Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Ta Chen Stainless Pipe Co., Ltd.

By

LI-YUN SHIEH
Chairman
March 12, 2024

Deloitte.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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 December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph),the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

Authenticity of Revenue Recognition from Specific Customers, Sale Models and Products

Sales revenue of the Group comes primarily from the sale of goods to specific customers, sale models and the sale of specific products. Since revenue from the specific customers and sale of products is material to the consolidated financial statements, considering that there is a presumed significant risk in revenue recognition, the authenticity of revenue recognition from specific sales model customers and sale of products has a significant impact on the consolidated financial statements. Therefore, the authenticity of revenue recognition from specific customers and sale of products was identified as a key audit matter for the year ended December 31, 2023. For the relevant accounting policies of revenue recognition, refer to Note 4(q).

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

1. We obtained an understanding of and tested the effectiveness of the design of the relevant internal controls and implementation related to revenue recognition from specific customers, sale models and products.

2. We selected samples and checked the documents and payment status related to the sales revenue of the specific customers, sale models and products to verify the occurrence of the sales.

Emphasis of Matter

Refer to Note 29 to the consolidated financial statements, the Group acquired shares of Wei Mei Hsin Shu Design Co., Ltd. in May 2022. As a result of the fact that the valuation report had completed in May 2023, we reviewed and retrospective restated the consolidated financial statements for the year ended December 31, 2022 in according to the regulations. Our opinion result is not modified in respect of this matter.

Other Matter

We have also audited the parent company only financial statements of Ta Chen Stainless Pipe Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with other matter paragraph.

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. Our opinion, insofar as it relates to the amounts included for Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiary, is based solely on the reports of other auditors. As of December 31, 2023 and 2022, the total assets of the above subsidiaries were NT$469,929 thousand and NT$469,744 thousand, accounting for 0.35% and 0.32%, respectively, of consolidated total assets; for the years ended December 31, 2023 and 2022, the total revenue was NT$209,239 thousand and NT$73,710 thousand, accounting for 0.21% and 0.06%, respectively, of consolidated total revenue. We did not audit the financial statements of TY Steel Co., Ltd. included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for TY Steel Co., Ltd., is based solely on the reports of other auditors. As of December 31, 2023 and 2022, the total amount of the above investments accounted for using the equity method was NT$481,846 thousand and NT$615,011 thousand, accounting for 0.36% and 0.42%, respectively, of consolidated total assets; for the years ended December 31, 2023 and 2022, the total comprehensive income of the above investments accounted for using the equity method was NT$(136,447) thousand and NT$(221,287) thousand, accounting for (2.33%) and (1.01%), respectively, of consolidated total comprehensive income.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2024

<u>*Notice to Readers*</u>

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

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022 (Audited after Restatement)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 9,424,771	7	$ 11,234,287	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	363,663	-	122,249	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	79,030	-	79,240	-
Financial assets at amortized cost - current (Notes 4, 9 and 34)	4,237,146	3	2,594,949	2
Financial assets for hedging - current (Notes 4 and 32)	-	-	44,885	-
Notes receivable (Note 10)	58,572	-	40,019	-
Accounts receivable, net (Notes 4, 10, 25 and 34)	7,466,965	6	8,065,531	6
Other receivables (Note 33)	343,010	-	725,291	1
Current tax assets (Notes 4 and 27)	1,133,906	1	1,742,653	1
Inventories (Notes 4, 11 and 34)	56,615,858	42	72,103,060	49
Prepayments (Notes 19 and 33)	2,612,686	2	2,118,277	1
Non-current assets held for sale (Notes 4 and 12)	-	-	92,619	-
Other current assets	67,094	-	83,112	-
Total current assets	82,402,701	61	99,046,172	68
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	411,934	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 14)	786,447	1	741,799	-
Financial assets at amortized cost - non-current (Notes 4, 9, 33 and 34)	1,501,490	1	1,394,676	1
Derivative financial assets for hedging - non-current (Notes 4 and 32)	697,866	1	1,595,174	1
Investments accounted for using the equity method (Notes 4, 5 and 14)	526,927	-	650,254	-
Property, plant and equipment (Notes 4, 15 and 34)	29,301,180	22	22,992,358	16
Right-of-use assets (Notes 4 and 17)	7,930,832	6	7,300,665	5
Investment properties (Notes 4 and 16)	1,185,148	1	1,067,168	1
Goodwill (Notes 4 and 18)	4,186,666	3	4,187,281	3
Other intangible assets (Notes 4 and 18)	1,586,433	1	1,895,600	1
Deferred tax assets (Notes 4 and 27)	1,806,530	1	2,684,213	2
Prepayments for equipment and properties (Note 19)	2,368,615	2	2,719,084	2
Net defined benefit assets - non-current (Notes 4 and 23)	133,774	-	109,717	-
Other non-current assets	288,769	-	61,925	-
Total non-current assets	52,712,611	39	47,399,914	32
TOTAL	$ 135,115,312	100	$ 146,446,086	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 34)	$ 17,955,293	13	$ 13,650,609	9
Short-term bills payable (Notes 20 and 34)	569,906	1	889,310	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	175,429	-	182,453	-
Contract liabilities - current (Note 25)	145,627	-	173,958	-
Notes payable (Note 21)	108,038	-	83,868	-
Accounts payable (Note 21)	1,666,922	1	2,572,718	2
Accounts payable to related parties (Note 33)	310,795	-	424,050	-
Other payables (Note 22)	3,153,930	2	3,899,554	3
Current tax liabilities (Notes 4 and 27)	918,108	1	1,595,242	1
Lease liabilities - current (Notes 4 and 17)	1,131,386	1	985,981	1
Current portion of long-term borrowings (Notes 20 and 34)	1,274,888	1	9,066,292	6
Other current liabilities	584,075	1	896,656	1
Total current liabilities	27,994,397	21	34,420,691	24
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	200	-
Long-term borrowings (Notes 20 and 34)	22,870,654	17	28,987,572	20
Deferred tax liabilities (Notes 4 and 27)	1,885,655	1	1,821,441	1
Lease liabilities - non -current (Notes 4 and 17)	7,729,011	6	7,123,761	5
Long-term payables	45,182	-	51,153	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	2,281	-	18,737	-
Other non-current liabilities	108,823	-	125,336	-
Total non-current liabilities	32,641,606	24	38,128,200	26
Total liabilities	60,636,003	45	72,548,891	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Ordinary shares	24,342,606	18	20,285,505	14
Capital surplus	23,001,551	17	22,783,377	15
Retained earnings				
Legal reserve	4,217,219	3	3,025,798	2
Special reserve	64,308	-	3,883,805	3
Unappropriated earnings	14,079,877	11	15,024,018	10
Total retained earnings	18,361,404	14	21,933,621	15
Other equity	1,740,595	1	2,733,151	2
Treasury shares	(4,386,159)	(3)	(4,473,674)	(3)
Total equity attributable to owners of the Company	63,059,997	47	63,261,980	43
NON-CONTROLLING INTERESTS (Note 24)	11,419,312	8	10,635,215	7
Total equity	74,479,309	55	73,897,195	50
TOTAL	$ 135,115,312	100	$ 146,446,086	100

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 25)	$ 101,256,601	100	$ 114,148,570	100
OPERATING COSTS (Notes 11, 26 and 33)	81,799,804	81	83,110,993	73
GROSS PROFIT	19,456,797	19	31,037,577	27
OPERATING EXPENSES (Notes 10, 26 and 33)				
Selling and marketing expenses	3,098,690	3	3,581,140	3
General and administrative expenses	7,491,270	7	8,920,812	8
Expected credit (gain) loss	(4,552)	-	4,664	-
Total operating expenses	10,585,408	10	12,506,616	11
OTHER OPERATING INCOME AND EXPENSES (Note 26)	(15,415)	-	(4,759)	-
PROFIT FROM OPERATIONS	8,855,974	9	18,526,202	16
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12, 14, 26 and 33)				
Interest income	286,613	-	86,225	-
Gain from bargain purchase - acquisition of subsidiaries	-	-	110,248	-
Other income	335,834	-	365,055	-
Other gains and losses	1,442,133	2	1,625,540	2
Finance costs	(1,159,200)	(1)	(1,215,810)	(1)
Share of profit or loss of associates	(153,014)	-	(311,237)	-
Total non-operating expenses	752,366	1	660,021	1
PROFIT BEFORE INCOME TAX FOR THE YEAR	9,608,340	10	19,186,223	17
INCOME TAX EXPENSE (Notes 4 and 27)	2,797,796	3	4,787,359	4
NET PROFIT FOR THE YEAR	6,810,544	7	14,398,864	13
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	24,206	-	40,105	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(8,233)	-	(17,897)	-

(Continued)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Income tax relating to items that will not be reclassified subsequently to profit or loss	$ (1,162)	-	$ (4,780)	-
	14,811	-	17,428	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	163,045	-	5,451,186	5
Gain on hedging instruments not subject to basis adjustment	(975,980)	(1)	1,984,945	1
Income tax relating to items that may be reclassified subsequently to profit or loss	(161,330)	-	(24,745)	-
	(974,265)	(1)	7,411,386	6
Other comprehensive income (loss) for the year, net of income tax	(959,454)	(1)	7,428,814	6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 5,851,090	6	$ 21,827,678	19
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 5,330,802	5	$ 12,025,615	11
Non-controlling interests	1,479,742	2	2,373,249	2
	$ 6,810,544	7	$ 14,398,864	13
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 4,360,849	4	$ 18,717,412	16
Non-controlling interests	1,490,241	2	3,110,266	3
	$ 5,851,090	6	$ 21,827,678	19
EARNINGS PER SHARE (New Taiwan Dollars; Note 28)				
Basic	$ 2.30		$ 5.15	
Diluted	$ 2.29		$ 5.12	

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

(With Deloitte & Touche auditors’ report dated March 14, 2024)

