green System Co., Ltd.	58,627	59,497	59,513
City Mocean Co., Ltd.	<u>2,352</u>	<u>3,295</u>	<u>3,986</u>
	<u>107,373</u>	<u>98,002</u>	<u>79,095</u>
	<u>\$ 405,360</u>	<u>\$ 526,927</u>	<u>\$ 665,856</u>

Aggregate information of associates that are individually material

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

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

Except for the amount of investment in TY Steel as of March 31, 2024 and 2023, and the share of comprehensive income of associates accounted for using equity method from January 1 to March 31, 2024 and 2023, which were calculated and recognized based on financial statements reviewed by CPAs during the same period, the others are calculated based on financial statements which have not yet audited by CPAs.

XIV. Property, Plant and Equipment, Net

Property, plant and equipment are used by the Group.

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

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

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

Land Improvements	2-50 years
Buildings	
Main buildings	2-50 years
Motorized power equipment	5-10 years
Engineering systems	2-25 years
Machinery and Equipment	2-40 years
Storage Equipment	2-20 years
Electrical Equipment	2-20 years
Transportation Equipment	2-8 years
Office Equipment	2-14 years
Molding Equipment	2-10 years
Leasehold Improvements	2-40 years
Leased Assets	5-10 years
Other Equipment	2-35 years

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

XV. Investment Properties

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 761,944	\$ 312,047	\$ 1,073,991
Additions	-	1,331	1,331
Reclassification	67,338	54,906	122,244
Balance at March 31, 2023	<u>\$ 829,282</u>	<u>\$ 368,284</u>	<u>\$ 1,197,566</u>
<u>Accumulated Depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 6,823	\$ 6,823
Depreciation Expense	-	2,318	2,318
Reclassification	-	(3,958)	(3,958)
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 5,183</u>	<u>\$ 5,183</u>
Carrying amounts at January 1, 2023	<u>\$ 761,944</u>	<u>\$ 305,224</u>	<u>\$ 1,067,168</u>
Carrying amounts at March 31, 2023	<u>\$ 829,282</u>	<u>\$ 363,101</u>	<u>\$ 1,192,383</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 829,282	\$ 368,284	\$ 1,197,566
Reclassification	(26,000)	(24,932)	(50,932)
Balance at March 31, 2024	<u>\$ 803,282</u>	<u>\$ 343,352</u>	<u>\$ 1,146,634</u>
<u>Accumulated Depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 12,418	\$ 12,418
Depreciation Expense	-	2,287	2,287
Reclassification	-	(498)	(498)
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 14,207</u>	<u>\$ 14,207</u>
Carrying amounts at January 1, 2024	<u>\$ 829,282</u>	<u>\$ 355,866</u>	<u>\$ 1,185,148</u>
Carrying amounts at March 31, 2024	<u>\$ 803,282</u>	<u>\$ 329,145</u>	<u>\$ 1,132,427</u>

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

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

XVI. Lease Arrangement

(I) Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Land	\$ 74,955	\$ 75,642	\$ 85,725
Buildings	7,841,395	7,847,017	6,905,260
Transportation Equipment	7,328	8,173	-
	<u>\$7,923,678</u>	<u>\$7,930,832</u>	<u>\$6,990,985</u>
	January 1 to March 31, 2024	January 1 to March 31, 2023	
Additions to right-of-use assets	<u>\$ 19,270</u>	<u>\$ 28,064</u>	
Depreciation charge for right-of-use assets			
Land	\$ 2,768	\$ 3,243	
Buildings	313,628	272,891	
Transportation Equipment	845	-	
	<u>\$ 317,241</u>	<u>\$ 276,134</u>	

Except for said additional and depreciation expenses, the Group did not have significant sublease or impairment of right-of-use assets from January 1 to March 31, 2024 and 2023.

(II) Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Current	<u>\$1,153,357</u>	<u>\$1,131,386</u>	<u>\$ 985,602</u>
Non-current	<u>\$7,769,510</u>	<u>\$7,729,011</u>	<u>\$6,825,223</u>

Ranges of discount rates for lease liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.55% - 1.58%	1.55% - 1.58%	1.55% - 1.58%
Buildings	1.31% - 6.94%	1.31% - 6.8%	1.31% - 3.4%
Transportation Equipment	1.81%	1.81%	-

(III) Material leasing activities and terms

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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Expenses relating to short-term leases	<u>\$ 106,229</u>	<u>\$ 40,522</u>
Expenses relating to low-value leasing assets	<u>\$ 98</u>	<u>\$ 244</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,747</u>	<u>\$ 8</u>
Total cash outflow for leases	<u>(\$ 455,965)</u>	<u>(\$ 342,475)</u>

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

XVII. Goodwill and Other Intangible Assets

(I) Goodwill

	March 31, 2024	December 31, 2023	March 31, 2023
Book value	<u>\$4,359,763</u>	<u>\$4,186,666</u>	<u>\$4,177,756</u>

The Group did not recognize any impairment loss of goodwill in 2024 and Q1 of 2023, and the change in carrying amount resulted from the exchange differences on translation of financial statements of foreign operations.

(II) Other intangible assets

	March 31, 2024	December 31, 2023	March 31, 2023
Customer relationships	\$ 332,151	\$ 340,043	\$ 376,789
Non-Compete Agreements	134,972	138,941	165,348
Trademarks	77,363	74,578	74,987
Computer Software	55,005	67,213	63,422
Patents	2,571	2,851	3,970
Technical Expertise	950,534	962,807	1,105,765
Others	<u>-</u>	<u>-</u>	<u>31,149</u>
	<u>\$1,552,596</u>	<u>\$1,586,433</u>	<u>\$1,821,430</u>

Except for the recognized amortization expenses, the Group did not have significant additions, disposal and impairment of other intangible assets from January 1 to March 31, 2024 and 2023. The amortization expenses are provided on a straight-line basis over the useful lives as follows:

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

XVIII. Prepayment, and Prepayments for Equipment

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Prepayments for purchases	\$ 1,839,365	\$ 2,150,432	\$ 1,257,598
Others	<u>496,400</u>	<u>462,254</u>	<u>1,167,843</u>
	<u>\$ 2,335,765</u>	<u>\$ 2,612,686</u>	<u>\$ 2,425,441</u>
Prepayments for equipment	<u>\$ 2,542,733</u>	<u>\$ 2,368,615</u>	<u>\$ 1,808,687</u>

XIX. Borrowings

(I) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Revolving bank borrowings	\$ 14,390,080	\$ 16,652,838	\$ 11,773,060
Borrowings of usance L/C	<u>516,939</u>	<u>1,302,455</u>	<u>1,316,390</u>
	<u>\$ 14,907,019</u>	<u>\$ 17,955,293</u>	<u>\$ 13,089,450</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Revolving bank borrowings	0.5% - 6.63%	1.4% - 6.95%	1.45% - 2.11%
Borrowings of usance L/C	1.7% - 4.87%	1.68% - 4.9%	1.68% - 6.33%

(II) Short-term notes and bills payable

	March 31, 2024	December 31, 2023	March 31, 2023
Commercial paper	\$ 680,000	\$ 570,000	\$ 1,490,000
Less: Unamortized discounts on bills payable	<u>111</u>	<u>94</u>	<u>848</u>
	<u>\$ 679,889</u>	<u>\$ 569,906</u>	<u>\$ 1,489,152</u>
Interest Rate	1.73% - 1.88%	1.76% - 1.88%	1.70% - 1.84%

The collateral for the above short-term notes and bills payable includes factory premises, time deposits and bonds with repurchase agreements. Please refer to Note 31 for details.

(III) Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>The Company</u>			
1. Syndicated bank loan - 2023			
(1) Loan (A) medium-term and long-term secured borrowings	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
(2) Loan (B) medium-term and long-term secured borrowings (commercial paper)	900,000	900,000	-
(3) Loan (C) medium-term and long-term secured borrowings (commercial paper)	1,700,000	1,000,000	1,000,000
2. Unsecured loans Due from December 2024 to August 2027, interest rates at 1.71%-1.89% p.a., 1.71%-1.89% p.a. and 1.58%-1.98% p.a. as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.	2,725,000	2,350,000	4,200,000
3. Secured loans Due from April 2024 to December 2029, interest rates at 1.78%-2.18% p.a., 1.78%-2.08% p.a. and 1.64%-1.93% p.a. as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.	\$ 1,463,814	\$ 1,479,506	\$ 1,526,452
Subtotal	<u>10,788,814</u>	<u>9,729,506</u>	<u>10,726,452</u>
<u>Subsidiary</u>			
1. Syndicated bank loans			
(1) TCI and TCI subsidiaries	5,440,000	4,912,800	17,508,750
(2) BBI-TW	1,570,000	1,720,000	2,025,000
(3) BBI-USA	352,000	675,510	3,288,600
(4) TKA	2,720,000	2,609,925	2,588,250
2. Medium-term secured borrowings Due from January 2025 to March 2030, interest rates at 1.71%-8.375% p.a., 1.71%-8.375% p.a. and 1.58%-7.63% p.a. as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.	3,630,974	3,717,437	2,553,821
3. Credit guarantee fund secured borrowings To be due in January 2027, with the annual interest rates both at 0.5% as of March 31, 2024 to December 31, 2024.	29,750	32,375	-

(To be Continued)

(Brought Forward)

	March 31, 2024	December 31, 2023	March 31, 2023
4. Medium-term unsecured borrowings Due from August 2028, interest rates at 2.44%-2.51% p.a. and 2.44% p.a. as of March 31, 2024, and December 31, 2023, respectively.	1,739	1,810	-
5. Equipment pledged as collateral for borrowings Due from August 2026 to February 2028 successively, interest rates at 3.53%-7.69% and 2.99%-6.41% as of March 31, 2024 and December 31, 2023, respectively.	870,347	915,885	-
Subtotal	14,614,810	14,585,742	27,964,421
Total	25,403,624	24,315,248	38,690,873
Less: Unamortized arrangement fee of long - term borrowings	154,068	169,706	166,727
	25,249,556	24,145,542	38,524,146
Less: Current portion	2,188,512	1,274,888	5,876,030
	<u>\$ 23,061,044</u>	<u>\$ 22,870,654</u>	<u>\$ 32,648,116</u>

The Company

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

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

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

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

	Credit Line (In Thousands)	Credit used			Credit Terms	Interest Rate
		March 31, 2024	December 31, 2023	March 31, 2023		
Loan (A)	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	Within 5 years from the first date of drawdown until the maturity date, inclusive of a grace period of 24 months	2.034%, 2.034% and 1.92% as of March 31, 2024, December 31, 2023 and March 31, 2023.
Loan (B)	2,000,000	900,000	900,000	-	Within 5 years from the first date of drawdown until the maturity date	2.077% at March 31, 2024 and December 31, 2023
Loan (C)	9,600,000	1,700,000	1,000,000	1,000,000	Within 5 years from the first date of drawdown until the maturity date	2.034%, 2.034% and 1.92% as of March 31, 2024, December 31, 2023 and March 31, 2023.
	<u>\$ 15,600,000</u>	<u>\$ 6,600,000</u>	<u>\$ 5,900,000</u>	<u>\$ 5,000,000</u>		

Repayment terms were as follows:

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

Loan (B) and Loan (C):

- (1) 24 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. The credit line decreases progressively in seven installments. In 1st installment and 2nd installment, respectively, the credit line shall decrease by 5% progressively, and from 3rd installment to 6th installment, respectively, the credit line shall decrease by 10% progressively. In 7th installment, the credit line shall decrease by 50%.
- (2) During the period of progressive decrease of the credit line, where the outstanding principal balance for the relevant credit line exceeds the credit line after the progressive decrease, the borrower shall settle the outstanding principal, interest and related expenses in excess of the amount of credit line after such progressive decrease earlier. Said early settlement shall be free from the restriction imposed by Article 19 of the Joint Credit Agreement.
- (3) Credit lines have decreased progressively cannot be drawn down any longer. The Company should settle each such loan or other agreed settlement under the joint letter of credit on the expiry date set out in each application.

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

Subsidiary

1. Syndicated bank loans

(1) TCI and TCI subsidiaries

TCI, ERI, and its subsidiaries entered into a syndicated credit agreement (credit facility of up to US\$ 500,000 thousand) with a syndicate of J.P. Morgan banks in May 2017. In July 2017 and October 2018, the loan agreement was re-signed, adding PPT and TKA to the loan agreement, respectively. The main purposes of the syndicated loan are to repay financial loans, enhance operating revolving funds and arrange for capital expenditures. An amendment was made to the agreement, in which the aggregate amount of the revolving commitments increased to US\$975,000 thousand. Another amendments increased to the agreement in which the maturity date of the loan extended to November 2026.