(Concluded)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company												
			Retained Earnings			Other Equity							
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements Foreign Operations	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total Other Equity	Treasury Shares	Total	Non-controlling Interest (Note 22)	Total Equity
BALANCE AT JANUARY 1, 2022	$ 20,084,659	$ 22,993,816	$ 2,058,958	$ 2,108,136	$ 9,668,399	$ (3,606,319)	$ 18,570	$ (296,056)	$ (3,883,805)	$ (4,004,953)	$ 49,025,210	$ 5,400,906	$ 54,426,116
Appropriation of 2021 earnings (Note 24)													
Legal reserve	-	-	966,840	-	(966,840)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,775,669	(1,775,669)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(3,615,239)	-	-	-	-	-	(3,615,239)	-	(3,615,239)
Share dividends distributed by the Company	200,846	-	-	-	(200,846)	-	-	-	-	-	-	-	-
Other changes in capital surplus													
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(1,159)	-	-	-	-	-	(1,159)	-	(1,159)
Net profit for the year ended December 31, 2022	-	-	-	-	12,025,615	-	-	-	-	-	12,025,615	2,373,249	14,398,864
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax (Note 24)	-	-	-	-	35,325	4,759,090	(38,734)	1,936,116	6,656,472	-	6,691,797	737,017	7,428,814
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,060,940	4,759,090	(38,734)	1,936,116	6,656,472	-	18,717,412	3,110,266	21,827,678
The Company's shares held by subsidiaries accounted for as treasury shares	-	-	-	-	-	-	-	-	-	(468,721)	(468,721)	468,611	(110)
Cash dividends distributed by subsidiaries	-	183,741	-	-	-	-	-	-	-	-	183,741	247,475	431,216
Difference between consideration and carrying amount of subsidiaries acquired	-	(315,032)	-	-	(170,955)	-	-	-	-	-	(485,987)	(811,801)	(1,297,788)
Share of changes in equity of subsidiaries	-	(78,965)	-	-	(14,129)	-	-	-	-	-	(93,094)	93,094	-
Share-based payments (Note 24)	-	(183)	-	-	-	-	-	-	-	-	(183)	-	(183)
Change in non-controlling interests (Note 30)	-	-	-	-	-	-	-	-	-	-	-	3,201,141	3,201,141
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	39,516	-	(39,516)	-	(39,516)	-	-	-	-
Cash dividends received from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,074,477)	(1,074,477)
BALANCE AT DECEMBER 31, 2022	20,285,505	22,783,377	3,025,798	3,883,805	15,024,018	1,152,771	(59,680)	1,640,060	2,733,151	(4,473,674)	63,261,980	10,635,215	73,897,195
Appropriation of 2022 earnings (Note 24)													
Legal reserve	-	-	1,191,421	-	(1,191,421)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(3,819,497)	3,819,497	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(4,868,521)	-	-	-	-	-	(4,868,521)	-	(4,868,521)
Share dividends distributed by the Company	4,057,101	-	-	-	(4,057,101)	-	-	-	-	-	-	-	-
Other changes in capital surplus													
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	5,330,802	-	-	-	-	-	5,330,802	1,479,742	6,810,544
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax (Note 24)	-	-	-	-	23,044	137,790	(1,924)	(1,128,863)	(992,997)	-	(969,953)	10,499	(959,454)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	5,353,846	137,790	(1,924)	(1,128,863)	(992,997)	-	4,360,849	1,490,241	5,851,090
Cash dividends distributed by subsidiaries	-	248,425	-	-	-	-	-	-	-	-	248,425	332,283	580,708
Difference between consideration and carrying amount of subsidiaries acquired	-	13,249	-	-	-	-	-	-	-	-	13,249	7,903	21,152
Share of changes in equity of subsidiaries	-	(43,553)	-	-	-	-	-	-	-	87,515	43,962	(91,849)	(47,887)
Share-based payments (Note 24)	-	53	-	-	-	-	-	-	-	-	53	606	659
Change in non-controlling interests (Note 30)	-	-	-	-	-	-	-	-	-	-	-	124,190	124,190
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(441)	-	441	-	441	-	-	-	-
Cash dividends received from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,079,277)	(1,079,277)
BALANCE AT DECEMBER 31, 2023	$ 24,342,606	$ 23,001,551	$ 4,217,219	$ 64,308	$ 14,079,877	$ 1,290,561	$ (61,163)	$ 511,197	$ 1,740,595	$ (4,386,159)	$ 63,059,997	$ 11,419,312	$ 74,479,309

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 9,608,340	$ 19,186,223
Adjustments for:		
Depreciation expenses	2,390,907	2,109,917
Amortization expenses	407,086	350,852
Expected (reversed) credit loss recognized on accounts receivable	(1,552)	4,664
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(226,559)	136,593
Finance costs	1,159,200	1,215,810
Interest income	(286,613)	(86,225)
Dividend income	(400)	(1,197)
Compensation costs of employee share options	659	-
Share of (profit) loss of associates	153,014	311,237
Loss on disposal of property, plant and equipment	15,415	4,759
Property, plant and equipment transferred to expense	-	27,359
Gain on derecognition of disposal groups held for sale	(4,455)	(37,774)
Loss on disposal of associate	-	79,461
Impairment loss on non-financial assets	-	1,662,913
Net loss (gain) on foreign currency exchange	670,717	(723,704)
Gain on bargain purchase and lease modifications	(18)	(111,601)
Changes in operating assets and liabilities		
Notes receivable	(18,553)	(13,207)
Accounts receivable	705,889	532,115
Other receivables	401,885	(330,504)
Other receivables from related parties	-	(6,404)
Inventories	15,965,934	(17,327,388)
Prepayments	(516,570)	640,790
Other current assets	16,628	(3,446)
Contract liabilities	(28,331)	124,752
Notes payable	15,917	(17,770)
Accounts payable	(1,019,051)	562,944
Other payables	(714,932)	1,295,372
Other current liabilities	(312,581)	356,573
Net defined benefit obligation	(32,769)	(36,073)
Cash generated from operations	28,349,207	9,907,041
Income tax paid	(3,086,560)	(5,813,230)
Net cash generated from operating activities	25,262,647	4,093,811
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(50,957)	(296,871)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,298	32,737
Acquisition of financial assets at amortized cost	(1,667,805)	-
Proceeds from sale of financial assets at amortized cost	-	3,899,561
Acquisition of financial assets at fair value through profit or loss	(492,803)	(61,618)
Proceeds from sale of financial assets at fair value through profit or loss	59,221	36,803
Acquisition of investments accounted for using the equity method	-	(330,464)
Acquisition of subsidiaries (net of cash received)	-	202,305

(Continued)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Net cash inflow on disposed of subsidiary	$ 97,074	$ -
Payments for property, plant and equipment	(6,102,349)	(4,160,752)
Proceeds from disposal of property, plant and equipment	16,090	72,589
Increase in refundable deposits	(268,784)	(256,869)
Decrease in refundable deposits	187,108	202,362
Acquisition of intangible assets	(23,366)	(50,205)
Proceeds from disposal of intangible assets	-	7,232
Acquisition of investment properties	(1,331)	(1,073,991)
Increase in other non-current assets	(297,150)	(7,414)
Increase in prepayments for equipment	(1,254,586)	(4,272,524)
Increase in prepayments for premises	-	(122,244)
Interest received	264,009	86,213
Dividends received	400	1,197
Net cash used in investing activities	(9,533,931)	(6,091,953)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	84,959,629	48,398,559
Repayments of short-term borrowings	(80,651,911)	(44,832,837)
Proceeds from short-term bills payable	16,773,406	13,404,202
Repayments of short-term bills payable	(17,220,000)	(13,945,000)
Proceeds from long-term borrowings	16,412,491	21,821,677
Repayments of long-term borrowings	(30,696,992)	(13,428,595)
Decrease in payables	(5,971)	(8,438)
Repayment of the principal portion of lease liabilities	(1,082,185)	(1,106,663)
Cash dividends distributed	(4,287,813)	(3,184,023)
Payments for buy-back of ordinary shares	-	(240,761)
Acquisition of ownership interests in subsidiaries	-	(1,297,788)
Disposal of interests in subsidiaries	21,152	-
Interest paid	(993,939)	(1,108,864)
Changes in non-controlling interests	(791,687)	(903,698)
Other financing activities	(31,538)	(73,221)
Net cash generated from (used in) financing activities	(17,595,358)	3,494,550
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	57,126	406,224
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,809,516)	1,902,632
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11,234,287	9,331,655
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 9,424,771	$ 11,234,287

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

(Concluded)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards 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. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit assets / liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. 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).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Refer to Note 13, Table 9 and Table 10 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

Non-monetary item denominated and measured at historical cost is at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries in other countries or those that use currencies different from the Company) are translated into the New Taiwan dollar using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting exchange differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

g. Inventories

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

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

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

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

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

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

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

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

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

i. Property, plant, and equipment

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

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

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

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

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

l. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

m. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

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

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

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

n. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence or joint control over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

o. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 32.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

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

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

<u>Financial liabilities at FVTPL</u>

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

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

Fair value is determined in the manner described in Note 32.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, metal prices and foreign exchange rate risks, including but not limited to foreign exchange swap contracts, foreign exchange forward contracts, exchange options, metal price swap contracts, interest rate swaps and cross currency swaps.

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

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

p. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges or cash flow hedges.

1) Fair value hedges

Changes in the designated fair value of derivatives that qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged assets or liabilities attributed to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that is designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

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

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

q. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of stainless steel pipes, stainless steel fittings, stainless steel plates, venetian blinds, screws, nuts, aluminum products curtains, fabric products and car components. Sales of the aforementioned goods are recognized as revenue when the terms of trading are met or the goods are received by the buyers since the significant risks and rewards of ownership of the goods are transferred to the buyers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Accounts receivable are recognized concurrently.

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

2) Dividend and interest income

Dividend income from investments is recognized when a shareholder's right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Group and that the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the applicable effective interest rate.

r. Leasing

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

1) The Group as lessor

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

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

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

2) The Group as lessee

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

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

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

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

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

s. Borrowing costs

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

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

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

t. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

u. Share-based payment arrangements - employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

v. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Control over subsidiaries

As stated in Note 13, the Group holds less than half of the voting rights on several subsidiaries. After considering the Group's absolute size of holdings in these subsidiaries and the relative size and dispersion of the shareholdings of the other shareholders and the number of seats on the subsidiaries' board of directors, the Group concluded that it has a sufficiently dominant voting interest to direct the relevant activities of these subsidiaries, and therefore the Group has control over them.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 2,284	$ 3,034
Checking accounts and demand deposits	8,234,005	8,842,015
Cash equivalents (investments with original maturities of less than three months)		
Time deposits	1,066,234	2,389,238
Repurchase agreements	122,248	-
	$ 9,424,771	$ 11,234,287

The market rate intervals of cash in the bank, at the end of the year were as follows:

	December 31	
	2023	**2022**
Time deposits	1.1%-5.89%	4.10%-4.52%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets - current		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (b)	$ 135,837	$ 25,248
Interest rate swap contracts (c)	82,221	-
Metal price derivative financial instruments contracts (d)		
Swap contracts	17,850	8,017
Forward contracts	19,110	-
Futures contracts	-	7,574
	255,018	40,839
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	108,645	81,410
	$ 363,663	$ 122,249
Financial assets - non-current		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Interest rate swap contracts (c)	$ 411,934	$ -
Financial liabilities - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange swap contracts (a)	$ -	$ 15,583
Foreign exchange forward contracts (b)	45,267	15,517
Metal price derivative financial instruments contracts (d)		
Swap contracts	17,322	68,615
Forward contracts	41,023	32,532
Future contracts	71,817	50,206
	$ 175,429	$ 182,453
Financial liabilities - non-current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Metal price derivative financial instruments contracts (d)		
Swap contracts	$ -	$ 200

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

December 31, 2022

	Currency	Maturity Date	Notional Amount (In Thousands)
Foreign exchange swap contracts	NTD/USD	2023.02	NTD 627,500/USD 20,000

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

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

December 31, 2023

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	AUD/USD	2024.01-2024.07	AUD 10,733/USD 7,211
Buy	NZD/USD	2024.01	NZD 2,432/USD 1,526
Buy	USD/GBP	2024.03	USD 4,487/GBP 3,555
Sell	USD/NTD	2024.01-2024.08	USD 100,000/NTD 3,154,700
Sell	AUD/USD	2024.01-2024.09	AUD 67,031/USD 44,363
Sell	NZD/USD	2024.01-2024.03	NZD 4,286/USD 2,617
Sell	USD/EUR	2024.01-2026.01	USD 39,268/EUR 35,098

December 31, 2022

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	AUD/USD	2023.01-2023.06	AUD 17,787/USD 11,944
Buy	GBP/USD	2023.01	GBP 259/USD 302
Sell	AUD/USD	2023.01-2023.07	AUD 60,285/USD 40,619
Sell	GBP/USD	2023.01-2023.03	GBP 4,793/USD 5,823
Sell	USD/NTD	2023.09-2023.01	USD 58,000/NTD 1,799,590

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

c. At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

December 31, 2023

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
USD 100,000	2024.05	1.31%	Term SOFR 1 months+0.1%
USD 250,000	2024.05-2027.06	0.67%-1.37%	Compounded SOFR+0.1148%

d. At the end of the reporting period, outstanding metal price derivative financial instrument contracts not under hedge accounting were as follows:

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	2024.01-2024.09
Aluminum price swaps of Midwestern United States	USD	2,131	4,800	USD	414-482	2024.01-2024.11
Nickel price swaps	USD	19,410	1,080	USD	16,226-22,700	2024.01-2024.06

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	2024.01-2024.08
Nickel price forwards	USD	44,166	2,600	USD	16,396-21,032	2024.01-2024.09

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	2024.01-2024.05
Aluminum price futures	EUR	2,302	1,125	EUR	1,976-2,084	2024.01-2024.03
Aluminum price futures	GBP	2,866	1,600	GBP	1,703-1,852	2024.01-2024.04

December 31, 2022

Swap contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price swaps	USD	131,876	52,322	USD	2,152-2,642	2023.01-2023.04
Aluminum price swaps of Midwestern United States	USD	6,121	12,025	USD	448-584	2023.01-2023.12
Nickel price swaps	USD	7,761	308	USD	20,850-32,805	2023.01-2023.05

Forward contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price forwards	USD	73,139	30,905	USD	2,213-2,587	2023.01-2024.02
Nickel price forwards	USD	58,455	2,028	USD	22,078-30,442	2023.01-2023.08

Futures contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price futures	USD	64,571	27,699	USD	2,188-2,509	2023.01-2023.05
Aluminum price futures	EUR	5,502	2,425	EUR	2,251-2,312	2023.03-2023.04
Aluminum price futures	GBP	3,556	1,775	GBP	1,927-2,079	2023.01-2023.04

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 derivative contracts in 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Mutual funds	$ 5,592	$ (7,832)
Foreign exchange swap contracts	(26,193)	(24,593)
Foreign exchange forward contracts	(63,586)	(537,258)
Interest rate swap contracts	511,656	(1)
Metal price derivative financial instrument contracts	890,331	367,594
Domestic investments listed shares	-	4,311
	$ 1,317,800	$ (197,779)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Current		
Foreign investments		
Listed shares	$ 79,030	$ 79,240
Non-current		
Domestic investments		
Emerging market shares	$ 759,295	$ -
Unlisted shares	27,152	741,799
	$ 786,447	$ 741,799

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Pledged time deposits	$ 780,642	$ 876,766
Pledged demand deposits (reserve account)	1,502,636	1,613,838
Pledged repurchase agreements collateralized by bonds	20,567	30,641
Time deposits with original maturities move than 3 months	1,933,301	73,704
	$ 4,237,146	$ 2,594,949
Non-current		
Pledged time deposits	$ 390,000	$ 390,000
Pledged demand deposits (reserve account)	220,398	194,790
Refundable deposits	891,092	809,886
	$ 1,501,490	$ 1,394,676

a. The ranges of interest rates for time deposits (including both time deposits with original maturities of more than three months and pledged time deposits) were approximately 0.54% - 5.68% and 0.1% - 5.16% as of December 31, 2023 and 2022, respectively.

b. Refer to Note 34 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2023	2022
Notes receivable		
Notes receivable - operating	$ 58,572	$ 40,019
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 7,503,623	$ 8,118,707
Less: Allowance for impairment loss	(36,658)	(53,176)
	$ 7,466,965	$ 8,065,531

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 December 31, 2023 and 2022.

Accounts receivable

December 31, 2023

	No indication of default of debtor					
	Up to 60 Days	**61 to 90 Days**	**91 to 120 Days**	**Over 120 Days**	**Indication of default of debtor**	**Total**
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	$ 6,697,531	$ 534,633	$ 135,741	$ 99,060	$ -	$ 7,466,965

December 31, 2022

	No indication of default of debtor					
	Up to 60 Days	**61 to 90 Days**	**91 to 120 Days**	**Over 120 Days**	**Indication of default of debtor**	**Total**
Expected credit loss rate	0.03%	0.20%	0%	34.02%	100%	
Gross carrying amount	$ 7,292,169	$ 541,447	$ 159,571	$ 114,182	$ 11,338	$ 8,118,707
Loss allowance (Lifetime ECLs)	(1,937)	(1,056)	-	(38,845)	(11,338)	(53,176)
Amortized cost	$ 7,290,232	$ 540,391	$ 159,571	$ 75,337	$ -	$ 8,065,531

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 53,176	$ 47,814
Add (Less): Net remeasurement of loss allowance	(4,552)	4,664
Less: Amounts written off	(12,008)	(2,934)
Foreign exchange gains and losses	42	3,583
Add: Acquisitions through business combinations	-	49
Balance at December 31	$ 36,658	$ 53,176

Refer to Note 34 for the carrying amount of the Group's accounts receivable pledged as collateral for bank borrowings.

11. INVENTORIES

	December 31	
	2023	2022
Finished goods and merchandise	$ 41,265,238	$ 52,262,810
Work in progress	7,595,777	8,511,255
Raw materials	4,513,877	6,280,979
Materials	781,984	354,871
Merchandise in transit	193,702	337,222
Raw materials in transit	2,265,280	4,355,923
	$ 56,615,858	$ 72,103,060

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $81,799,804 thousand and $83,110,993 thousand, respectively. The cost of goods sold include inventory write-downs of $0 thousand and $1,595,527 thousand for the years ended December 31, 2023 and 2022, respectively.

Refer to Note 34 for the carrying amount of the Group's inventories pledged as collateral for bank borrowings.

12. NON-CURRENT ASSETS AS HELD FOR SALE

a. Discontinued operations

On January 12, 2021, Right Way's subsidiary Excellent Growth Investments Limited's board of directors resolved to dispose of 77% of the common stock of Admiral Skill Limited and all preferred stock of Joint Fortune Company.

The Group acquired the court bankruptcy petition ruling of Shanghai Kunyi Precision Metal Forming Products Co., Ltd. on August 23, 2022. Thus, the Group wrote off the carrying amount of the disposal groups (including non-controlling interests) and recognized gains on disposal of $37,774 thousand (accounted for other gains and losses).

b. Investments accounted for using the equity method classified as held for sale – December 31, 2022

	December 31, 2022
Investments accounted for using the equity method classified as held for sale	$ 92,619

The Group signed a contract with the buyer in December 2022 for the disposal of the entire 31.66% shares of common stock of Fuzhou Assured Brake Systems Co., Ltd., limited to an unrelated party, and classified related assets as non-current assets held for sale on December 31, 2023. Because the sale price exceeded the carrying amount of the related net assets, no impairment loss was recognized when the assets were classified as non-current assets and held for sale. The transaction was completed in March 2023, with a disposal amount of $97,974 thousand and a recognized revenue amount of $4,455 thousand (accounted for other gains and losses).