TCI and ERI started using the credit from May 2017 while PPT started using the credit from September 2017 and TKA started using the credit from November 2018. The maturity date of the loan is in November 2026. The following table shows the borrowings balances and interest rates as of March 31, 2024, December 31, 2023 and March 31, 2023 (Unit: USD Thousand):

	March 31, 2024	December 31, 2023	March 31, 2023	Interest Rate
TKA	USD 170,000	USD 160,000	USD 575,000	6.92%, 6.94% and 6.36% - 6.45% as of March 31, 2024, December 31, 2023 and March 31, 2023.

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

(2) BBI-TW

The subsidiary BBI-TW entered into a syndicated loan agreement (credit facility of up to \$6.25 billion) with a syndicate of banks in February 2021. The main purposes of the syndicated loan are to repay existing loans and enhance operating revolving funds. The loan will be due in 5 years from the first drawdown date. The relevant information for the three months ended March 31, 2024 and December 31, 2023 and March 31, 2023 is as follows:

	Credit Line	Credit Used (Note 2)			Loan Period	Interest Rate
		March 31, 2024	December 31, 2023	March 31, 2023		
Loan (A)	Note 1	\$1,200,000	\$1,350,000	\$1,425,000	Within 5 years from the first drawdown date until the maturity date	2.6367%, 2.6361% and 2.5007% as of March 31, 2024, December 31, 2023 and March 31, 2023.
Loan (B)	Note 1	370,000	370,000	600,000	Within 5 years from the first drawdown date until the maturity date	2.6797%, 2.6797% and 2.2928% as of March 31, 2024, December 31, 2023 and March 31, 2023.
Loan (C)	Note 1	-	-	-	Within 5 years from the first drawdown date until the maturity date	-
Loan (D)	Note 1	-	-	-	Within 1 year from the first drawdown date until the maturity date, if the covenants of loans (A), (B) and (C) are not breached during the loan period, loan (D) will be renewable every year within 5 years from the first drawdown date	-

Note 1: The credit line for the syndicated loan for the three months ended March 31, 2024 and December 31, 2023 and March 31, 2023 is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Loan (A)	\$ 1,200,000	\$ 1,350,000	\$ 1,425,000
Loan (B)	3,000,000	3,375,000	3,562,500
Loan (C)	3,000,000	3,375,000	3,562,500
	(or in USD equivalent)	(or in USD equivalent)	(or in USD equivalent)
Loan (D)	1,000,000	1,000,000	1,000,000

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

Repayment terms were as follows:

- Loan (A): 24 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. It shall be repaid in seven installments. In 1st installment and 2nd installment, 5% of the principal under Loan (A) shall be repaid respectively, and from 3rd installment to 6th installment, 10% of the principal under Loan (A) shall be repaid respectively. In 7th installment, 50% of the principal under Loan (A) shall be repaid in full.
- Loan (B): 30 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. The credit line decreases progressively in seven installments. In 1st installment and 2nd installment, respectively, the credit line shall decrease by 5% progressively, and from 3rd installment to 6th installment, respectively, the credit line shall decrease by 10% progressively. In 7th installment, the credit line shall decrease by 50%. If the used balance of principal exceeds the available credit line, the excess shall be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of the loan.
- Loan (C): 30 months from the date of initial drawdown shall constitute the first installment, and then every 6 months as one instalment. The credit line decreases progressively in seven installments. In 1st installment and 2nd installment, respectively, the credit line shall decrease by 5% progressively, and from 3rd installment to 6th installment, respectively, the credit line shall decrease by 10% progressively. In 7th installment, the credit line shall decrease by 50%. If the used balance of principal exceeds the available credit line, the excess shall be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of the loan.
- Loan (D): One year from the date of initial drawdown. Notwithstanding, insofar as the Company is free from

breach of the Agreement, each credit bank may renew the contract with the Company and all the joint guarantors for one year per year within the limit of its individual commitment, provided that the expiry date of the credit period shall not exceed the credit periods for Loans (A), (B) and (C), respectively.

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

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

(3) Syndicated Loans of BBI-USA

The subsidiary BBI-USA entered into a syndicated loan agreement (credit line of up to US\$180,000 thousand, which may be drawn down on a revolving basis within the credit line) with a syndicate of banks in August 2013. The main purposes of the syndicated loan are to repay its existing financial loan and enhance the medium term operating revolving funds and cover the needs for investment capital. The annual interest rates were 7.42%, 7.43% and 6.66% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively. The subsidiary BBI-USA amended the above dated August 2013 syndicated loan agreement with the syndicate of banks on February 26, 2016. The amendments include revising the credit facility to US\$260,000 thousand from February 26, 2016, and changing the loan maturity date to August 2021. The main purposes of the amended syndicated loan are the same as the original one.

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

Refer to Note 20(d) for details regarding the financial ratios required by the loan agreement.

(4) Syndicated loan with TKA Bank

TKA entered into a syndicated loan agreement (credit facility of up to US\$ 85,000 thousand) with a syndicate of banks in March 2022. The purpose of the syndicated loan is to enhance the capital funds to expand the factory. TKA started using the credit line in April 2022. The maturity date of the loan is in April 2027. The interest rate was 7.07%, 7.09% and 6.398% on March 31, 2024, December 31, 2023 and March 31, 2023, respectively. The subsidiary TKA amended the above syndicated loan agreement with the syndicate of banks on July 5, 2023. The amendments include revising the credit facility to US\$318,000 thousand from July 5, 2023, and changing the loan maturity date to August 2028. The main purposes of the amended syndicated loan are the same as the original one. Refer to Note 20(d) for details regarding the financial ratios required by the loan agreement.

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

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

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

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

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

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

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

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

XX. Notes Payable and Accounts Payable

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes payable</u>			
Operating	\$ 47,452	\$ 72,791	\$ 63,616
Non-operating	<u>50,588</u>	<u>35,247</u>	<u>78,122</u>
	<u>\$ 98,040</u>	<u>\$ 108,038</u>	<u>\$ 141,738</u>

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

Accounts payable (including related parties)

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

XXI. Other Payables

	March 31, 2024	December 31, 2023	March 31, 2023
Salary and incentive bonus	\$ 305,113	\$ 426,064	\$ 645,773
Remuneration of directors	54,736	29,700	63,274
Employees' compensation	510,547	585,592	466,179
Payables for annual leave	126,246	123,547	107,478
Payables for freight and custom duties	507,359	468,307	304,232
Property taxes payable	142,324	391,230	114,702
Accrued expenses and others	<u>1,153,944</u>	<u>1,129,490</u>	<u>1,308,073</u>
	<u>\$2,800,269</u>	<u>\$3,153,930</u>	<u>\$3,009,711</u>

XXII. Post-employment benefit plans

The pension expenses related to the defined benefit plan recognized from January 1 to March 31, 2024 and 2023 are based on the pension cost rate actuarially determined on December 31, 2023 and 2022, and the amounts were NT\$349 thousand and NT\$521 thousand, respectively.

XXIII. Equity

(I) Ordinary share capital

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	<u>3,200,000</u>	<u>3,200,000</u>	<u>3,000,000</u>
Shares authorized	<u>\$32,000,000</u>	<u>\$32,000,000</u>	<u>\$30,000,000</u>
Number of shares issued and fully paid (in thousands)			
Ordinary shares	<u>2,434,261</u>	<u>2,434,261</u>	<u>2,028,551</u>
Shares issued			
Ordinary shares	<u>\$24,342,606</u>	<u>\$24,342,606</u>	<u>\$20,285,505</u>

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

(II) Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>			
Issuance of ordinary shares	\$22,054,172	\$22,054,172	\$22,054,172
Treasury share transactions	890,214	890,214	641,789
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	13,249	13,249	13,230
Expired employee share options	13,503	13,503	13,503
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of subsidiary	<u>29,686</u>	<u>30,413</u>	<u>33,665</u>
	<u>\$23,000,824</u>	<u>\$23,001,551</u>	<u>\$22,756,359</u>

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

(III) Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, refer to Note 25(8) "Employees' compensation and remuneration of directors and supervisors for 2023 and 2022".

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

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

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

The appropriations of earnings for 2023 and 2022, approved in the Board of Directors meeting on March 12, 2024 and the annual general meeting on June 26, 2023, respectively, are stated as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2023	2022	2023	2022
Legal Reserve	\$ 535,340	\$1,191,421		
Special reserve	(64,308)	(3,819,497)		
Cash dividends	2,921,113	4,868,521	\$ 1.2	\$ 2.4
Share dividends	-	4,057,101	-	2.0

The appropriation of earnings for 2023 is subject to the resolution of the shareholders in the annual general meeting convened on June 19, 2024.

(IV) Other equity items

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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Opening balance	\$ 1,290,561	\$ 1,152,771
Exchange differences on translating the financial statements of foreign operations	<u>2,500,954</u>	(<u>743,382</u>)
Balance at December 31	<u>\$ 3,791,515</u>	<u>\$ 409,389</u>

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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Opening Balance	(\$ 61,163)	(\$ 59,680)
Occurred in the current period		
Unrealized profit or loss		
Equity instruments	(<u>29,410</u>)	<u>2,816</u>
Ending Balance	(<u>\$ 90,573</u>)	(<u>\$ 56,864</u>)

3. Gain (loss) on hedging instruments

	January 1 to March 31, 2024	January 1 to March 31, 2023
Opening Balance	\$ 511,197	\$ 1,640,060
Gain on changes in the fair value of hedging instruments		
Interest rate swap contracts	198,246	212,703
Related income tax	12,365	(340,891)
Reclassification adjustment		
Hedged items affecting profit or loss		
Interest rate swap contracts	(79,539)	(134,729)
The hedged item is no longer expected		
Interest rate swap contracts	(<u>182,132</u>)	<u>-</u>
Ending Balance	<u>\$ 460,137</u>	<u>\$ 1,377,143</u>

Information related to cross-currency swap contracts and interest rate swap contracts into between the merger companies and financial institutions for interest rate and exchange rate hedging, please refer to Note 29.

(V)	Non-controlling interests	January 1 to March 31, 2024	January 1 to March 31, 2023
		<u>\$ 11,419,312</u>	<u>\$ 10,635,215</u>
	Opening balance		
	Attributable to non-controlling interests:		
	Share in profit for the year	361,949	427,305
	Exchange differences on translating the financial statements of foreign operations	356,292	(74,566)
	Profit and loss from cash flow hedging	2,059	(6,721)
	Unrealized gains and losses from FVTOCI	(67,532)	(8,844)
	Related income tax	(376)	1,692
	Changes in equity of subsidiaries	(\$ 961)	(\$ 30,800)
	Share-based payment transaction	-	171
	Disposal of non-controlling interests in subsidiaries	-	7,903
	Changes in non-controlling interests	(<u>8,351</u>)	<u>252,304</u>
	Closing Balance	<u>\$ 12,062,392</u>	<u>\$ 11,203,659</u>
(VI)	Treasury shares		Shares Held by Subsidiaries (In Thousands of Shares)
		<u>Purpose of Buy-back</u>	<u>290,352</u>
	Number of shares at January 1, 2024 and March 31, 2024		
	Number of shares at January 1, 2023 and March 31, 2023		<u>241,960</u>

BBI-TW and TCE held shares of the Company and classified them as financial assets at FVTPL-current and financial assets at FVTOCI-non-current. The Company recognized treasury shares by the combined ownership percentages of BBI-TW and TCE.