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements were summarized as follows:

			Proportion of Ownership December 31		
Investor	**Investee**	**Nature of Activities**	**2023**	**2022**	**Remark**
The Company	Ta Chen International, Inc. ("TCI")	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	100%	100%	
	Ta Chen (B.V.I.) Holdings Ltd. ("Ta Chen BVI")	Investment	100%	100%	
	Brighton-Best International (Taiwan) Inc. ("BBI-TW")	Import, export and sale of screws and nuts	42.81%	42.98%	1)
	Yinrong (Shanghai) Investment Management Limited	Investment	100%	100%	
	Wei Mei Roller Blind Co., Ltd. (Wei Mei)	Manufacture and sale of curtains and decorations	70%	70%	
	Ta Chen Interior Design Co., Ltd.	Interior Design and Renovation	-	100%	7)
	Ta Chen (Hong Kong) Limited	Trading	100%	100%	
	Ta Chen Lung Mei Home Life Co., Ltd. (Lung Mei)	Manufacture and sale of curtains and decorations	99.96%	99.62%	3)
	Right way industrial Co., Ltd. (Right way)	Manufacture of engine and automobiles parts	0.26%	0.62%	4)
TCI	TCI Investment Group, Inc.	Import, export and sale of screws and nuts	100%	100%	
	Empire Resources, Inc. ("ERI")	Import, export and sale of stainless steel and aluminum products	100%	100%	
	Primus Pipe and Tube Holding, Inc. (PPTH)	Investment	100%	100%	
	TCI Texarkana Inc. (TKA)	Manufacture and sale of aluminum products	100%	100%	
ERI	Empire Resources Pacific Ltd.	Import, export and sale of stainless steel and aluminum products	100%	100%	
	Imbali Metals BVBA	Import, export and sale of stainless steel and aluminum products	100%	100%	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2023	Proportion of Ownership December 31 2022	Remark
	Empire Resources UK Ltd.	Import, export and sale of stainless steel and aluminum products	100%	100%	
	8911 Kelso Drive	Import, export and sale of stainless steel and aluminum products	100%	100%	
Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube, Inc.	Manufacture and sale of stainless steel	100%	100%	
Ta Chen BVI	Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	93.14%	93.14%	
	Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	100%	100%	
	TMCT Products, Inc.	Investment	100%	100%	
	Los Osos Holding Inc.	Investment	100%	100%	
	Clarke St. Property Holdings, LLC	Investment	100%	100%	
Los Osos Holding Inc.	Procurmore Trading, Inc.	Investment	100%	100%	
Wei Mei	Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Manufacture and sale of curtains and decorations	100%	100%	
BBI-TW	Brighton-Best International, Inc. (“BBI-USA”)	Import, export and sale of screws and nuts	100%	100%	
	Brighton-Best International (Canada) Inc. (“BBI-CA”)	Import and sale of screws and nuts	100%	100%	
	Brighton-Best International (UK), Limited (“BBI-UK”)	Import and sale of screws and nuts	100%	100%	
	Brighton-Best International (AU), Pty Ltd. (“BBI-AU”)	Import and sale of screws and nuts	100%	100%	
	Brighton-Best International (NZ), Limited (“BBI-NZ”)	Import and sale of screws and nuts	100%	100%	
	Brighton-Best International, Inc. (Cayman) (“BBI-CAYMAN”)	Investment	-	-	2)
	TA CHEN Empire Co., Ltd. (TCE)	Import, export and sale of aluminum products	100%	100%	
	Brighton-Best (Hong Kong) Limited	Investment	-	-	2)
	Right way industrial Co., Ltd. (Right way)	Manufacture of engine and automobiles parts	17.82%	19.21%	4)
Brighton-Best International, Inc.	Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Import and sale of screws and nuts	100%	100%	
Brighton-Best International Inc. (Cayman)	Cheng-Rong (Shanghai) International Trading Ltd.	Trading	-	-	2)
Brighton-Best (Hong Kong) Limited	Brighton-Best (Hong Kong) Holding Limited	Investment	-	-	2)
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%	4)
	Excellent Growth Investments Limited	Investment	100.00%	100.00%	4)

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2023	Proportion of Ownership December 31 2022	Remark
	Right Way North America Inc.	Trading of automobiles engine parts.	100.00%	100.00%	4)
	Right way global co., ltd.	Trading of automobiles.	-	100.00%	4) 6)
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Producer of connecting rod.	89.50%	89.50%	4)
Ta Chen Empire Co., Ltd. ("TCE")	NOEI GEENG ENTERPRISE CO., LTD.	Manufacture screws and nuts	80%	80%	5)
	Hupao Technology CO., LTD.	Energy Technical Services	80%	80%	5)
	Shie Shin Enterprise Co., Ltd.	Manufacture screws and nuts	80%	80%	5)

(Concluded)

1) The Company has the practical ability to direct the relevant activities of BBI-TW and deems it a subsidiary.

2) As of December 31, 2023, no investment funding was remitted.

3) Ta Chen Lung Mei Home Life Co., Ltd. issued new shares in December, June and March 2023, also in June and December 2022. The Group 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%.

4) In April 2022, the Group purchased 16,000 thousand shares and subscribed for 21,540 thousand shares of Right Way through private placement from an unrelated party for a total of $467,832 thousand, which increased its shareholding ratio from 8.93% to 20.34%. After the subscription of the shares, the Group evaluated that its shareholding was significant, reclassified the original investment to investments accounted for using the equity method based on its fair value on the subscription date and carried forward to retained earnings all related other comprehensive income of $94,720 thousand. During the period of significant influence, the Group's share of profit or loss and other comprehensive income in the investment accounted for using the equity method was $3,639 thousand. After the re-election of directors at the shareholders' meeting of Right Way in June 2022, the Company has taken a number of seats on the board of directors of Right Way, and the Group's representative elected chairman thus has substantial control over it. Therefore, Right Way and its subsidiaries have been included in the Group's consolidated financial statements since June 2022. Refer to Note 29 for information on the business combinations.

5) The Group participated in the cash capital increase of the Company in June 2022, which total 80%, shareholding is listed as a subsidiary.

6) Cancellation on February 21, 2023 and completed liquidation on October 6, 2023.

7) Cancellation on June 30, 2023 and completed liquidation on December 5, 2023.

See Tables 9 and 10 for the information of location and main business and products of subsidiaries.

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2023	2022
BBI-TW	57.19%	57.02%
Right Way	81.92%	80.17%

See Table 9 for information on the places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
BBI-TW	$ 1,427,922	$ 2,441,241	$ 7,983,968	$ 7,361,634
Right Way	50,025	48,021	3,235,934	2,989,213
Others	1,795	(116,013)	199,410	284,368
	$ 1,479,742	$ 2,373,249	$ 11,419,312	$ 10,635,215

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:

	December 31	
	2023	2022
Current assets	$ 22,144,734	$ 25,080,727
Non-current assets	25,351,615	23,382,261
Current liabilities	(10,483,181)	(13,985,370)
Non-current liabilities	(8,458,145)	(8,553,541)
Equity	$ 28,555,023	$ 25,924,077
Equity attributable to:		
Owners of BBI-TW	$ 10,776,749	$ 9,759,968
Non-controlling interests of BBI-TW	14,396,689	12,948,194
Non-controlling interests of BBI-TW's subsidiaries	3,381,585	3,215,915
	$ 28,555,023	$ 25,924,077

	For the Year Ended December 31	
	2023	2022
Revenue	$ 24,627,349	$ 26,224,979
Net profit	$ 3,173,519	$ 4,574,239
Other comprehensive income for the year	1,196,899	467,369
Total comprehensive income for the year	$ 4,370,418	$ 5,041,608
Profit attributable to:		
Owners of BBI-TW	$ 1,697,028	$ 2,085,232
Non-controlling interests of BBI-TW	1,427,922	2,441,241
Non-controlling interests of BBI-TW's subsidiaries	48,569	47,766
	$ 3,173,519	$ 4,574,239
Total comprehensive income attributable to:		
Owners of BBI-TW	$ 2,897,549	$ 1,822,579
Non-controlling interests of BBI-TW	1,436,003	3,157,046
Non-controlling interests of BBI-TW's subsidiaries	36,866	61,983
	$ 4,370,418	$ 5,041,608
Net cash outflow from:		
Operating activities	$ 5,610,071	$ (810,250)
Investing activities	(142,067)	(1,607,917)
Financing activities	(5,631,459)	2,314,227
Effects of foreign currency exchange differences	9,620	28,360
Net cash outflow	$ (153,835)	$ (75,580)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates

	December 31	
	2023	2022
Associates that are individually material		
TY steel Co., Ltd. 1)	$ 428,925	$ 565,372
Associates that are not individually material		
Amerinox Texarkana, LLC	35,210	20,907
Fuzhou Assures Broke Systems Co., Ltd. 2)	-	-
Ta Chen Green Systems Co., Ltd 3)	59,497	59,527
City Mocean Co., Ltd. 4)	3,295	4,448
	98,002	84,882
	$ 526,927	$ 650,254

Aggregate information of associates that are individually material

Name	Nature of Activities	Principal Place of Business	Proportion of Ownership December 31, 2023	Proportion of Ownership December 31, 2022
TY Steel Co., Ltd.	Manufacture and sale of billets	Thailand	38.75%	38.75%

a. The fair value of goodwill was $116,828 thousand, which was recognized based on the purchase price allocation report and recorded in investments accounted for using the equity method, and impairment loss was recorded under loss of the associate in 2022.

b. As described in Note 13, the Company had substantial control over Right Way in June 2022. The investment in Right Way accounted for using the equity method was treated as a disposal of associates accounted for using the equity method, and a loss of $79,461 thousand was recognized, which was classified as other gains and losses.

c. The Group participated in the establishment of Ta Chen Green System Co., Ltd. with $60,000 thousand in April 2022, holding 50% of the shares. As the Group does not have practical ability to control Ta Chen Green System Co., Ltd., it was not deemed as a subsidiary.

d. The Group participated in the establishment of Ta Chen City Mocean Co., Ltd. with $4,900 thousand in August 2022, holding 49% of the shares. As the Group does not have practical ability to control Ta Chen City Mocean Co., Ltd., it was not deemed as a subsidiary.

For the business nature, principal place of business and country of incorporation, refer to Table 9.

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are used by the Group.

Refer to Table 1 following these notes to consolidated financial statements for the movements of property, plant and equipment.

a. As of December 31, 2022, the Group held farmland (included in land), of which the proprietary rights were registered in the name of the general manager, Robert Hsieh. The Group has acquired the declaration regarding the unconditional transfer of ownership from the owner. In 2023, the name of the loan registration of land was changed, and the ownership 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.

b. In July 2022, the Group purchased land from an unrelated party located in Fuhai Lujhu District of Taoyuan City, which was partly agricultural and grazing land. As of December 31, 2023, the land has been returned and transferred from the loan registration person to the Group because the change of land has been completed.