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

March 31, 2024

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
BBI-TW	<u>167,204</u>		<u>\$ 6,102,942</u>
TCE	<u>123,148</u>		<u>\$ 4,494,915</u>
Belonging to the Company	<u>124,300</u>	<u>\$ 4,386,159</u>	<u>\$ 4,536,943</u>

December 31, 2023

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
BBI-TW	<u>167,204</u>		<u>\$ 6,621,273</u>
TCE	<u>123,148</u>		<u>\$ 4,876,676</u>
Belonging to the Company	<u>124,300</u>	<u>\$ 4,386,159</u>	<u>\$ 4,922,272</u>

March 31, 2023

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
BBI-TW	<u>139,336</u>		<u>\$ 6,339,815</u>
TCE	<u>102,624</u>		<u>\$ 4,669,375</u>
Belonging to the Company	<u>103,486</u>	<u>\$ 4,383,877</u>	<u>\$ 4,708,613</u>

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

XXIV. Revenue

	January 1 to March 31, 2024	January 1 to March 31, 2023
Revenue from contracts with customers		
Revenue from sale of goods	\$ 22,991,663	\$ 28,652,284
Construction contract revenue	<u>233,137</u>	<u>314,649</u>
	<u>\$ 23,224,800</u>	<u>\$ 28,966,933</u>

Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Accounts receivable (Note 10)	<u>\$ 9,159,214</u>	<u>\$ 7,466,965</u>	<u>\$ 10,545,111</u>	<u>\$ 8,065,531</u>

Contract assets (recognized as other current assets)

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Revenue from sale of goods and construction contract revenue	<u>\$ 63,472</u>	<u>\$ 28,407</u>	<u>\$ 17,317</u>	<u>\$ -</u>

Contract liabilities

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Revenue from sale of goods and construction contract revenue	<u>\$ 145,959</u>	<u>\$ 145,627</u>	<u>\$ 147,493</u>	<u>\$ 173,958</u>

Refer to Note 36 for segment revenue information.

XXV. Net Income Before Tax

Net income before tax includes the following items:

(I)	Other operating income and expenses, net	January 1 to March 31, 2024	January 1 to March 31, 2023
	Gain (Loss) on disposal of property, plant and equipment	(\$ 2,211)	\$ 950
(II)	Interest revenue	January 1 to March 31, 2024	January 1 to March 31, 2023
	Bank deposits and financial assets at amortized cost	<u>\$ 159,884</u>	<u>\$ 45,838</u>
(III)	Other revenue	January 1 to March 31, 2024	January 1 to March 31, 2023
	Rental income	\$ 3,684	\$ 2,655
	Dividends	-	60
	Others	<u>25,881</u>	<u>33,907</u>
		<u>\$ 29,565</u>	<u>\$ 36,622</u>
(IV)	Other gains and losses	January 1 to March 31, 2024	January 1 to March 31, 2023
	Foreign exchange gain	\$ 866,494	\$ 407,522
	Foreign exchange losses	(237,589)	(573,916)
	Gain on Financial Instruments at Fair Value Through Profit or Loss	144,874	243,552
	Gain on disposal of non-current assets held for sale	-	4,455
	Others	(<u>11,261</u>)	(<u>207</u>)
		<u>\$ 762,518</u>	<u>\$ 81,406</u>

(V)	Finance costs	January 1 to March 31, 2024	January 1 to March 31, 2023
	Interest on bank loans	\$ 387,024	\$ 519,540
	Amortization of arrangement fees of syndicated bank loans	21,278	18,093
	Gain on fair value of derivatives designated as cash flow hedge relationship from equity reclassified to profit or loss	(79,539)	(134,729)
	Interest on lease liabilities	63,589	48,256
		392,352	451,160
	Less: Amounts included in the cost of qualifying assets	144,579	82,967
		<u>\$ 247,773</u>	<u>\$ 368,193</u>

Information about capitalized interest is as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Capitalized interest	\$ 144,579	\$ 82,967
Capitalization rate	0.86% - 6.41%	2.00% - 6.09%

(VI)	Depreciation and amortization	January 1 to March 31, 2024	January 1 to March 31, 2023
	Property, plant and equipment	\$ 295,320	\$ 278,680
	Investment properties	2,287	2,318
	Other intangible assets	99,687	97,676
	Other non-current assets	145	365
	Right-of-use assets	317,241	276,134
		<u>\$ 714,680</u>	<u>\$ 655,173</u>
	An analysis of depreciation by function		
	Operating costs	\$ 197,005	\$ 176,873
	Operating expenses	417,843	380,259
		<u>\$ 614,848</u>	<u>\$ 557,132</u>
	An analysis of amortization by function		
	Operating costs	\$ 145	\$ 603
	Operating expenses	99,687	97,438
		<u>\$ 99,832</u>	<u>\$ 98,041</u>

(VII) Employee benefits expense

	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term employee benefits	\$ 1,615,911	\$ 1,690,481
Post-employment benefits		
Defined contribution plans	50,356	51,481
Defined benefit plans (refer to Note 22)	349	521
	<u>50,705</u>	<u>52,002</u>
	<u>\$ 1,666,616</u>	<u>\$ 1,742,483</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 574,069	\$ 569,285
Operating expenses	<u>1,092,547</u>	<u>1,173,198</u>
	<u>\$ 1,666,616</u>	<u>\$ 1,742,483</u>

(VIII) Employees' compensation and remuneration of directors

According to the Articles of Incorporation, the Company accrued employees' compensation and remuneration to directors at the rates of no less than 3% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The estimated employees' compensation and remuneration to directors for the three months ended March 31, 2024 and 2023 are as follows:

Accrual rate

	January 1 to March 31, 2024	January 1 to March 31, 2023
Employees' compensation	3%	3%
Remuneration of directors and supervisors	1.5%	1.5%

Amount

	January 1 to March 31, 2024	January 1 to March 31, 2023
Employees' compensation	\$ 38,972	\$ 64,297
Remuneration of directors and supervisors	19,486	32,149

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

The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2023 and 2022, which were

approved by the Company's board of directors on March 12, 2024 and March 13, 2023 were as follows:

Accrual rate

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

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

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

XXVI. Income Tax

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Current tax		
Occurred in the current period	\$ 281,603	\$ 685,654
Adjustments for prior years	<u>5,029</u>	<u>6,955</u>
	<u>286,632</u>	<u>692,609</u>
Deferred tax		
Occurred in the current period	<u>220,450</u>	<u>129,657</u>
Income tax expense recognized in profit or loss	<u>\$ 507,082</u>	<u>\$ 822,266</u>

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

The Company and BBI-TW determined that the unappropriated earnings of overseas subsidiaries would be reinvested permanently for the continuous expansion of the scale of operations and to support the needs for operating funds of overseas investees. As a result, no deferred tax liability has been recognized on the related investment income recognized under the equity method.

(II) Income tax expense recognized in other comprehensive income

	January 1 to March 31, 2024	January 1 to March 31, 2023
<u>Deferred income tax</u>		
<u>gains (expenses)</u>		
Occurred in the current period		
- Cash flow hedge	\$ 12,671	(\$ 339,199)
- Translation of foreign operation	(<u>682</u>)	<u>-</u>
	<u>\$ 11,989</u>	(<u>\$ 339,199</u>)

(III) Income tax assessments

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

XXVII. Earnings per Share

The effect of the stock dividends has been retroactively adjusted for the calculation of earnings per share, and the base date of the stock dividends was set on August 25, 2023. The changes in basic and diluted earnings per share from January 1, 2023 to March 31, 2023 due to retroactive adjustments are as follows:

	Before retrospective adjustment	Unit: NTD per share After retrospective adjustment
Basic earnings per share	<u>\$ 1.03</u>	<u>\$ 0.86</u>
Diluted earnings per share	<u>\$ 1.02</u>	<u>\$ 0.85</u>

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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Profit (loss) for the year attributable to owners of the Company	<u>\$ 1,082,689</u>	<u>\$ 1,980,104</u>

Number of Shares

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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	2,309,961	2,309,467
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>5,140</u>	<u>8,548</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>2,315,101</u>	<u>2,318,015</u>

If the Company may offer to settle compensation paid to employees in cash or shares, the Company would assume that the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted

average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

XXVIII. Equity Transactions with Non-Controlling Interests

Right Way Industrial Co., Ltd. purchased the shares of BBI-TW in the market from January 1 to March 31, 2024 and 2023. The transaction was recognized to purchase treasury shares, and the Group's continuing interest of BBI-TW was changed.

The Group's shareholding in Right Way was changed due to the exercise of employee stock options by employees of the subsidiary, Right Way, from January 1 to March 31, 2024 and 2023.

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

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

Since the above transactions with non-controlling interest did not change the control of the Group over these subsidiaries, the Group treated them as equity transactions.

January 1 to March 31, 2024

	<u>BBI-TW</u>	<u>Right Way</u>	
Cash Consideration paid	(\$ 10,118)	\$ 79	
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	9,395	(83)	
	<u> </u>	<u> </u>	
Difference recognized from equity transactions	(\$ <u>723</u>)	(\$ <u>4</u>)	
	<u>BBI-TW</u>	<u>Right Way</u>	<u>Total</u>
<u>Adjustment subjects to the difference from equity transactions</u>			
Additional Paid-In Capital - Recognition of changes in ownership equity in subsidiaries	(\$ <u>723</u>)	(\$ <u>4</u>)	(\$ <u>727</u>)

January 1 to March 31, 2023

	BBI-TW	Ta Chen Lung Mei Home Life Co., Ltd	Right Way
Cash Consideration paid	\$ 14	(\$ 200,000)	\$ 21,119
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	(39,997)	199,300	(7,584)
Difference recognized from equity transactions	(\$ 39,983)	(\$ 700)	\$ 13,535

	BBI-TW	Ta Chen Lung Mei Home Life Co., Ltd	Right Way	Total
<u>Adjustment subjects to the difference from equity transactions</u>				
Additional Paid-In Capital - the difference between the actual acquisition or disposal of subsidiary equity prices and book value	\$ 14	\$ -	\$ 13,216	\$ 13,230
Additional Paid-In Capital - Recognition of changes in ownership equity in subsidiaries	(39,997)	(700)	319	(40,378)
	(\$ 39,983)	(\$ 700)	\$ 13,535	(\$ 27,148)

XXIX. Financial Instruments

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

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

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

1. Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 714,642	\$ -	\$ 714,642
Mutual funds	<u>78,275</u>	<u>-</u>	<u>-</u>	<u>78,275</u>
Total	<u>\$ 78,275</u>	<u>\$ 714,642</u>	<u>\$ -</u>	<u>\$ 792,917</u>

Financial assets at fair value
through other
comprehensive income

Foreign listed shares	\$ 78,677	\$ -	\$ -	\$ 78,677
Domestic emerging market shares	-	-	665,974	665,974
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>27,152</u>	<u>27,152</u>
Total	<u>\$ 78,677</u>	<u>\$ -</u>	<u>\$ 693,126</u>	<u>\$ 771,803</u>

Financial Assets for
hedging

Derivatives	<u>\$ -</u>	<u>\$ 691,285</u>	<u>\$ -</u>	<u>\$ 691,285</u>
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Financial liabilities at
FVTPL

Derivatives	<u>\$ -</u>	<u>\$ 183,520</u>	<u>\$ -</u>	<u>\$ 183,520</u>
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December 31, 2023

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

Financial assets at FVTOCI

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

Financial Assets for
Hedging

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

Derivatives	<u>\$ -</u>	<u>\$ 175,429</u>	<u>\$ -</u>	<u>\$ 175,429</u>
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March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 414,581	\$ -	\$ 414,581
Mutual funds	<u>73,277</u>	<u>-</u>	<u>-</u>	<u>73,277</u>
Total	<u>\$ 73,277</u>	<u>\$ 414,581</u>	<u>\$ -</u>	<u>\$ 487,858</u>
<u>Financial assets at FVTOCI</u>				
Foreign listed shares	\$ 81,283	\$ -	\$ -	\$ 81,283
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>797,759</u>	<u>797,759</u>
Total	<u>\$ 81,283</u>	<u>\$ -</u>	<u>\$ 797,759</u>	<u>\$ 879,042</u>
<u>Financial Assets for</u>				
<u>Hedging</u>				
Derivatives	<u>\$ -</u>	<u>\$ 1,377,143</u>	<u>\$ -</u>	<u>\$ 1,377,143</u>
<u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 15,675</u>	<u>\$ -</u>	<u>\$ 15,675</u>

There were no transfers between Levels 1 and 2 from January 1 to March 31, 2024 and 2023.

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

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

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

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

4. Adjustment of financial instruments measured by Level 3 fair value
January 1 to March 31, 2024

	Financial assets at FVTOCI Equity instruments
Opening Balance	\$ 786,447
Recognized in Other Comprehensive Income	(93,321)
Ending Balance	<u>\$ 693,126</u>

January 1 to March 31, 2023

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

(III) Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Held for trading	\$ 714,642	\$ 666,952	\$ 414,581
Mandatorily classified as at FVTPL	78,275	108,645	73,277
Financial assets for hedging	691,285	697,866	1,377,143
Financial assets at amortized cost (Note 1)	25,343,465	23,047,794	29,592,729
Financial assets at FVTOCI	771,803	865,477	879,042
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	183,520	175,429	15,675
Financial liabilities at amortized cost (Note 2)	46,091,322	47,956,789	59,162,641

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

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

(IV) Financial risk management objectives and policies

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

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

1. Market risk

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

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

(1) Foreign exchange rate risk

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

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

Sensitivity analysis

The Group was mainly exposed to the USD.