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

Land improvements	2-50 years
Buildings	
Main buildings	2-50 years
Motorized power equipment	5-10 years
Engineering systems	2-25 years
Machinery and equipment	2-25 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 34 for the carrying amount of property, plant and equipment pledged as collateral for bank borrowings.

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$ -	$ -	$ -
Addition	761,944	312,047	1,073,991
Balance at December 31, 2022	$ 761,944	$ 312,047	$ 1,073,991
Accumulated Depreciation			
Balance at January 1, 2022	$ -	$ -	$ -
Depreciation Expense	-	6,823	6,823
Balance at December 31, 2022	$ -	$ 6,823	$ 6,823
Net amount at December 31, 2022	$ 761,944	$ 305,224	$ 1,067,168
Cost			
Balance at January 1, 2023	$ 761,944	$ 312,047	$ 1,073,991
Addition	-	1,331	1,331
Reclassification	67,338	54,906	122,244
Balance at December 31, 2023	$ 829,282	$ 368,284	$ 1,197,566

(Continued)

	Land	Buildings	Total
Accumulated Depreciation			
Balance at January 1, 2023	$ -	$ 6,823	$ 6,823
Depreciation Expense	-	9,553	9,553
Reclassification	-	(3,958)	(3,958)
Balance at December 31, 2023	$ -	$ 12,418	$ 12,418
Net amount at December 31, 2023	$ 829,282	$ 355,866	$ 1,185,148

(Concluded)

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, 2023.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Land	$ 75,642	$ 88,700
Buildings	7,847,017	7,211,965
Transportation equipment	8,173	-
	$ 7,930,832	$ 7,300,665

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 1,874,878	$ 952,065
Depreciation charge for right-of-use assets		
Land	$ 12,176	$ 12,751
Buildings	1,200,802	1,141,259
Machinery	1,973	-
	$ 1,214,951	$ 1,154,010

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 1,131,386	$ 985,981
Non-current	$ 7,729,011	$ 7,123,761

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2023	2022
Land	1.55%-1.58%	1.55%-1.58%
Buildings	1.31%-6.8%	1.32%-3.4%
Transportation equipment	1.81%	-

c. 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.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 304,625	$ 149,292
Expenses relating to low-value asset leases	$ 602	$ 2,799
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 7,048	$ 252
Total cash outflow for leases	$ (1,630,695)	$ (1,389,623)

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.

18. GOODWILL AND OTHER INTANGIBLE ASSETS

a. Goodwill

	For the Year Ended December 31	
	2023	2022
Book value	$ 4,186,666	$ 4,187,281

In 2023, the Company did not recognize any impairment loss on goodwill. In 2022, the impairment loss on the Goodwill of its subsidiary Lung Mei recognized by the Group was $26,486 thousand.

b. Other intangible assets

	Other Intangible Assets							
	Customer Relationships	**Non-Compete Agreements**	**Trademarks**	**Computer Software**	**Patents**	**Technical Expertise**	**Others**	**Total**
Cost								
Balance at January 1, 2022	$ 691,834	$ 428,261	$ 139,998	$ 114,646	$ 11,072	$ 1,818,576	$ 563,641	$ 3,768,028
Acquisitions through business combinations	25,400	-	-	-	-	-	-	25,400
Additions	-	-	-	50,205	-	-	-	50,205
Disposal	-	(6,999)	(20,996)	(451)	-	-	-	(28,446)
Effects of foreign currency exchange differences	75,731	44,390	8,811	(30,456)	1,212	199,071	104,278	403,037
Balance at December 31, 2022	$ 792,965	$ 465,652	$ 127,813	$ 133,944	$ 12,284	$ 2,017,647	$ 667,919	$ 4,218,224
Accumulated amortization and impairment								
Balance at January 1, 2022	$ (262,806)	$ (226,395)	$ (24,012)	$ (88,523)	$ (5,733)	$ (584,694)	$ (561,475)	$ (1,753,638)
Disposal	-	5,191	15,572	451	-	-	-	21,214
Amortization expenses	(73,871)	(43,858)	(1,341)	(32,927)	(1,490)	(197,007)	-	(350,494)
Impairment loss	-	-	(40,900)	-	-	-	-	(40,900)
Effects of foreign currency exchange differences	(31,230)	(24,447)	(1,160)	4,627	(673)	(69,989)	(75,934)	(198,806)
Balance at December 31, 2022	$ (367,907)	$ (289,509)	$ (51,841)	$ (116,372)	$ (7,896)	$ (851,690)	$ (637,409)	$ (2,322,624)
Carrying amount at December 31, 2022	$ 425,058	$ 176,143	$ 75,972	$ 17,572	$ 4,388	$ 1,165,957	$ 30,510	$ 1,895,600
Cost								
Balance at January 1, 2023	$ 792,965	$ 465,652	$ 127,813	$ 133,944	$ 12,284	$ 2,017,647	$ 667,919	$ 4,218,224
Additions	-	-	-	23,366	-	-	-	23,366
Reclassification	-	-	-	77,183	-	-	-	77,183
Effects of foreign currency exchange differences	(124)	115	(40,914)	47,114	(2)	(328)	(47,678)	(41,817)
Balance at December 31, 2023	$ 792,841	$ 465,767	$ 86,899	$ 281,607	$ 12,282	$ 2,017,319	$ 620,241	$ 4,276,956
Accumulated amortization and impairment								
Balance at January 1, 2023	$ (367,907)	$ (289,509)	$ (51,841)	$ (116,372)	$ (7,896)	$ (851,690)	$ (637,409)	$ (2,322,624)
Reclassification	-	-	-	(7,675)	-	-	-	(7,675)
Amortization expenses	(86,100)	(37,688)	(1,401)	(73,606)	(1,558)	(205,934)	-	(406,287)
Effects of foreign currency exchange differences	1,209	371	40,921	(16,741)	23	3,112	17,168	46,063
Balance at December 31, 2023	$ (452,798)	$ (326,826)	$ (12,321)	$ (214,394)	$ (9,431)	$ (1,054,512)	$ (620,241)	$ (2,690,523)
Carrying amount at December 31, 2023	$ 340,043	$ 138,941	$ 74,578	$ 67,213	$ 2,851	$ 962,807	$ -	$ 1,586,433

c. The above items of intangible assets with finite useful lives are amortized on a straight-line basis over their estimated 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
Others	1.5-2 years

d. The Group's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast from the financial budgets covering the future five-year period, and the Group used annual discount rates of 16.29%- 17.17% and 12.75%-13.54% in its test of impairment as of December 31, 2023 and 2022, respectively, to reflect the relevant specific risk in the cash-generating unit. For the years ended December 31, 2023 and 2022, the Group did not recognize any impairment loss on goodwill.

19. PREPAYMENTS

	December 31	
	2023	2022
Current		
Prepayments for purchases	$ 2,150,432	$ 1,274,878
Other	462,254	843,399
	$ 2,612,686	$ 2,118,277
Prepayments for equipment, property and building		
Prepayments for equipment	$ 2,368,615	$ 2,596,840
Prepayments for property and building	-	122,244
	$ 2,368,615	$ 2,719,084

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Revolving bank borrowings	$ 16,652,838	$ 11,907,410
Borrowings of usance L/C	1,302,455	1,743,199
	$ 17,955,293	$ 13,650,609

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

	December 31	
	2023	2022
Revolving bank borrowings	1.4%-6.95%	1.28%-4.9%
Borrowings of usance L/C	1.68%-4.9%	1.53%-6.97%

b. Short-term bills payable

	December 31	
	2023	2022
Commercial paper	$ 570,000	$ 890,000
Less: Unamortized discounts on bills payable	94	690
	$ 569,906	$ 889,310

Outstanding short-term bills payable were as follows:

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
China Bills	$ 240,000	$ 43	$ 239,957	Note 1	Pledged time deposits
China Bills	330,000	51	329,949	Note 1	Land and buildings
	$ 570,000	$ 94	$ 569,906		

Note 1: The range of interest rates was 1.76%- 1.88%.

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
China Bills	$ 50,000	$ 85	$ 49,915	Note 2	None
China Bills	240,000	151	239,849	Note 2	Pledged time deposits
China Bills	100,000	63	99,937	Note 2	Land and buildings
International Bills	200,000	151	199,849	Note 2	Pledged time deposits
Taiwan Bills	150,000	123	149,877	Note 2	Pledged time deposits
Dah Chung Bills	150,000	117	149,883	Note 2	Reserve account
	$ 890,000	$ 690	$ 889,310		

Note 2: The range of interest rates was 1.86%-1.998%.

c. Long-term borrowings

	December 31	
	2023	2022
The Company		
1) Syndicated bank loan - 2018		
a) Loan (A) medium-term and long-term secured borrowings	$ -	$ 2,430,000
b) Loan (D) medium-term and long-term secured borrowings (commercial paper)	-	1,500,000
2) Syndicated bank loan - 2023		
a) Loan (A) medium-term and long-term secured borrowings	4,000,000	-
b) Loan (B) medium-term and long-term secured borrowings (commercial paper)	900,000	-
c) Loan (D) medium-term and long-term secured borrowings (commercial paper)	1,000,000	-
3) Unsecured loans		
Due from December 2024 to August 2027, interest rates at 1.71%-1.89% p.a. and 1.46%-1.98% p.a. as of December 31, 2023 and 2022, respectively	2,350,000	4,450,000

(Continued)

	December 31	
	2023	**2022**
4) Secured loans		
Due from April 2024 to December 2029, interest rates at 1.78%-2.08% p.a. and 1.35%-1.73% p.a. as of December 31, 2023 and 2022, respectively	$ 1,479,506	$ 1,292,000
	9,729,506	9,672,000
The subsidiaries		
1) Syndicated bank loan		
a) TCI and TCI subsidiaries	4,912,800	17,965,350
b) BBI-TW	1,720,000	2,299,603
c) BBI-USA	675,510	3,212,265
d) TKA	2,609,925	2,610,350
2) Medium-term and long-term secured borrowings		
Due from February 2024 to March 2030, interest rates at 0.5%-8.375% p.a. and 1.46%-7.38% p.a. as of December 31, 2023 and 2022, respectively	3,749,812	2,452,220
3) Medium-term and long-term unsecured borrowings		
Due from August 2028, interest rates at 2.44% p.a. as of December 31, 2023, respectively	1,810	-
4) Equipment pledged as collateral for borrowings		
Due from August 2026 to February 2028, interest rates at 2.99%-6.41% p.a. as of December 31, 2023, respectively	915,885	-
	14,585,742	28,539,788
	24,315,248	38,211,788
Less: Unamortized arrangement fee of long - term borrowings	169,706	157,924
	24,145,542	38,053,864
Less: Current portion	1,274,888	9,066,292
Long-term borrowings	$ 22,870,654	$ 28,987,572

(Concluded)

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:

1) The Company entered into a syndicated loan agreement (credit facility of up to $12.5 billion) with a syndicate of banks in October 2018 ordinary due in October 2023, and made an early repayment in January 2023. The credit line and credit used as of December 31, 2022 were as follows:

	Credit Line (In Thousands)	Credit used December 31,2022	Loan Period	Interest Rate
Loan (A)	$ 6,550,000	$ 2,430,000	Within 5 years from the first date of drawdown until the maturity date, inclusive of a grace period of 24 months	1.88% as of December 31, 2022

(Continued)

	Credit Line (In Thousands)	Credit used December 31,2022	Loan Period	Interest Rate
Loan (B)	$ 1,880,000	$ -	Within 5 years from the first date of drawdown until the maturity date	
Loan (C)	3,370,000	1,500,000	Within 5 years from the first date of drawdown until the maturity date	2.25%-2.39% as of December 31, 2022
Loan (D)	700,000	-	Within 1 year from the first date of drawdown until the maturity date	
	$ 12,500,000	$ 3,930,000		

(Concluded)

Repayment terms were as follows:

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

Loan (B) and Loan (C): The loan must be repaid on the maturity date, mentioned in the drawdown notice; otherwise, the payment shall be made in accordance with the syndicated loan agreement.

Loan (D): From the first drawdown date until the maturity date, the loan is allowed to be used on a revolving basis. The company may renew the commercial paper under this contract. Reimbursement of the original issued commercial paper due to the proceeds of the ticket.

Under the syndicated loan agreement, the land, buildings and other facilities were pledged as collateral. In addition, the loan agreement requires the Company to maintain certain financial ratios; refer to Note 20(d) for more details.

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

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

	Credit Line (In Thousands)	Credit used Credit used	Loan Period	Interest Rate
Loan (A)	$ 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% as of December 31, 2023
Loan (B)	2,000,000	900,000	Within 5 years from the first date of drawdown until the maturity date	2.077% as of December 31, 2023
Loan (C)	9,600,000	1,000,000	Within 5 years from the first date of drawdown until the maturity date	2.034% as of December 31, 2023
	$ 15,600,000	$ 5,900,000		

Repayment terms were as follows:

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

Loan (B) and Loan (C):

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

b) On the date of the reduction, the outstanding principal balance of the credit in respect of such credit shall be settled in advance of the outstanding principal, interest and related expenses in excess of the amount of credit after such reduction, if the amount of the credit is exceeded by the amount of the credit after such reduction. The preceding advance settlement shall not be subject to the prior settlement clause of Article 19 of the Joint Credit Agreement.

C) Credit lines have been reduced and cannot be used for any further action. The Company should settle each such loan or other agreed settlement under the joint letter of credit on the expiry date set out in each application.

Under the syndicated loan agreement, the land, buildings and other facilities were pledged as collateral. In addition, the loan agreement requires the Company to maintain certain financial ratios; refer to Note 20(d) for more details.

The subsidiaries

1) Syndicated bank loans

a) TCI and TCI subsidiaries - J.P. Morgan

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 following table shows the borrowings balances and interest rates as of December 31, 2023 and 2022 (in thousands of USD).

	December 31				
	2023		**2022**		**Interest Rate**
TKA	USD	160,000	USD	585,000	6.94% and 5.82%-5.92% as of December 31, 2023 and 2022

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

b) 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 credit line and credit used as of December 31, 2023 and 2022 was as follows:

		Credit Used (Note 2) December 31			
	Credit Line	**2023**	**2022**	**Loan Period**	**Interest Rate**
Loan (A)	Note 1	$ 1,350,000	$ 1,500,000	Within 5 years from the first drawdown date until the maturity date	i
Loan (B)	Note 1	370,000	600,000	Within 5 years from the first drawdown date until the maturity date	ii
Loan (C)	Note 1	-	-	Within 5 years from the first drawdown date until the maturity date	-
Loan (D)	Note 1	-	200,000	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	iii

i 2.6361% and 2.3458% as of December 31, 2023 and 2022.

ii 2.6797% and 2.2928% as of December 31, 2023 and 2022.

iii 1.96% as of December 31, 2022.

Note 1: As of December 31, 2023 and 2022, the line of credit of the syndicated bank loan was as follows:

	December 31	
	2023	**2022**
Loan (A)	$ 1,350,000	$ 1,500,000
Loan (B)	3,750,000	3,750,000
Loan (C)	3,750,000 (or in USD equivalent)	3,750,000 (or in USD equivalent)
Loan (D)	1,000,000	1,000,000

Note 2: The sum of the credit facilities of loans (B) and (C) cannot exceed $3.75 billion.

Repayment terms were as follows:

Loan (A): Within 24 months from the first drawdown date until the maturity date, repayable in 7 semiannual installments, 5% for the 1st and 2nd terms, 10% for the 3rd to 6th terms, and 50% for the 7th term.

Loan (B): Within 30 months from the drawdown date, the line of credit decreases evenly in 7 semiannual periods, 5% for the 1st and 2nd terms, 10% for the 3rd to 6th terms, and 50% for the 7th term. If the used balance of principal exceeds the available line of credit, the excess shall be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of loan (B).

Loan (C): Within 30 months from the drawdown date, the line of credit decreases evenly in 7 semiannual periods, 5% for the 1st and 2nd terms, 10% for the 3rd to 6th terms, and 50% for the 7th term. If the used balance of principal exceeds the available line of credit, the excess shall be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of loan (C).

Loan (D): From the first drawdown date until the maturity date, the loan is allowed to be used on a revolving basis.

Refer to Note 20(d) 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.

c) BBI-USA

The subsidiary BBI-USA entered into a syndicated loan agreement (credit facility of up to US$180,000 thousand) with a syndicate of banks in August 2013. The main purposes of the syndicated loan are to repay its existing financial loan and enhance operating revolving funds. Interest rates were 7.34% and 6.39% as of December 31, 2023 and 2022, respectively. The subsidiary BBI-USA amended the above 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.

d) TKA

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 7.09% and 5.88% on December 31, 2023 and 2022, 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 agreements.

e) TKA- equipment pledged loan

TKA purchased equipment to expand its capacity and entered into several equipment-pledged loan contracts with First American Commercial Bank, Inc. (First American), a U.S. financial company. It is agreed that the equipment will be paid by First American to the supplier and that TKA will repay the equipment to First American on a monthly basis in accordance with the agreed amount.

d. Financial covenants of syndicated loan agreements were as follows:

	The Company Syndicated Bank Loan - 2018 (Note 1)	The Company Syndicated Bank Loan - 2023 (Note 1)	TCI and TCI Subsidiaries - JPM (Note 2)	BBI Syndicated Bank Loan (Note 3)	BBI-USA Syndicated Bank Loan (Note 4)	TKA Syndicated Bank loan (Note 2)
Current ratio (minimum)	120%	120%	-	130%	-	-
Debt ratio (maximum) (Note 5)	290%	290%	-	200%	-	-
Interest coverage ratio (minimum) (Note 5)	2 times	2 times	-	3 times	-	-
Fixed-charge coverage ratio (minimum)	-	-	100%	-	110%	100%
Tangible net worth (minimum)	13.5 billion	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 audited financial statements and monthly financial statements (self-assessed) while 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 the years ended December 31, 2023 and 2022, the Company and its subsidiaries have complied with the above-stated requirements.

21. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31	
	2023	2022
Notes payable		
Operating	$ 72,791	$ 57,908
Non-operating	35,247	25,960
	$ 108,038	$ 83,868

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

Accounts payable

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.

22. OTHER PAYABLES

	December 31	
	2023	2022
Other payables		
Salary and incentive bonus	$ 426,064	$ 1,421,873
Remuneration of directors	29,700	35,076
Employees' compensation	585,592	395,993
Payables for annual leave	123,547	110,506
Payables for freight and custom duties	468,307	581,875
Property taxes payable	391,230	99,497
Accrued expenses and others	1,129,490	1,254,734
	$ 3,153,930	$ 3,899,554

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiaries in England, Canada, Australia and Brazil are members of state-managed retirement benefit plans operated by the respective governments of England, Canada, Australia and Brazil. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The employees of the Group's subsidiary in the United States are covered by the local government's 401K Profit Sharing Plan. Under the plan, the subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme for full-time staffs that are older than 21 years old, have worked for the subsidiary for 12 months, and have volunteered to join the plan.

b. Defined benefit plans

The subsidiary of the Group in the United States calculates and determines the present value of the defined benefit obligations and the fair value of the plan assets in accordance with local laws and regulations, and recognizes the remeasured amounts in other comprehensive income.