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

	USD Impact (Note)	
	January 1 to March 31, 2024	January 1 to March 31, 2023
Profit or loss	\$ 89,367	\$ 163,697

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

The Group's sensitivity to foreign currency decreased during the current period due to the decrease in the sales of the US dollar-denominated goods, which is caused by the decrease in foreign currency trade receivables. The management believes that the sensitivity analysis cannot represent the inherent risk of the exchange rate because the foreign currency risk at the balance sheet date cannot be reflected on the interim period that the sales in US dollar will vary with orders and asset investment position.

Hedge accounting

(2) Interest rate risk

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Cash flow interest rate risk			
Financial assets	\$ 7,206,171	\$ 8,111,461	\$ 8,049,103
Financial liabilities	38,886,510	40,893,614	50,878,687

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit from January 1 to March 31, 2024 and 2023 would have been lower by NT\$79,201 thousand and NT\$107,074 thousand, respectively, which was merely a result of variable-rate debts.

Hedge accounting

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

The hedging inefficiency of hedging relationships is mainly due to the imbalance between the number of hedging instruments

and the number of hedged items.

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

March 31, 2024

Notional Amount (in Thousands)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount	
					Asset	
USD 300,000 (Note)	2027.5.6	1.78%	Compounded SOFR+0.11448%	Financial Assets for Hedging	\$	619,414
USD 10,000	2026.5.1	0.975%	Compounded SOFR+0.11448%	Financial Assets for Hedging		24,135
USD 10,000	2026.5.1	1.023%	Compounded SOFR+0.11448%	Financial Assets for Hedging		23,803
USD 10,000	2026.5.1	1.005%	Compounded SOFR+0.11448%	Financial Assets for Hedging		23,933
					\$	691,285

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
TCI and its subsidiaries	(\$ 2,080,000)	\$ 619,414	\$ -
Syndicated Loans of BBI-USA	-	71,871	-

Note : The Group designated the contract amount of US\$255,000 thousand as hedging instrument.

December 31, 2023

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

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Syndicated Loans of TCI and its Subsidiaries	\$ 546,542	\$ 633,462	\$ -
Syndicated Loans of BBI-USA	-	64,404	-

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

March 31, 2023

Notional Amount (in Thousands)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount	
					Assets	
USD 300,000	2027.5.6	1.78%	USD LIBOR- 1 month	Financial Assets for hedging	\$	625,226
USD 50,000	2027.5.6	0.67%	USD LIBOR- 1 month	Financial Assets for hedging		169,043
USD 100,000	2024.5.6	1.31%	Term SOFR 1 month+0.1%	Financial Assets for hedging		100,977
USD 100,000	2023.5.6	1.27%	Term SOFR 1 month+0.1%	Financial Assets for hedging		20,511
USD 25,000	2024.5.6	1.374%	USD LIBOR- 1 month	Financial Assets for hedging		27,592
USD 50,000	2024.5.7	1.374%	USD LIBOR- 1 month	Financial Assets for hedging		58,963
USD 75,000	2027.5.6	1.097%	USD LIBOR- 1 month	Financial Assets for hedging		126,546
USD 50,000	2027.5.6	0.695%	USD LIBOR- 1 month	Financial Assets for hedging		172,300
USD 10,000	2026.5.1	0.975%	USD LIBOR- 1 month	Financial Assets for hedging		24,935
USD 10,000	2026.5.1	1.023%	USD LIBOR- 1 month	Financial Assets for hedging		25,372
USD 10,000	2026.5.1	1.005%	USD LIBOR- 1 month	Financial Assets for hedging		25,678
						<u>\$ 1,377,143</u>

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Syndicated Loans of TCI and its Subsidiaries	\$ -	\$ 1,301,158	\$ -
Syndicated Loans of BBI-USA	-	75,985	-

January 1 to March 31, 2024

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item
		Due to Hedged Item Affecting P/L
Cash flow hedge		
Fluctuations of interest of loan	(\$ 61,366)	\$ 79,539

January 1 to March 31, 2023

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item
		Due to Hedged Item Affecting P/L
Cash flow hedge		
Fluctuations of interest of loan	\$ 71,253	\$ 134,729

(3) Other price risk

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

Sensitivity analysis

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

With regard to the unsettled aluminum and nickel price derivative instrument contracts, if market prices had been 1% higher/lower, pre-tax loss from January 1 to March 31, 2024 and 2023 would have increased/decreased by NT\$28,664 thousand and NT\$31,454 thousand, respectively, as a result of the changes in fair value of investments at fair value through profit or loss. With regard to the unsettled aluminum and nickel price swap contracts, the Group had recognized unrealized losses of NT\$100,029 thousand and unrealized gains of NT\$401,692 thousand from January 1 to March 31, 2024 and 2023, respectively.

2. Credit risk

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

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

The Group's trading counterparties are companies of good credit standing and not expected to cause significant credit risk. It will also continue to assess the financial status of accounts receivable customers.

Accounts receivable consisted of a large number of customers which are spread across diverse industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of customers with accounts receivable.

3. Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized short-term bank loan facilities set out in (3) below.

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

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

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

	On Demand and Less than 1 year	More than 1 Year
<u>March 31, 2024</u>		
Non-derivative financial liabilities		
Non-interest bearing liabilities	\$ 5,872,159	\$ 49,096
Lease liabilities	1,497,475	9,381,453
Fixed interest rate bank loans	1,035,269	740,575
Floating interest rate bank loans	18,682,159	23,428,591
	<u>\$ 27,087,062</u>	<u>\$ 33,599,715</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	More than 5 Years
Lease liabilities	<u>\$ 1,497,475</u>	<u>\$ 5,947,848</u>	<u>\$ 3,433,605</u>

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

Additional information about the maturity analysis for lease liabilities:

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

	Less than 1 Year	On Demand and Less than 1 year
<u>March 31, 2023</u>		
Non-derivative financial liabilities		
Non-interest bearing liabilities	\$ 6,240,922	\$ 49,263
Lease liabilities	1,222,766	7,932,968
Fixed interest rate bank loans	1,681,902	656,974
Floating interest rate bank loans	18,126,022	39,327,897
	<u>\$ 27,271,612</u>	<u>\$ 47,967,102</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	More than 5 Years
Lease liabilities	<u>\$ 1,222,766</u>	<u>\$ 4,273,830</u>	<u>\$ 3,659,138</u>

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

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

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
<u>March 31, 2024</u>		
Net settled		
Foreign exchange forward contracts	\$ 79,524	\$ -
Metal price derivative contracts	103,996	-
	<u>\$ 183,520</u>	<u>\$ -</u>
<u>December 31, 2023</u>		
Net settled		
Foreign exchange forward contracts	\$ 45,267	\$ -
Metal price derivative contracts	130,162	-
	<u>\$ 175,429</u>	<u>\$ -</u>
<u>March 31, 2023</u>		
Net settled		
Foreign exchange forward contracts	\$ 15,555	\$ -
Metal price derivative contracts	120	-
	<u>\$ 15,675</u>	<u>\$ -</u>

(3) Financing facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank borrowing facilities, reviewed annually:			
Amount used	\$ 10,902,565	\$ 12,552,016	\$ 8,804,965
Amount unused	<u>4,619,802</u>	<u>8,137,051</u>	<u>10,219,558</u>
	<u>\$ 15,522,367</u>	<u>\$ 20,689,067</u>	<u>\$ 19,024,523</u>
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	\$ 30,088,076	\$ 30,277,763	\$ 44,464,510
Amount unused	<u>54,437,574</u>	<u>54,290,157</u>	<u>40,074,116</u>
	<u>\$ 84,525,650</u>	<u>\$ 84,567,920</u>	<u>\$ 84,538,626</u>

XXX. Transactions with Related Parties

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

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

<u>Related Party Name</u>	<u>Relationship</u>
Jinn Her Enterprise Co., Ltd.	Corporate director of subsidiaries
Fang Sheng Screw Co., Ltd.	Related party in substance
LPJR Investment LLC. (LPJR)	Related party in substance
Ou Bo Hua Company	Related party in substance
Ying Lun Investment Co., Ltd.	Related party in substance
Winlink Fasteners Co., Ltd.	Related party in substance
Tong Win International Co., Ltd. (Tong Win)	Related party in substance
Re-Dai Precision Tools Co., Ltd (Rei-Dai)	Related party in substance
TY Steel Co., Ltd. (TY Steel)	Associate (Note 1)
Fuzhou Assured Brake Systems Co., Ltd. (Fuzhou Assured)	Associate of the Group before February 2023 (Note 2)
Ta Chen Green System Co., Ltd.	Associate
Victor Shieh	Related party in substance (Note 14)
Full Guan Co., Ltd.	Related party in substance (the person in charge is close relative of the director of the subsidiary)
Wei Mei Curtain Co., Ltd.	Related party in substance (the person in charge is close relative of the director of the subsidiary)
Anders Enterprise Co., Ltd.	Related party in substance (the director is close relative of the general manager of the subsidiary)

Note 1: The related party since January 5, 2022, which is generated when the transaction amount and account balance disclosed in this note are both related parties.

Note 2: As described in Note 12, it became a related party in June 2022. The transaction amount and balance of account disclosed in the Note when Right Way disposes of the company in March 2023 were incurred by related parties.

(II) Purchases of goods			
Related Party Category / Name	January 1 to March 31, 2024	January 1 to March 31, 2023	
Jinn Her Enterprise Co., Ltd.	\$ 346,667	\$ 471,679	
Fang Sheng Screw Co., Ltd.	147,392	205,216	
Tong Win	140,146	398,937	
Related party in substance	20,954	105,111	
	<u>\$ 655,159</u>	<u>\$ 1,180,943</u>	

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

(III) Receivables from related parties (excluding loans to related parties)				
Line Item	Related Party Name	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	Corporate director of subsidiaries	\$ 426	\$ 666	\$ 847
	Related party in substance	516	656	-
		<u>\$ 942</u>	<u>\$ 1,322</u>	<u>\$ 847</u>

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

(IV) Payables to related parties				
Line Item	Related Party Category / Name	March 31, 2024	December 31, 2023	March 31, 2023
Accounts Payable	Jinn Her Enterprise Co., Ltd.	\$ 158,542	\$ 178,149	\$ 104,815
	Fang Sheng Screw Co., Ltd.	89,893	99,784	155,707
	Related party in substance	18,395	32,862	52,685
		<u>\$ 266,830</u>	<u>\$ 310,795</u>	<u>\$ 313,207</u>

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

(V)	Prepayments			
	<u>Related Party Category / Name</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	Associate	\$ 20,000	\$ 20,000	\$ 20,000
	Corporate director of subsidiaries	-	-	12,997
	Tong Win	49,930	-	-
		<u>\$ 69,930</u>	<u>\$ 20,000</u>	<u>\$ 32,997</u>
(VI)	Refundable deposits (recognized as financial assets at amortized cost - non current)			
	<u>Related Party Category / Name</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	Related party in substance	<u>\$ 1,760</u>	<u>\$ 1,760</u>	<u>\$ 2,060</u>
(VII)	Loan to Related parties			
	<u>Related Party Category / Name</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>	
	<u>Interest Revenue</u>			
	Fuzhou Assured	<u>\$ -</u>	<u>\$ 162</u>	

Note : It is an unsecured loan between Right Way Industrial Co., Ltd. and Fuzhou Assured Company. The interest is calculated according to the average interest rate of short-term borrowings from financial institutions by Right Way Industrial Co., Ltd in the current year.

- (VIII) Lease agreements
- The Group entered into a contract with its related parties in substance to rent Taipei office space, Tainan dormitories, Kaohsiung office, Kaohsiung plant, dormitories in California, five locations in total, and one car from April 2024 to December 2024. The rental is based on similar assets' market rental rates, which is paid quarterly.
- Lease expenses included expenses relating to short-term leases, low-value asset leases and variable lease payments that do not depend on an index or a rate. Future lease payables related to short-term leases and low-value asset leases are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Future lease payables	<u>\$ 8,430</u>	<u>\$ 12,788</u>	<u>\$ 9,520</u>
<u>Related Party Category / Name</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>	
<u>Lease expense</u>			
Related party in substance	<u>\$ 4,261</u>	<u>\$ 3,211</u>	

The Group leases offices, dormitories, showrooms and cars from related parties. The rental prices are negotiated with reference to market conditions.

(IX) Others

The Group engages substantive related parties Wei Mei Curtain Co., Ltd. to provide consulting services to operational needs. The Group paid the amounts of NT\$1,914 thousand of consulting expense (recognized as operating expense) from January 1 to March 31, 2024.

(X) Remuneration of key management personnel

	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term employee benefits	\$ 157,677	\$ 254,347
Post-employment benefits	397	351
	<u>\$ 158,074</u>	<u>\$ 254,698</u>

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

XXXI. Assets Pledged as Collateral or for Security

The following assets were provided as collateral for bank borrowings:

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at amortized cost (pledged time deposits, pledged demand deposits and pledged repurchase agreements collateralized by bonds)	\$ 2,709,284	\$ 2,914,243	\$ 3,023,691
Accounts receivable	7,425,409	5,778,669	8,863,295
Inventories	49,591,968	50,667,356	62,549,632
Property, plant and equipment	<u>18,345,250</u>	<u>10,348,204</u>	<u>11,244,028</u>
	<u>\$ 78,071,911</u>	<u>\$ 69,708,472</u>	<u>\$ 85,680,646</u>

XXXII. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those disclosed in other notes, significant commitments and contingencies of the Group at the end of each reporting period were as follows:

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

	March 31, 2024	December 31, 2023	March 31, 2023
Unused letters of credit for purchases of raw materials	<u>\$ 534,988</u>	<u>\$ 401,796</u>	<u>\$ 534,701</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant and equipment	<u>\$ 9,849,312</u>	<u>\$ 9,529,735</u>	<u>\$ 3,066,701</u>

(III) As of March 31, 2024, the subsidiary BBI-USA provided a letter of credit in the amount of NT\$163,200 thousand (US \$5,100 thousand) to Hudson Insurance Company, the insurance company of the customs broker of BBI-USA, as collateral for the customs investigation described below.

(IV) The U.S. Customs and Border Protection (CBP) has conducted an investigation into BBI-USA (including the import procedures, information about main vendors or manufacturers, product content, place of production, control of antidumping products, etc.) in accordance with the Tariff Act of 1930 in the

U.S. since April 2014. The CBP's main purpose of the investigation is to find out whether the country of origin of certain steel threaded rods that BBI-USA imported through merchants is China, in order to examine whether the makers of fasteners in China sell products to America through triangular trade to avoid anti-dumping duties. BBI-USA has estimated payback customs duty and fines in the amount of NT\$112,794 thousand (US\$3,525 thousand) until March 31, 2024, which was recognized as other payables, and BBI-USA has authorized lawyers to negotiate with U.S. Customs. The evaluation of the proposal for consultation options by U.S. Customs is currently under negotiation.

(V) As of March 31, 2024, December 31, 2023 and March 31, 2023, the guaranteed notes submitted and payables issued by the Group for the loan was NT\$380,300 thousand, NT\$337,300 thousand and NT\$1,297,280 thousand, respectively.

(VI) As of March 31, 2024, December 31, 2023 and March 31, 2023, the guaranteed notes issued by the Group as the performance guarantee were all NT\$1,500 thousand.

XXXIII. Major subsequent events

The subsidiary, BBI-TW, entered into a syndicated loan agreement (credit facility of up to NT\$7.5 billion) with a syndicate of banks including Mega Bank in April 2024. The main purposes of the syndicated loan are to repay existing loans and enhance operating revolving funds and also the revolving funds for purchase of materials. As of the date this consolidated financial statement was approved for release, it has not been used.

XXXIV. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Foreign Currency in Thousands; NTD Thousand

March 31, 2024

Financial assets	Foreign Currency	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 297,936	32.00	\$ 9,533,962
USD	3,832	7.095	122,633
		(USD:CNY)	
EUR	911	34.46	31,406
EUR	4,941	7.6765	171,081
		(EUR:CNY)	
GBP	5,818	39.15	234,990
CAD	2,197	23.2	51,888
AUD	39,078	20.98	813,597
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	15,334	32.00	490,683
USD	1,015	7.095	32,494
		(USD:CNY)	
USD	6,148	4.9962	196,727
		(USD:BRL)	

December 31, 2023

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

March 31, 2023

<u>Financial assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary items</u>			
USD	\$ 558,268	30.45	\$ 16,999,248
USD	4,752	6.8717	144,706
		(USD:CNY)	
EUR	548	33.15	18,169
EUR	4,391	7.4945	145,814
		(EUR:CNY)	
GBP	3,231	37.67	121,728
CAD	15,172	22.47	340,905
AUD	43,197	20.33	878,190
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	17,312	30.45	527,137
USD	1,015	6.8717	30,920
		(USD:CNY)	
USD	7,101	5.0804	216,227
		(USD:BRL)	

The foreign currency exchange gains and losses with a material impact are as follows:

	<u>January 1 to March 31, 2024</u>		<u>January 1 to March 31, 2023</u>	
		Net Foreign		Net Foreign
<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Exchange Gain</u>	<u>Exchange Rate</u>	<u>Exchange Gain</u>
		<u>(Loss)</u>		<u>(Loss)</u>
NTD		\$ 639,193		(\$ 167,125)

XXXV. Separately Disclosed Items

- (I) Information about significant transaction:
 - 1. Financing provided to others (Table 2)
 - 2. Endorsements/guarantees provided for others (Table 3)
 - 3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 4)
 - 4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
 - 6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
 - 9. Trading in derivative instruments (Notes 7 and 29)
 - 10. Others: Intercompany relationships and significant intercompany transactions (Table 11)
- (II) Information on investees (Table 8)
- (III) Information on investments in mainland China
 - 1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)
 - 2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 2, 3, 7, 8, 9 and 11)
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- (IV) Information on major shareholders: the name, amount and proportion of shareholders who hold more than 5 % of the shares (Table 10)

XXXVI. Segment Information

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

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

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

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

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

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

Segment revenue and results

	Stainless Steel and Aluminum	Aluminum Manufacturing	Screws and Nuts	Curtains and Decorations	Adjustments and Eliminations	Total
<u>January 1 to March 31, 2024</u>						
Revenue from external customers	\$ 17,339,712	\$ -	\$ 5,264,213	\$ 620,875	\$ -	\$ 23,224,800
Inter-segment revenue	1,971,059	5,992,180	194,696	31,281	(8,189,216)	-
Segment revenue	<u>\$ 19,310,771</u>	<u>\$ 5,992,180</u>	<u>\$ 5,458,909</u>	<u>\$ 652,156</u>	<u>(\$ 8,189,216)</u>	<u>\$ 23,224,800</u>
Segment profit (loss)	<u>\$ 503,139</u>	<u>\$ 117,415</u>	<u>\$ 771,951</u>	<u>(\$ 35,902)</u>	<u>\$ 6,140</u>	<u>\$ 1,362,743</u>
Non-operating income and expenses						951,967
Finance costs						(247,773)
Share of equity of associates accounted for using the equity method						(115,217)
Net income before tax						<u>\$ 1,951,720</u>
<u>January 1 to March 31, 2023</u>						
Revenue from external customers	\$ 22,099,921	\$ -	\$ 6,117,736	\$ 749,276	\$ -	\$ 28,966,933
Inter-segment revenue	2,249,666	5,492,373	240,367	10,409	(7,992,815)	-
Segment revenue	<u>\$ 24,349,587</u>	<u>\$ 5,492,373</u>	<u>\$ 6,358,103</u>	<u>\$ 759,685</u>	<u>(\$ 7,992,815)</u>	<u>\$ 28,966,933</u>
Segment profit (loss)	<u>\$ 2,266,680</u>	<u>\$ 147,651</u>	<u>\$ 1,125,250</u>	<u>(\$ 142,395)</u>	<u>\$ 49,680</u>	<u>\$ 3,446,866</u>
Non-operating income and expenses						163,866
Finance costs						(368,193)
Share of equity of associates accounted for using the equity method						(12,864)
Net income before tax						<u>\$ 3,229,675</u>

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
MOVEMENTS OF PROPERTY, PLANT AND EQUIPMENT
January 1 to March 31, 2024 and 2023

TABLE 1

	Land	Land Improvements	Buildings	Machinery and Equipment	Storage Equipment	Electrical Equipment	Transportation Equipment	Office Equipment	Molding Equipment	Leasehold Improvements	Leased Assets	Other Equipment	Property under construction	Total
<u>Cost</u>														
Balance at January 1, 2023	\$ 8,809,768	\$ 156,022	\$ 5,464,030	\$ 11,302,567	\$ 2,065,714	\$ 342,491	\$ 282,228	\$ 651,139	\$ 309,462	\$ 430,056	\$ 1,854	\$ 602,352	\$ 3,033,144	\$ 33,450,827
Additions	-	-	119,403	29,588	21,710	-	5,630	8,346	578	43,751	-	11,555	479,798	720,359
Disposals	(3,896)	-	-	(7,529)	(1,530)	-	(9,909)	(5,246)	(1,727)	(3,284)	-	(86)	(42,321)	(75,528)
Reclassifications	-	-	1,414,690	2,389	-	-	-	(1,214)	132	-	-	250	(18,785)	1,397,462
Effects of foreign currency exchange differences	(10,132)	(536)	(22,543)	(56,881)	(17,595)	-	(436)	(3,488)	1	(1,052)	(16)	(55)	(19,641)	(132,374)
Balance at March 31, 2023	<u>\$ 8,795,740</u>	<u>\$ 155,486</u>	<u>\$ 6,975,580</u>	<u>\$ 11,270,134</u>	<u>\$ 2,068,299</u>	<u>\$ 342,491</u>	<u>\$ 277,513</u>	<u>\$ 649,537</u>	<u>\$ 308,446</u>	<u>\$ 469,471</u>	<u>\$ 1,838</u>	<u>\$ 614,016</u>	<u>\$ 3,432,195</u>	<u>\$ 35,360,746</u>
<u>Accumulated Depreciation</u>														
Balance at January 1, 2023	\$ -	\$ 57,240	\$ 1,608,303	\$ 5,386,259	\$ 1,663,659	\$ 217,732	\$ 167,575	\$ 524,101	\$ 291,342	\$ 256,663	\$ 1,854	\$ 284,839	\$ -	\$ 10,459,567
Depreciation Expense	-	1,779	64,104	135,309	25,151	4,808	8,106	10,397	2,015	12,472	-	14,539	-	278,680
Disposals	-	-	-	(7,529)	(1,191)	-	(9,893)	(5,247)	(1,727)	(3,285)	-	(86)	-	(28,958)
Reclassifications	-	-	-	(2,116)	-	-	-	-	-	-	-	-	-	(2,116)
Effects of foreign currency exchange differences	-	(108)	(5,650)	(15,973)	(13,996)	-	(257)	(4,803)	-	(822)	(16)	(66)	-	(41,691)
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 58,911</u>	<u>\$ 1,666,757</u>	<u>\$ 5,495,950</u>	<u>\$ 1,673,623</u>	<u>\$ 222,540</u>	<u>\$ 165,531</u>	<u>\$ 524,448</u>	<u>\$ 291,630</u>	<u>\$ 265,028</u>	<u>\$ 1,838</u>	<u>\$ 299,226</u>	<u>\$ -</u>	<u>\$ 10,665,482</u>
Carrying amounts at March 31, 2023	<u>\$ 8,795,740</u>	<u>\$ 96,575</u>	<u>\$ 5,308,823</u>	<u>\$ 5,774,184</u>	<u>\$ 394,676</u>	<u>\$ 119,951</u>	<u>\$ 111,982</u>	<u>\$ 125,089</u>	<u>\$ 16,816</u>	<u>\$ 204,443</u>	<u>\$ -</u>	<u>\$ 314,790</u>	<u>\$ 3,432,195</u>	<u>\$ 24,695,264</u>
<u>Cost</u>														
Balance at January 1, 2024	\$ 8,870,637	\$ 156,277	\$ 7,186,927	\$ 11,505,688	\$ 2,140,418	\$ 342,491	\$ 286,920	\$ 686,365	\$ 347,490	\$ 533,056	\$ 1,854	\$ 610,229	\$ 8,061,769	\$ 40,730,121
Additions	21,855	-	4,109	783,474	34,659	-	5,023	10,497	-	2,047	-	374	551,010	1,413,048
Disposals	-	-	(551)	(14,017)	(54,983)	-	(2,682)	(5,790)	(5,763)	(2,293)	-	(969)	-	(87,048)
Reclassifications	41,772	-	3,925,999	2,285,941	805	-	(35)	51,244	-	5,634	-	176	(6,208,397)	103,139
Effects of foreign currency exchange differences	60,465	2,669	300,202	385,281	84,738	-	1,808	19,529	(1)	5,695	78	1,381	119,093	980,938
Balance at March 31, 2024	<u>\$ 8,994,729</u>	<u>\$ 158,946</u>	<u>\$ 11,416,686</u>	<u>\$ 14,946,367</u>	<u>\$ 2,205,637</u>	<u>\$ 342,491</u>	<u>\$ 291,034</u>	<u>\$ 761,845</u>	<u>\$ 341,726</u>	<u>\$ 544,139</u>	<u>\$ 1,932</u>	<u>\$ 611,191</u>	<u>\$ 2,523,475</u>	<u>\$ 43,140,198</u>
<u>Accumulated Depreciation</u>														
Balance at January 1, 2024	\$ -	\$ 64,409	\$ 1,856,960	\$ 5,857,686	\$ 1,760,031	\$ 236,866	\$ 182,297	\$ 557,376	\$ 296,449	\$ 286,559	\$ 1,854	\$ 328,454	\$ -	\$ 11,428,941
Depreciation Expense	-	1,839	72,536	140,149	23,877	4,744	8,358	11,362	1,461	16,162	-	14,832	-	295,320
Disposals	-	-	(551)	(11,464)	(54,858)	-	(2,536)	(5,761)	(5,763)	(2,293)	-	(771)	-	(83,997)
Reclassifications	-	-	213	23,393	-	-	-	-	-	(23)	-	23	-	23,606
Effects of foreign currency exchange differences	-	692	39,973	98,308	70,078	1	1,652	15,338	-	4,596	78	1,252	-	231,968
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 66,940</u>	<u>\$ 1,969,131</u>	<u>\$ 6,108,072</u>	<u>\$ 1,799,128</u>	<u>\$ 241,611</u>	<u>\$ 189,771</u>	<u>\$ 578,315</u>	<u>\$ 292,147</u>	<u>\$ 305,001</u>	<u>\$ 1,932</u>	<u>\$ 343,790</u>	<u>\$ -</u>	<u>\$ 11,895,838</u>
Carrying amounts at January 1, 2024	<u>\$ 8,870,637</u>	<u>\$ 91,868</u>	<u>\$ 5,329,967</u>	<u>\$ 5,648,002</u>	<u>\$ 380,387</u>	<u>\$ 105,625</u>	<u>\$ 104,623</u>	<u>\$ 128,989</u>	<u>\$ 51,041</u>	<u>\$ 246,497</u>	<u>\$ -</u>	<u>\$ 281,775</u>	<u>\$ 8,061,769</u>	<u>\$ 29,301,180</u>
Balance at March 31, 2024	<u>\$ 8,994,729</u>	<u>\$ 92,006</u>	<u>\$ 9,447,555</u>	<u>\$ 8,838,295</u>	<u>\$ 406,509</u>	<u>\$ 100,880</u>	<u>\$ 101,263</u>	<u>\$ 183,530</u>	<u>\$ 49,579</u>	<u>\$ 239,138</u>	<u>\$ -</u>	<u>\$ 267,401</u>	<u>\$ 2,523,475</u>	<u>\$ 31,244,360</u>