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

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

	December 31			
	2023		2022	
Present value of defined benefit obligation	$	436,862	$	457,010
Fair value of plan assets		(568,355)		(547,990)
Net defined benefit liabilities (assets)	$	(131,493)	$	(90,980)

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 341,563	$ (404,214)	$ (62,651)
Acquired by business combination	99,760	(89,704)	10,056
Service cost			
Current service cost	3,762	-	3,762
Net interest expense (income)	2,757	(3,172)	(415)
Recognized in profit or loss	6,519	(3,172)	3,347
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(38,914)	(38,914)
Actuarial loss - changes in demographic assumptions	70	-	70
Actuarial gain - changes in financial assumptions	(9,408)	-	(9,408)
Actuarial loss - experience adjustments	33,622	-	33,622
Recognized in other comprehensive income	24,284	(38,914)	(14,630)
Contributions from the employer	(471)	(26,631)	(27,102)
Benefits paid	(14,645)	14,645	-
Balance at December 31, 2022	457,010	(547,990)	(90,980)
Acquired by business combination			
Service cost			
Current service cost	1,144	-	1,144
Net interest expense (income)	5,883	(1,171)	(1,288)
Recognized in profit or loss	7,027	(1,171)	(144)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(4,578)	(4,578)
Actuarial loss - changes in demographic assumptions	4,515	-	4,515
Actuarial gain - changes in financial assumptions	(13,442)	-	(13,442)
Recognized in other comprehensive income	(8,927)	(4,578)	(13,505)
Contributions from the employer	-	(26,864)	(26,864)
Benefits paid	(18,248)	18,248	-
Balance at December 31, 2023	$ 436,862	$ (568,355)	$ (131,493)

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

	For the Year Ended December 31	
	2023	2022
Operating costs	$ (1,090)	$ 2,246
Selling and marketing expenses	155	279
General and administrative expenses	791	822
	$ (144)	$ 3,347

Through the defined benefit plans under the Labor Standards Act, the Company and its subsidiaries are exposed to the following risks:

1) Investment risk

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

2) Interest risk

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

3) Salary risk

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

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

	December 31	
	2023	2022
Discount rate	1.125%-1.375%	1.125%-1.375%
Expected rate of salary increase	2%-2.5%	2%-2.5%

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

	December 31	
	2023	2022
Discount rate		
0.25% increase	$ (8,957)	$ (9,776)
0.25% decrease	$ 9,251	$ 10,109
Expected rate of salary increase/decrease		
0.25% increase	$ 8,984	$ 9,830
0.25% decrease	$ (8,744)	$ (9,555)

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

	December 31	
	2023	2022
Expected contributions to the plans for the next year	$ 20,441	$ 22,708
Average duration of the defined benefit obligation	8.8-9.9 years	4-10.4 years

24. EQUITY

a. Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	3,200,000	3,000,000
Shares authorized	$ 32,000,000	$ 30,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares	2,434,261	2,028,551
Shares issued		
Ordinary shares	$ 24,342,606	$ 20,285,505

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.

On June 20, 2022, the shareholders resolved in their meeting to issue $20,085 thousand ordinary shares with par value of NT$10 which increased the share capital issued and fully paid to $20,285,505 thousand. On June 23, 2022, the above transaction was approved by FSC, and the subscription base date was determined as July 26, 2022. The registration for the change has been completed.

b. Capital surplus

	December 31 2023	December 31 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 22,054,172	$ 22,054,172
Treasury share transactions	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	-
Expired employee share options	13,503	13,503
May only be used to offset a deficit		
Share of changes in capital surplus of subsidiary	30,413	73,913
	$ 23,001,551	$ 22,783,377

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, refer to Note 26(i) "Employees' compensation and remuneration of directors and supervisors for 2023 and 2022".

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 2022 and 2021, approved in the shareholders' meetings on June 26, 2023 and June 20, 2022, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Legal reserve	$ 1,191,421	$ 966,840		
Special reserve	(3,819,497)	1,775,669		
Cash dividends	4,868,521	3,615,239	$ 2.4	$ 1.8
Share dividends	4,057,101	200,846	2.0	0.1

The appropriation of earnings for 2023 was proposed by the Company's board of directors on March 12, 2024. The appropriation was as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 535,340	
(Reverse) Special reserve	(64,308)	
Cash dividends	2,921,113	$ 1.2

The appropriation of earnings for 2023 is subject to the resolution of the shareholders in their meeting.

d. Other equity items

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 1,152,771	$ (3,606,319)
Exchange differences on translating the financial statements of foreign operations	137,790	4,759,090
Balance at December 31	$ 1,290,561	$ 1,152,771

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (59,680)	$ 18,570
Recognized for the year		
Unrealized gains and losses		
Equity instruments	(1,924)	(38,734)
Realized gains and losses transfer into Retain Earnings	441	(39,516)
Balance at December 31	$ (61,163)	$ (59,680)

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 1,640,060	$ (296,056)
Recognized for the year		
Gain on changes in the fair value of hedging instruments		
Cross-currency swaps	-	630,505
Interest rate swaps	(745,759)	1,397,463
Related income tax	170,685	(47,928)
Reclassification adjustment		
Hedged items affecting profit or loss		
Cross-currency swaps	-	(3,836)
Interest rate swaps	(553,789)	(40,088)
Balance at December 31	$ 511,197	$ 1,640,060

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 32.

e. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 10,635,215	$ 5,400,906
Attributable to non-controlling interests:		
Share in profit for the year	1,479,742	2,373,249
Exchange differences on translating the financial statements of foreign operations	27,271	689,297
Profit and loss from cash flow hedging	(10,463)	26,883
Unrealized gains and losses from FVTOCI	(6,309)	20,837
Cash dividends of subsidiaries' shareholders	(1,079,277)	(1,074,477)
The Company's shares held by subsidiaries accounted for as treasury shares	-	(66)
Adjustment of treasury shares at the end of the period	(131,821)	468,677
Treasury shares purchased by subsidiaries	(19,824)	(13,828)
Non-controlling interest arising from acquisition of subsidiaries (Note 30)	-	2,985,237
Adjustment to non-controlling interest for dividends paid to subsidiaries	332,283	247,475
Changes in equity in subsidiaries	59,796	47
Acquisition of non-controlling interests in subsidiaries	-	(811,801)
Disposal of non-controlling interests in subsidiaries	7,903	-
Share-based payment transaction	606	-
Increase in non-controlling interests	124,190	322,779
Balance at December 31	$ 11,419,312	$ 10,635,215

f. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares at January 1, 2023	241,960
Increase during the year	48,392
Number of shares at December 31, 2023	290,352
Number of shares at January 1, 2022	239,561
Increase during the year	2,399
Number of shares at December 31, 2022	241,960

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Cost	Market Price
December 31, 2023			
BBI-TW	167,204		$ 6,621,273
TCE	123,148		$ 4,876,676
Belonging to the Company	124,300	$ 4,386,159	$ 4,922,272
December 31, 2022			
BBI-TW	139,336		$ 5,907,870
TCE	102,624		$ 4,351,243
Belonging to the Company	103,995	$ 4,473,674	$ 4,409,367

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

g. share-based payment

Qualified employees of the subsidiary Right Way were granted 2,300 options in January 2019. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of Right Way. The options granted are valid for 5 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price not less than 75% of the closing price of Right Way's ordinary shares listed at the grant date. The actual share price is determined by the board of directors. For any subsequent changes in Right Way's capital surplus, the exercise price is adjusted accordingly.

Above for employee share options granted are priced using approximation of the American option pricing (Pseudo American Option), and the inputs to the model are as follows:

	January 2019
Grant-date share price	$ 21.30
Exercise price	15.98
Expected volatility	29.98%
Expected life (in years)	5
Expected Rate (%)	-
Risk-free interest rate	0.54%-0.73%

Expected volatility is based on the historical share price volatility over the past 5 years.

Details of the above for employee share options are as follows:

	For the Year Ended December 31			
	2023		2022	
	Weighted average performance price ($)	Number of stock options (In Thousands of Units)	Weighted average performance price ($)	Number of stock options (In Thousands of Units)
Balance at January 1	$ 13.4	655	$ 14.79	1,505
Options granted	-	-	14.79	40
Options forfeited	-	-	13.49	(264)
Options exercised	13.3-13.4	(595)	13.53	(626)
Balance at December 31	13.3	60	13.4	655
Options exercisable, end of the year	13.3	60	13.4	263

25. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from sale of goods	$ 100,258,202	$ 114,148,570
Construction contract revenue	998,399	-
	$ 101,256,601	$ 114,148,570

Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (Note 10)	$ 7,466,965	$ 8,065,531	$ 7,267,972

Contract assets (recognized as other current assets)

	December 31, 2023	December 31, 2022	January 1, 2022
Revenue from sale of goods and construction contract revenue	$ 28,407	$ -	$ -

Contract liabilities

	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	$ 145,627	$ 173,958	$ 49,206

Refer to Note 39 for segment revenue information.

26. PROFIT (LOSS) BEFORE INCOME TAX

a. Other operating income and expenses

	For the Year Ended December 31	
	2023	2022
Loss on disposal of property, plant and equipment	$ (15,415)	$ (4,759)

b. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits and financial assets at amortized cost	$ 286,613	$ 86,225

c. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 14,409	$ 3,911
Dividends	400	1,197
Others	321,025	359,947
	$ 335,834	$ 365,055

d. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Foreign exchange gain	$ 3,131,147	$ 8,251,891
Foreign exchange losses	(3,000,963)	(6,300,083)
Net loss on financial assets designated as at FVTPL	1,317,800	(197,779)
Impairment loss recognized on non-financial assets	-	(67,386)
Deemed as gain (loss) on disposal of accounted for using the equity method	-	(79,461)
Gain on disposed of non-current groups held for sale	4,455	37,774
Others	(10,306)	(19,416)
	$ 1,442,133	$ 1,625,540

e. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 1,782,611	$ 1,185,964
Amortization of arrangement fees of syndicated bank loans	62,060	52,542
Loss arising on derivatives designated as hedging instruments in cash flow hedge accounting relationships reclassified from equity to profit or loss	(553,789)	(43,924)
Interest on lease liabilities	236,235	130,617
	1,527,117	1,325,199
Less: Amounts included in the cost of qualifying assets	367,917	109,389
	$ 1,159,200	$ 1,215,810

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest	$ 367,917	$ 109,389
Capitalization rate	1.9%-6.41%	1.36%-3.58%

f. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 1,166,403	$ 949,084
Investment properties	9,553	6,823
Other intangible assets	406,287	350,494
Other non-current assets	799	358
Right-of-use assets	1,214,951	1,154,010
	$ 2,797,993	$ 2,460,769

(Continued)

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 763,307	$ 636,423
Operating expenses	1,627,600	1,473,494
	$ 2,390,907	$ 2,109,917
An analysis of amortization by function		
Operating costs	$ 799	$ 1,307
Operating expenses	406,287	349,545
	$ 407,086	$ 350,852

(Concluded)

g. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2023	2022
Direct operating expenses from investment properties generating rental income	$ -	$ 135

h. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 6,534,471	$ 7,838,040
Post-employment benefits		
Defined contribution plans	207,659	147,341
Defined benefit plans (refer to Note 23)	(144)	3,347
	207,515	150,688
Total employee benefits expense	$ 6,741,986	$ 7,988,728
An analysis of employee benefits expense by function		
Operating costs	$ 2,292,011	$ 2,396,472
Operating expenses	4,449,975	5,592,256
	$ 6,741,986	$ 7,988,728

i. Employees' compensation and remuneration of directors and supervisors for 2023 and 2022

The Company accrued employees' compensation and remuneration of directors and supervisors 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 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

	For the Year Ended	
	December 31, 2023	**December 31, 2022**
Employees' compensation	3%	3%
Remuneration of directors and supervisors	0.39%	0.18%

Amount

	For the Year Ended	
	December 31, 2023	**December 31, 2022**
Employees' compensation – cash	$ 185,807	$ 395,990
Remuneration of directors – cash	24,000	24,000

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.