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
FINANCING PROVIDED TO OTHERS
January 1 to March 31, 2024

TABLE 2 (Amounts in Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	The nature for financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	The Company	Wei Mei Roller Blind Co., Ltd.	Other receivables from related parties	Y	\$ 80,000	\$ 80,000	\$ 80,000	1.80%	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 6,669,038	\$ 26,676,153
1	Brighton-Best International (Taiwan) Inc.	Ta Chen Lung Mei Home Life Co., Ltd.	Other receivables from related parties	Y	200,000	200,000	200,000	1.80%	2	-	Operating capital	-	None	-	6,669,038	26,676,153
		TCI Texarkana, Inc.	Other receivables from related parties	Y	2,875,800	2,875,800	2,875,800	5.46%-5.85%	2	-	Operating capital	-	None	-	6,669,038	26,676,153
		Brighton-Best International (NZ) , Limited	Other receivables from related parties	Y	8,921	6,996	6,996	Note 3	1	16,856	-	-	None	-	16,856	10,797,897
		Brighton-Best International (AU) , Pty Ltd.	Other receivables from related parties	Y	409,622	409,622	409,622	Note 3	1	581,208	-	-	None	-	581,208	10,797,897
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Other receivables from related parties	Y	20,950	20,950	20,950	Note 3	1	21,693	-	-	None	-	21,693	10,797,897
		Brighton-Best International (UK), Limited	Other receivables from related parties	Y	131,268	131,268	120,329	-	2	-	Operating capital	-	None	-	5,080,970	10,178,140
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Other receivables from related parties	Y	160,000	160,000	160,000	-	2	-	Operating capital	-	None	-	2,941,163	5,882,326
2	Brighton-Best International, Inc.	Brighton-Best International (Canada) , Inc.	Other receivables from related parties	Y	80,000	80,000	-	-	2	-	Operating capital	-	None	-	2,941,163	5,882,326
3	Brighton-Best International (AU), Pty Ltd.	Brighton-Best International (NZ) , Limited	Other receivables from related parties	Y	62,940	62,460	61,606	-	2	-	Operating capital	-	None	-	180,816	361,633
4	Hupao Technology Co., Ltd.	Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	45,000	-	-	1.50%	2	-	Operating capital	-	None	-	46,928	93,856
5	Shie Shin Enterprise Co., Ltd.	Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	38,000	38,000	38,000	1.50%	2	-	Operating capital	-	None	-	71,645	143,290
6	Right way industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables from related parties	Y	48,000	48,000	48,000	5.0%	1	94,645	—	-	None	-	94,645	1,071,300
7	Empire Resources, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	2,765,205	2,765,205	2,133,605	-	2	-	Operating capital	-	None	-	4,766,174	4,766,174
		Imbali Metals BVBA	Other receivables from related parties	Y	258,160	258,160	164,510	1M Term SOFR+1.6%	2	-	Operating capital	-	None	-	4,766,174	4,766,174
		Empire Resources (UK) Limited	Other receivables from related parties	Y	215,250	215,250	147,635	1M Term SOFR+1.6%	2	-	Operating capital	-	None	-	4,766,174	4,766,174
8	Primus Pipe and Tube Holding, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	14,393	-	-	-	2	-	Operating capital	-	None	-	1,698,030	1,698,030
9	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	Other receivables from related parties	Y	194,810	194,810	162,810	4.50%	2	-	Operating capital	-	None	-	2,475,410	2,475,410
10	8911 Kelso Drive	Empire Resources, Inc.	Other receivables from related parties	Y	80,655	80,655	80,655	-	2	-	Operating capital	-	None	-	93,584	93,584

Note 1:

	Financing Limit for Each Borrower	Aggregate Financing Limit
The Company	Net worth × 10%	Net worth × 40%
Brighton-Best International (Taiwan) Inc.	For business transaction: Recently business transaction amount	For business transaction: Recently business transaction amount plus 40% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International, Inc.	For short-term financing: 20% of net worth in recently audited financial statements or reviewed financial statements	For short-term financing: 40% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International (AU), Pty Ltd.	20% of net worth in recently audited financial statements or reviewed financial statements	40% of net worth in recently audited financial statements or reviewed financial statements
Hupao Technology CO., LTD.	20% of net worth in recently audited financial statements or reviewed financial statements	40% of net worth in recently audited financial statements or reviewed financial statements
Shie Shin Enterprise Co., Ltd.	20% of net worth in recently audited financial statements or reviewed financial statements.	40% of net worth in recently audited financial statements or reviewed financial statements.
Empire Resources, Inc.	Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth	Net worth × 100%
Primus Pipe and Tube Holding, Inc.	Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth	Net worth × 100%
Ta Chen (Hong Kong) Limited	Not exceed 100% of net worth for 1,000% held subsidiary, for others not exceed 40% of net worth	Net worth × 1,000%
8911 Kelso Drive	Not exceed 100% of net worth for 100% held subsidiary, for others not exceed 40% of net worth	Net worth × 100%
Right Way Industrial Co., Ltd.	For business transaction: To the extent that it doesn't exceed the amount of business transactions between the two parties, which the amount of business transactions refer to the higher of the amount of goods purchased or sold between the parties For short-term financing: 15% of net worth in recently audited financial statements or reviewed financial statements	For business transaction: 40% of net worth in recently audited financial statements reviewed financial statements For short-term financing: 40% of net worth in recently audited financial statements or reviewed financial statements

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

Note 2: Nature of Financing
1. Business transaction
2. The need for short-term financing

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
ENDORSEMENTS/GUARANTEES PROVIDED
January 1 to March 31, 2024

TABLE 3

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/Guarantee d During the Period	Outstanding Endorsement/Guaran tee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guarantee d by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsements/Guarantee s Limit (Note)	Endorsement/Guar antee Given by Parent on Behalf of Subsidiaries	Endorsement/Guar antee Given by Subsidiaries on Behalf of Parent	Endorsement/Guar antee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Ta Chen (B.V.I.) Holdings Ltd.	Subsidiary	\$ 133,380,704	\$ 100,188	\$ 100,188	\$ -	\$ -	-		Y	N	N
		Empire Resources, Inc.	Sub-subsidiary	133,380,704	181,170	181,170	181,170	-	-		Y	N	N
		Ta Chen (Boye) Co., Ltd.	Sub-subsidiary	133,380,704	157,608	157,608	157,608	-	-		Y	N	Y
		TMCT Products, Inc.	Sub-subsidiary	133,380,704	174,132	174,132	174,132	-	-		Y	N	N
		Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiary	133,380,704	2,050,000	1,950,000	1,950,000	-	3		Y	N	N
		TCI Texarkana, Inc.	Sub-subsidiary	133,380,704	913,500	913,500	-	-	1		Y	N	N
		Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Sub-subsidiary	133,380,704	95,000	95,000	95,000	-	-	\$ 11,380,764	Y	N	N
1	Brighton-Best International (Taiwan) Inc.	Brighton-Best International (AU), Pty Ltd.	Subsidiary (100% ownership)	20,356,279	170,489	169,189	-	-	1		N	N	N
		Brighton-Best International (NZ) , Limited	Subsidiary (100% ownership)	20,356,279	89,921	88,213	-	-	-	25,445,349	N	N	N
2	Ta Chen Empire Co., Ltd.	Hupao Technology Co., Ltd.	Subsidiary (80% ownership)	4,512,978	148,000	148,000	148,000	-	2		N	N	N
		Noei Geeng Enterprise Co., Ltd.	Subsidiary (80% ownership)	4,512,978	190,000	190,000	190,000	-	3	5,641,223	N	N	N
3	Ta Chen International, Inc.	Empire Resources Pacific, Ltd.	Sub-subsidiary	107,832,128	29,230,500	29,230,500	29,230,500	-	57		N	N	N
		TCI Investment Group, Inc.	Subsidiary	107,832,128	29,230,500	29,230,500	29,230,500	-	57		N	N	N
		Empire Resources, Inc.	Subsidiary	107,832,128	29,230,500	29,230,500	29,230,500	-	57		N	N	N
		TCI Texarkana, Inc.	Subsidiary	107,832,128	39,222,060	39,222,060	39,222,060	-	76		N	N	N
		Primus Pipe and Tube Holding, Inc.	Subsidiary	107,832,128	29,230,500	29,230,500	29,230,500	-	57		N	N	N
4	Empire Resources, Inc.	Primus Pipe and Tube Inc.	Sub-subsidiary	107,832,128	29,230,500	29,230,500	29,230,500	-	57	107,832,128	N	N	N
		Ta Chen International, Inc.	Parent Company	95,323,480	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		Empire Resources Pacific, Ltd.	Subsidiary	95,323,480	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	95,323,480	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	95,323,480	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	95,323,480	29,230,500	29,230,500	29,230,500	-	637		N	N	N
5	TCI Investment Group, Inc.	Primus Pipe and Tube, Inc.	Fellow subsidiaries	95,323,480	29,230,500	29,230,500	29,230,500	-	637	95,323,480	N	N	N
		Ta Chen International, Inc.	Parent Company	65,072,000	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	65,072,000	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	65,072,000	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	65,072,000	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	65,072,000	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
6	Empire Resources Pacific, Ltd.	Primus Pipe and Tube, Inc.	Fellow subsidiaries	65,072,000	29,230,500	29,230,500	29,230,500	-	16,070	65,072,000	N	N	N
		Ta Chen International, Inc.	Parent Company	64,750,000	29,230,500	29,230,500	29,230,500	-	9,429,194		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	64,750,000	29,230,500	29,230,500	29,230,500	-	9,429,194		N	N	N
		Empire Resources, Inc.	Parent Company	64,750,000	29,230,500	29,230,500	29,230,500	-	9,429,194		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	64,750,000	29,230,500	29,230,500	29,230,500	-	9,429,194		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	64,750,000	29,230,500	29,230,500	29,230,500	-	9,429,194		N	N	N
7	Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube, Inc.	Fellow subsidiaries	64,750,000	29,230,500	29,230,500	29,230,500	-	9,429,194	64,750,000	N	N	N
		Ta Chen International, Inc.	Parent Company	59,431,050	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	59,431,050	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	59,431,050	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	59,431,050	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	59,431,050	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		Primus Pipe and Tube, Inc.	Subsidiary	59,431,050	29,230,500	29,230,500	29,230,500	-	1,790	59,431,050	N	N	N

(To be Continued)

(Brought Forward)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsements/Guarantees Limit (Note)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
8	Primus Pipe and Tube Inc.	Ta Chen International, Inc.	Parent Company	\$ 80,457,960	\$ 29,230,500	\$ 29,230,500	\$ 29,230,500	\$ -	2,102	\$ 80,457,960	N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	80,457,960	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	80,457,960	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	80,457,960	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	80,457,960	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		Primus Pipe and Tube Holding, Inc.	Parent Company	80,457,960	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
9	TCI Texarkana, Inc.	Empire Resources Pacific Ltd.	Fellow subsidiaries	50,993,715	29,230,500	29,230,500	29,230,500	-	306	50,993,715	N	N	N
		Primus Pipe and Tube Holdings, Inc.	Fellow subsidiaries	50,993,715	29,230,500	29,230,500	29,230,500	-	306		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	50,993,715	29,230,500	29,230,500	29,230,500	-	306		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	50,993,715	29,230,500	29,230,500	29,230,500	-	306		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	50,993,715	29,230,500	29,230,500	29,230,500	-	306		N	N	N
		Ta Chen International, Inc.	Parent Company	50,993,715	29,230,500	29,230,500	29,230,500	-	306		N	N	N

Note :

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
MARKETABLE SECURITIES HELD
March 31, 2024

TABLE 4

(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending Balance				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Yuanta New ASEAN Balanced Fund TWD	None	Financial assets at fair value through profit or loss - current	600,000.00	\$ 5,058	-	\$ 5,058	
	Capital ASEAN Fund TWD	None	Same as above	61,156.30	732	-	732	
	Union Multi-Asset High Income Fund A TWD	None	Same as above	200,000.00	1,768	-	1,768	
	Amundi TW - US Dollar Core Fixed Income Fund- A2 TWD (C)	None	Same as above	100,000.00	1,019	-	1,019	
	Shin Kong Hang Seng TECH Index Fund (TWD)	None	Same as above	100,000.00	400	-	400	
	UBS (TW) Bond Fund - Fixed Income Fund of Funds (TWD) A	None	Same as above	200,000.00	1,695	-	1,695	
	PGIM USD High Yield Bond Fund-TWD(A)	None	Same as above	200,000.00	2,052	-	2,052	
	PineBridge ESG Quantitative Income & Growth Fund A USD	None	Same as above	27,863.17	9,292	-	9,292	
	KGI ESG Sustainable Emerging Market Bond Fund - TWD A	None	Same as above	500,000.00	4,352	-	4,352	
	KGI ESG Sustainable Emerging Market Bond Fund - USD A	None	Same as above	15,000.00	4,253	-	4,253	
	HSBC ESG Sustainable Multi-Asset Fund of Funds ACHTWD	None	Same as above	150,000.00	1,442	-	1,442	
	BlackRock Global Funds - Global Allocation Fund A2	None	Same as above	1,947.29	4,781	-	4,781	
	Jih Sun Vietnam Opportunity Fund A (TWD)	None	Same as above	500,000.00	4,760	-	4,760	
	Allianz Global Investors Income and Growth Fund-A TWD	None	Same as above	236,779.80	3,107	-	3,107	
	SinoPac ESG Global Digital Infrastructure Fund-TWD Acc. N	None	Same as above	500,000.00	4,625	-	4,625	
	TSMC LTD.	None	Same as above	-	6,386	-	6,386	
	FSITC US Top 100 Bond Fund Acc TWD	None	Same as above	1,066,211.80	10,281	-	10,281	
	Cathay 3-Year Maturity Global Market Investment Grade Bond Fund A TWD	None	Same as above	50,000.00	525	-	525	
	Franklin Templeton SinoAm Global Infrastructure Fund - TWD Acc	None	Same as above	150,000.00	1,550	-	1,550	
	Morningstar Global High-Yield Bond GR USD - USD Acc	None	Same as above	10,000.00	3,197	-	3,197	
	Mega Income and Growth Multi-Asset Fund-Acc (TWD)	None	Same as above	700,000.00	7,000	-	7,000	
					<u>\$ 78,275</u>		<u>\$ 78,275</u>	
	Unlisted shares - ROC							
	IBT VII Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	435,296	\$ 4,353	2.5	\$ 4,353	
	Sunny Bank Ltd.	None	Same as above	1,698,872	12,000	0.05	12,000	
	Greencasa Co., Ltd.	None	Same as above	553,824	10,799	18	10,799	
					<u>\$ 27,152</u>		<u>\$ 27,152</u>	
Los Osos Holdings, Inc.	Foreign listed shares							
	PT Alumindo Light Metal Industry Tbk	None	Financial assets at fair value through other comprehensive income - current	32,806,000	\$ 4,829	5.33	\$ 4,829	
	Ascent Industries Co Com	None	Same as above	226,472	73,848	2.21	73,848	
					<u>\$ 78,677</u>		<u>\$ 78,677</u>	
Brighton-Best International (Taiwan) Inc.	Listed shares - ROC and Emerging market shares							
	Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	39,857,365	\$ 375,457	9.58%	\$ 375,457	
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through profit or loss - current	5,113,089	186,628	0.21%	186,628	
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income - non-current	162,090,795	5,916,314	6.66%	5,916,314	
Ta Chen Empire Co., Ltd. (TCE)	Listed shares - ROC							
	Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent company	Financial assets at fair value through profit or loss - current	6,226,556	227,269	0.26%	227,269	
	Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	116,921,815	4,267,646	4.80%	4,267,646	
Right Way Industrial Co., Ltd.	Listed shares - ROC and Emerging market shares							
	Brighton-Best International (Taiwan) Inc.	Parent Company	Financial assets at fair value through other comprehensive income - non-current	12,735,000	440,651	1.23%	440,651	
	Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	30,840,493	290,517	7.41%	290,517	
	Unlisted shares - ROC							
	Phoenix Motor Corporation	None	Financial assets at fair value through profit or loss - current	600,000	-	-	-	The amount is already recognized as impairment losses.

Note 1: The marketable securities in Table 3 refer to equity securities, debt securities, mutual funds and securities derived from the list above, that within the IFRS 9 “Financial Instruments”.

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital
January 1 to March 31, 2024

TABLE 5 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty/Acquisition Item	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Brighton-Best International, Inc.	Warehouse construction project	2023.05.16 (Board of Directors' resolution date)	\$ 536,000 (US\$ 16,750 thousand)	Had paid a performance of 477,022 thousand in accordance with the contract.	Premier Development Partners, LLC	Non-related party	N/A	N/A	N/A	\$ -	N/A	For operation	None
TCI Texarkana, Inc.	Building	2023.5.26	2,537,760 (US\$ 79,305 thousand)	394,912 (US\$ 12,341 thousand) paid	H&M Construction Co., Inc.	Non-related party	N/A	N/A	N/A	-	N/A	For operation	None
	Building	2023.9.25	4,216,608 (US\$ 131,769 thousand)	200,032 (US\$ 6,251 thousand) paid	H&M Construction Co., Inc.	Non-related party	N/A	N/A	N/A	-	N/A	For operation	None

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
January 1 to March 31, 2024

TABLE 6

(Amounts in Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Percentage of total purchase (sale) (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of total accounts receivable (payable) (%)	
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	(Sale)	(\$ 1,928,779)	(86)	Within 120-180 days	The price is decided taking both local market price in the US and the operation costs of TCI into consideration. There is no third-party that could be compared	For third-party, 90 days for domestic sales and 30-90 days for export sales.	\$ 5,762,353	97	-
Ta Chen International, Inc.	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	Purchase	5,422,406	46	Within 30 days	General market price	Same	(1,846,139)	(26)	-
Empire Resources, Inc.	TCI Texarkana, Inc.	Fellow subsidiaries	Purchase	569,773	89	Within 30 days	General market price	Same	(156,118)	(97)	-
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	(Sale)	(1,427,746)	(84)	Within 180 days	No third-party could be compared	No third-party could be compared	1,873,491	78	-
	Brighton-Best International (AU), Pty Ltd.	Subsidiaries (100% ownership)	(Sale)	(150,208)	(9)	Within 180 days	No third-party could be compared	No third-party could be compared	350,880	15	-
	Fang Sheng Screw Co., Ltd.	Related party in substance	Purchase	147,392	9	Approximately 45-90 days	No third-party could be compared	Note	(89,893)	(14)	-
	Tong Win International Co., Ltd.	Related party in substance	Purchase	140,146	9	T/T 5 days after acceptance	No third-party could be compared	Note	(10,134)	(2)	-
Brighton-Best International, Inc.	Jinn Her Enterprise Co., Ltd.	Corporate directors of parent entity	Purchase	252,946	12	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	(105,708)	(5)	-
Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Fellow Subsidiaries	(Sale)	(193,815)	(100)	Within 180 days	No third-party could be compared	No third-party could be compared	386,124	100	-

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
March 31, 2024

TABLE 7 (Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	\$ 5,762,353	0.33	\$ -	-	\$ 848,588	\$ -
	TCI Texarkana, Inc.	Sub-subsidiaries (100% ownership)	2,875,800	Note 2	-	-	-	-
	Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiaries (99.96% ownership)	200,000	Note 2	-	-	-	-
Ta Chen (B.V.I.) Holdings Ltd.	Ta Chen (Shijiazhuang) Co., Ltd.	Subsidiaries (93.14% ownership)	257,578	Note 3	-	-	-	-
TCI Texarkana, Inc.	Ta Chen International, Inc.	Parent Company	1,846,139	3.34	-	-	1,827,995	-
Empire Resources, Inc.	Empire Resources, Inc.	Fellow subsidiaries	156,118	3.05	-	-	142,828	-
	Ta Chen International, Inc.	Parent Company	2,133,605	Note 2	-	-	-	-
Ta Chen (Hong Kong) Limited	Imbali Metals BVBA	Subsidiaries (100% ownership)	164,510	Note 2	-	-	-	-
	Empire Resources(UK) Limited	Subsidiaries (100% ownership)	147,635	Note 2	-	-	-	-
	Ta Chen (Boye) Co., Ltd.	Fellow subsidiaries	162,810	Note 2	-	-	-	-
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	1,873,491	2.53	-	-	936,520	-
	Brighton-Best International (AU), Pty Inc.	Subsidiaries (100% ownership)	350,880	1.77	-	-	-	-
	Brighton-Best International (AU), Pty Inc.	Subsidiaries (100% ownership)	459,379	Note 2	-	-	99,669	-
	Brighton-Best International (UK), Limited	Subsidiaries (100% ownership)	104,721	1.25	-	-	21,052	-
	Brighton-Best International (UK), Limited	Subsidiaries (100% ownership)	120,329	Note 2	-	-	-	-
Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	160,022	Note 2	-	-	-	-
Ta Chen Empire Co., Ltd. (TCE)	Ta Chen International, Inc.	Fellow Subsidiaries	386,124	2.10	-	-	39,494	-

Note 1: The ending balance of receivables includes both trade receivables-related parties and other receivables-related parties.

Note 2: The ending balance primarily consists of other receivables for financing purpose, which is not applicable for the calculation of turnover rate.

Note 3: The ending balance primarily consists of dividends receivable, which is not applicable for the calculation of turnover rate.

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
INFORMATION ON INVESTEEES
January 1 to March 31, 2024

TABLE 8

(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		For the End of the Period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				End of the Period	End of Last Year	Number of Shares	%	Carrying Amount			
The Company	Ta Chen International, Inc.	USA	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	\$ 23,327,317	\$ 23,327,317	734,836	100	\$ 53,237,440	\$ 340,552	\$ 305,457	Note 2
	Ta Chen (B.V.I.) Holdings Ltd.	British Virgin Islands	Investment	990,817	990,817	32,625,300	100.00	2,029,937	675	496	Note 3
	Brighton-Best International (Taiwan) Inc.	Taiwan	Import, export and sale of screws and nuts	8,500,081	8,500,081	440,610,040	42.81	6,185,375	579,801	261,428	Note 6
	WEI MEI ROLLER BLIND CO., LTD.	Taiwan	Manufacture and sale of curtains and cloth products	70,000	70,000	7,000,000	70.00	82,764	3,533	2473	
	Ta Chen Lung Mei Home Life Co., Ltd.	Taiwan	Manufacture and sale of curtains and cloth products	1,406,468	1,406,468	29,987,363	99.96	85,056	(51,254)	(51,531)	
	Ta Chen (Hong Kong) Limited	Hong Kong	Trade	279,720	279,720	10,000,000	100.00	247,541	1,932	1,930	
	TY Steel Co., Ltd.	Thailand	Manufacture of steel billets and steel bars	889,216	889,216	105,583,200	38.75	297,987	(317,222)	(122,934)	
	Ta Chen GREEN SYSTEM CO., LTD.	Taiwan	Interior design and renovation	60,000	60,000	6,000,000	50.00	58,627	(29)	(870)	
Ta Chen International, Inc.	Right Way Industrial Co., Ltd.	Taiwan	Manufacture and sales of automobile and motorcycle parts	17,843	17,843	779,000	0.26	6,948	12,994	34	
	City Mocean Co.,Ltd.	Taiwan	asset management industry	4,900	4,900	490,000	49	2,352	(1,769)	(943)	
	TCI Investment Group, Inc.	USA	Import, export and sale of screws and nuts	94,950	94,950	3,000	100	185,920	(3578)	-	
	Empire Resources, Inc.	USA	Investment	1,714,340	1,714,340	8,250,455	100	4,766,174	26,702		
	Primus Pipe and Tube Holding, Inc.	USA	Investment	877,540	877,540	29,000	100	1,698,030	(8,386)		
	TCI Texarkana, Inc.	USA	Manufacture and sale of aluminum products	12,331,500	12,331,500	80,000	100	10,198,743	115,143		
	Primus Pipe and Tube Holding, Inc.	USA	Manufacture and sale of stainless steel	873,575	873,575	1,000	100	1,462,872	(2,715)		
	Empire Resources, Inc.	USA	Import, export and sale of stainless steel and aluminum products	-	-	100	100	259	(48)		Note 5
Brighton-Best International (Taiwan) Inc.	Imbali Metals BVBA	Belgium	Import, export and sale of stainless steel and aluminum products	624	624	1,000	100	202,772	(13,831)		Note 5
	Empire Resources UK Ltd.	United Kingdom	Import, export and sale of stainless steel and aluminum products	208,224	208,224	5,400,000	100	399,803	5,593		Note 5
	8911 Kelso Drive	USA	Import, export and sale of stainless steel and aluminum products	-	-	-	100	-	(63)		Note 5
	Brighton-Best International, Inc.	USA	Import, export and sale of screws and nuts	5,801,521	5,801,521	186,480	100	13,422,428	395,327		Note 2
	Brighton-Best International (AU), Pty Ltd.	Australia	Import and sale of screws and nuts	1,498,544	1,498,544	54,000,000	100	899,470	(909)		Note 2
	Brighton-Best International (Canada) , Inc.	Canada	Import and sale of screws and nuts	381,149	381,149	12,003,893	100	1,150,620	23,187		Note 2
	Brighton-Best International (UK), Limited	United Kingdom	Import and sale of screws and nuts	453,097	453,097	9,200,000	100	488,671	600		Note 2
	Brighton-Best International (NZ) , Limited	New Zealand	Import and sale of screws and nuts	19,328	19,328	1,000	100	12,888	(187)		Note 2
Brighton-Best International, Inc.	Ta Chen Empire Co., Ltd. (TCE)	Taiwan	Import, export and sale of aluminum products	5,300,000	5,300,000	530,000,000	100	5,641,223	5,961		
	Brighton-Best International (HK), Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 7
	Brighton-Best International, Inc. (Cayman)	Cayman Islands	Investment	-	-	-	-	-	-		Note 4
	Right Way Industrial Co., Ltd.	Taiwan	Manufacture and sales of automobile and motorcycle parts	615,673	615,673	53,540,000	17.82	728,640	12,994		
	Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Brazil	Import and sale of screws and nuts	6,486	6,486	4,000,000	100	(38,952)	(5,044)		
	Noei Geeng Enterprise Co., Ltd.	Taiwan	Manufacturing of screws and nuts	77,785	77,785	7,778,598	80	79,034	(1,253)		
	Hupao Technology CO., LTD.	Taiwan	Energy Technical Services	191,092	191,092	19,109,228	80	187,083	(785)		
	Shie Shin Enterprise Co., Ltd.	Taiwan	Manufacturing of screws and nuts	285,171	285,171	28,517,132	80	286,598	22		
Brighton-Best (Hong Kong) Limited	Brighton-Best (Hong Kong) Holding Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 9
	Right Way Industrial Co., Ltd.	Malaysia	Manufacture of automobile and motorcycle pistons	205,271	205,271	28,665,667	79.63	268,143	718		Note 8
	Excellent Growth Investments Limited	British Virgin Islands	Investment	(MYR 30,276) 626,415	(MYR 30,276) 626,415	20,073,457	100	94	-		
Right Way Industrial Co., Ltd.	Right Way North America Inc.	USA	Trading of Automobile Engine Parts	1,575	1,575	-	100	5,228	(1)		

(To be Continued)

(Brought Forward)

Name of Investment Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		For the End of the Period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				End of the Period	End of Last Year	Number of Shares	%	Carrying Amount			
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Malaysia	Connecting rod manufacturing	\$ 49,053	\$ 49,053	8,950,000	89.5	\$ 1,428	\$ -		Note 8
Ta Chen (B.V.I.) Holdings Ltd.	TMCT Products, Inc.	USA	Investment	(MYR 7,235)	(MYR 7,235)	5,500	100	159,660	4024		
	Los Osos Holdings, Inc.	USA	Investment	110,237	110,237	-	100	79,941	(192)		
	Clarke St. Property Holdings, LLC	USA	Investment	14,240	14,240	-	100	15,471	-		
TMCT Products, Inc.	Amerinox Texarkana, LLC	USA	Aluminum processing industry	28	28	-	49	46,394	19,452		
Los Osos Holdings, Inc.	Procurmore Trading, Inc.	USA	Trade	557	557	-	100	557	-		
WEI MEI ROLLER BLIND CO., LTD.	WEI MEI HSIN SHU INTERIOR DECORATION CO., LTD.	Taiwan	Manufacture and sale of curtains and decorations	166,282	166,282	6,900,000	100	178,684	4,876		

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

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

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

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

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

Note 6: The difference between the share of profit (loss) and net income (loss) of the investee was the effect of unrealized gross profit from side stream transactions among subsidiaries.

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

Note 8: The foreign currency amount listed by Right Way Industrial Co., Ltd. is converted according to the average exchange rate of the Bank of Taiwan at the end of March 2024 (MYR: NTD = 1: 6.78).

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES
January 1 to March 31, 2024

TABLE 9 (Amounts in Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period (Note 2)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 and 7)	Carrying Amount at the End of the Period	Accumulated Repatriation of Investment Income as of the End of the Period	Note
					Outward	Inward							
Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	\$ 163,200	(2) Ta Chen (B.V.I.) Holdings Ltd.	\$ 134,506	\$ -	\$ -	\$ 134,506	(\$ 10,106)	93.14	(\$ 9,412)	\$ 393,972	\$ -	
Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	381,920	(2) Ta Chen (B.V.I.) Holdings Ltd.(Note 5)	318,144	-	-	318,144	(3,809)	100	(3,809)	421,241	-	
Yinrong (Shanghai) Investment Management Limited	Investment	2,472	(3) The Company's direct investment	2,472	-	-	2,472	9	100	9	6,397	-	
Cheng-Rong (Shanghai) International Trading Ltd. (Note 6)	Investment	-	(2) Brighton-Best International, Inc. (Cayman)	-	-	-	-	-	-	(3) -	-	-	

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China at the End of the Period (Note 2)	Investment Amount Authorized by Investment Commission, MOEA(Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Ta Chen Right Way	\$ 455,122 543,840 (USD 16,995)	\$ 1,019,278 543,840 (USD 16,995)	\$ 40,014,229 (Note 3) 1,606,949 (Note 8)

Note 1: In the column of investment gains or losses recognized during the period:
1. If in preparation, no investment gains or losses yet, it should be noted.
2. Methods of basis of investment gains or losses recognition, it should be noted:
(1) The financial statement is audited and attested by certified public accounting firm with all cooperative relations with the Republic of China Accounting Firm.
(2) The financial statement is audited by CPAs of Taiwan's parent company.
(3) Others: The financial statement isn't audited by CPAs.

Note 2: The amounts were calculated based on the foreign exchange rate as of March 2024. (USD: NTD = 1: 32, RMB: NTD = 1: 4.4274)

Note 3: The limit on investment in mainland China pursuant to "Principle of investment or Technical Cooperation in mainland China" is calculated as shown below:
NTS\$66,690,382 thousand x 60% = NTS\$40,014,229 thousand

Note 4: Methods of investment are classified as below:
(1) Direct investment.
(2) Investments through a holding company registered in a third region.
(3) Others

Note 5: Inclusive of NTS\$61,424 thousand (US\$1,993 thousand) capital increase out of retained earnings.

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

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

Note 8: Right Way's net worth of equity x 60% = NTS\$2,678,249 thousand x 60% = NTS\$1,606,949 thousand.

Ta Chen Stainless Pipe Co., Ltd.
INFORMATION OF MAJOR SHAREHOLDERS
March 31, 2024

TABLE 10

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

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

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
January 1 to March 31, 2024

TABLE 11

(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	As a percentage of total consolidated operating revenue or total assets (%)
0	The Company	Ta Chen International, Inc.	(1)	Revenue from sale of goods	\$ 1,928,779	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 4-6 months.	8
1	Ta Chen International, Inc.	Ta Chen International, Inc.	(1)	Accounts receivables	5,762,353	-	4
		TCI Texarkana, Inc.	(1)	Other receivables	2,875,800	-	2
		Ta Chen Lung Mei Home Life Co., Ltd.	(1)	Other Receivables	200,000	-	-
		Ta Chen (Hong Kong) Limited	(1)	Other receivables	162,810	-	-
		Ta Chen Empire Co., Ltd.	(3)	Cost of goods sold	193,815	General market price, payment term is 4-6 months	1
		Ta Chen Empire Co., Ltd.	(3)	Accounts Payable	386,172	-	-
		TCI Texarkana, Inc.	(3)	Other receivables	5,440,000	-	4
		TCI Texarkana, Inc.	(3)	Cost of goods sold	5,422,406	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 1 month.	23
2	Empire Resources, Inc.	TCI Texarkana, Inc.	(3)	Accounts Payable	1,846,139	-	1
		Empire Resources, Inc.	(3)	Other payable	2,133,605	-	2
		Imbali Metals BVBA	(3)	Other receivables	164,510	-	-
		TCI Texarkana, Inc.	(3)	Cost of goods sold	569,773	No comparable transactions available	2
		TCI Texarkana, Inc.	(3)	Accounts payable	156,118	-	-
		Empire Resources (UK) Limited	(3)	Other receivables	147,635	-	-
3	Ta Chen (B.V.I.) Holdings Ltd.	Ta Chen (Shijiazhuang) Co., Ltd.	(3)	Other receivables	257,578	-	-
4	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	(3)	Other receivables	162,810	-	-
5	Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	(1)	Revenue from sale of goods	1,427,746	No comparable transactions available	6
		Brighton-Best International, Inc.	(1)	Accounts receivables	1,873,491	-	1
		Brighton-Best International (UK), Limited	(1)	Revenue from sale of goods	36,422	No comparable transactions available	-
		Brighton-Best International (UK), Limited	(1)	Accounts receivables	104,721	-	-
		Brighton-Best International (UK), Limited	(1)	Other receivables	120,329	-	-
		Brighton-Best International (AU), Pty Ltd.	(1)	Revenue from sale of goods	150,208	No comparable transactions available	1
		Brighton-Best International (AU), Pty Ltd.	(1)	Accounts receivables	350,880	-	-
		Brighton-Best International (AU), Pty Ltd.	(1)	Other receivables	459,379	-	-
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	(3)	Other receivables	160,000	-	-

Note: The relationships with counterparties are as follows:

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