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

27. INCOME TAX

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

	For the Year Ended December 31	
	2023	**2022**
Current tax		
In respect of the current year	$ 1,508,180	$ 4,243,253
Adjustments for prior years	79,348	(42,012)
Income tax on unappropriated earnings	419,961	276,396
	2,007,489	4,477,637
Deferred tax		
In respect of the current year	790,307	309,722
Income tax expense recognized in profit or loss	$ 2,797,796	$ 4,787,359

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit (loss) before tax	$ 9,608,340	$ 19,186,223
Income tax expense calculated at the statutory rate	$ 2,565,287	$ 4,999,474
Non-deductible expenses (income) in determining taxable income	208,206	98,490
Tax - added income	1,778	550
Income tax on unappropriated earnings	419,961	276,396
Unrecognized loss carryforwards and deductible temporary differences	(369,787)	(446,157)
Adjustments for prior years	79,348	(42,012)
Controlled foreign corporate tax burden	8,697	-
Deduction of income tax	(115,694)	(99,382)
Income tax expense recognized in profit or loss	$ 2,797,796	$ 4,787,359

The corporate tax rate applicable to companies 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 subsidiaries. As a result, no deferred tax liability has been recognized on the related investment income recognized under the equity method.

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year:		
Fair value changes of hedging instruments for cash flow hedges	$ (163,346)	$ (21,946)
Remeasurement of defined benefit plans	(1,162)	(4,780)
Translation of foreign operation	2,016	(2,799)
Total income tax recognized in other comprehensive income	$ (162,492)	$ (29,525)

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ 1,133,906	$ 1,742,653
Current tax liabilities		
Income tax payable	$ 918,108	$ 1,595,242

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Difference between tax reporting and financial reporting – depreciation and amortization expenses	$ 44,535	$ 29,646	$ -	$ (433)	$ 73,748
Unrealized gross profit from sales	865,267	(243,830)	-	-	621,437
Defined benefit obligations	12,127	(986)	(540)	-	10,601
Unrealized loss on inventories	413,482	(36,421)	-	827	377,888
Difference between tax reporting and financial reporting – inventory capitalization	417,313	(159,040)	-	2,228	260,501
Allowance for doubtful accounts and sales return	33,025	(9,648)	-	138	23,515
Difference between profit and loss of sale-lease back disposal	66,406	(9,080)	-	120	57,446
Exchange differences on translation of the financial statements of foreign operations	31,537	-	2,016	-	33,553
Unrealized Investment losses	26,987	(28,292)	-	1,305	-
Others	563,630	(338,800)	-	4,959	229,789
	2,474,309	(796,451)	1,476	9,144	1,688,478
Loss carryforward	209,904	(92,396)	-	544	118,052
	$ 2,684,213	$ (888,847)	$ 1,476	$ 9,688	$ 1,806,530

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Hedging instruments	$ 22,823	$ 132,520	$ 163,346	$ (4,171)	$ 314,518
Difference between tax reporting and financial reporting - depreciation and amortization expenses	1,421,904	(110,849)	-	1,368	1,312,423
Net defined benefit Assets	21,851	3,857	622	-	26,330
Unrealized gain or loss on financial instrument	5,773	13,901	-	137	19,811
Property, plant and equipment	201,218	-	-	-	201,218
Others	147,872	(137,969)	-	1,452	11,355
	$ 1,821,441	$ (98,540)	$ 163,968	$ (1,214)	$ 1,885,655

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Acquisition of combinations	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences						
Difference between tax reporting and financial reporting – depreciation and amortization expenses	$ 29,615	$ -	$ 12,105	$ -	$ 2,815	$ 44,535
Unrealized gross profit from sales	700,054	-	165,213	-	-	865,267
Defined benefit obligations	15,672	2,083	(848)	(4,780)	-	12,127
Unrealized loss on inventories	192,119	-	188,044	-	33,319	413,482
Difference between tax reporting and financial reporting – inventory capitalization	287,301	-	95,656	-	34,356	417,313

(Continued)

Deferred Tax Assets	Opening Balance	Acquisition of combinations	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Allowance for doubtful accounts and sales return	$ 22,834	$ -	$ 7,482	$ -	$ 2,709	$ 33,025
Difference between profit and loss of sale-lease back disposal	75,523	-	(16,871)	-	7,754	66,406
Exchange differences on translation of the financial statements of foreign operations	-	34,336	-	(2,799)	-	31,537
Unrealized Investment losses	-	28,915	(1,928)	-	-	26,897
Others	521,349	7,133	(3,171)	-	38,319	563,630
	1,844,467	72,467	445,682	(7,579)	119,272	2,474,309
Loss carryforward	634,299	23,599	(494,756)	-	46,762	209,904
	$ 2,478,766	$ 96,066	$ (49,074)	$ (7,579)	$ 166,034	$ 2,684,213
Deferred Tax Liabilities						
Temporary differences						
Hedging instruments	$ 105	$ -	$ -	$ 21,946	$ 772	$ 22,823
Difference between tax reporting and financial reporting - depreciation and amortization expenses	1,171,901	-	118,132	-	131,871	1,421,904
Net defined benefit Assets	13,210	-	8,641	-	-	21,851
Unrealized gain or loss on financial instrument	57	-	5,695	-	21	5,773
Property, plant and equipment	-	201,218	-	-	-	201,218
Others	15,346	-	128,180	-	4,346	147,872
	$ 1,200,619	$ 201,218	$ 260,648	$ 21,946	$ 137,010	$ 1,821,441

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Loss carryforwards		
Expiry in 2026	$ -	$ 1,833
Expiry in 2027	53,822	60,662
Expiry in 2028	49,155	49,155
Expiry in 2029	12,963	12,963
Expiry in 2030	260	260
Expiry in 2031	99,932	99,997
Expiry in 2032	758,075	767,864
Expiry in 2033	465,704	-
	$ 1,439,911	$ 992,734
Deductible temporary differences	$ 276,646	$ 292,584

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

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 subsidiaries (the unappropriated earnings as of December 31, 2023 were approved by the Company's board and BBI-TW's board of directors on March 12, 2024). As a result, no deferred tax liability has been recognized on the related investment income recognized under the equity method.

As of December 31, 2023 and 2022, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $36,046,413 thousand and $31,147,545 thousand, respectively.

g. Income tax assessments

The Company's and its subsidiary's income tax returns through 2021 have been assessed by the tax authorities.

28. 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 for 2022 due to retroactive adjustments are as follows:

Unit: NTD per share

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	$ 6.23	$ 5.15
Diluted earnings per share	$ 6.19	$ 5.12

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2023	2022
Profit (loss) for the year attributable to owners of the Company	$ 5,330,802	$ 12,025,615

Number of Shares

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

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	2,322,211	2,336,423
Effect of potentially dilutive ordinary shares:		
Employees' compensation	6,451	10,721
Weighted average number of ordinary shares used in the computation of diluted earnings per share	2,328,662	2,347,144

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

29. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Manufacture and sale of curtains and decorations	May 1, 2022	100	$ 166,282
NOEI GEENG	Manufacture screws and nuts	June 1, 2022	97	$ 77,786
Hupao	Energy Technical Services	June 1, 2022	99.7	$ 191,092
Shie Shin	Manufacture screws and nuts	June 9, 2022	98	$ 285,171
Right Way	Engine, automotive and motorcycle parts manufacturing	June 20, 2022	20.4	$ 632,308

The Group acquired the aforementioned companies for the year ended December 31, 2022 to continue expanding it is sales.

b. Consideration transferred

The Group acquired Wei Mei Hsin Shu Interior Decoration Co., Ltd. the consideration transferred was cash.

The Group acquired Noei Geeng, Hupao, Shie Shin Enterprise Co., Ltd., and Right Way the consideration transferred was $554,049 thousand in cash and fair value of investments transferred using the equity method at the date of acquisition $632,308 thousand.

c. Assets acquired and liabilities assumed at the date of acquisition

	Wei Mei Hsin Shu Co., Ltd.	Noei Geeng Co., Ltd.	Hupao Co., Ltd.	Shie shin Co., Ltd.	Right Way Co., Ltd.
Current assets					
Cash and cash equivalents	$ 2,056	$ 98,164	$ 217,491	$ 285,325	$ 773,618
Trade and other receivables	11,113	42,270	2,980	23,625	297,141
Inventories	63,409	-	-	-	427,178
Others	10,018	626	50	-	149,137
Non-current assets					
Property, plant and equipment	7,576	23,348	-	-	2,437,925
Intangible assets	25,400	-	31,440	-	-
Others	662	16,300	-	-	320,444
Current liabilities					
Short-term borrowings	-	(10,622)	-	-	(62,323)
Trade and other payables	(27,492)	(60,290)	(28,017)	(18,672)	(280,850)
Others	-	(30,259)	(33,000)	(72)	(128,336)
Non-current liabilities					
Long-term borrowings	-	-	-	-	(2,647)
Deferred tax liabilities	-	-	-	-	(201,218)
Others	-	-	-	-	(8,914)
	$ 92,742	$ 79,537	$ 190,944	$ 290,206	$3,721,155

d. Non-controlling interests

The non-controlling interests of Noei Geeng, Hupao, Shie Shin and Right Way, are measured by their proportionate shares of the recognized amounts of the acquiree's net identifiable assets.

e. Goodwill recognized on acquisitions (Gain from bargain purchase recognized on acquisition)

	Wei Mei Hsin Shu Co., Ltd.	Noei Geeng Co., Ltd.	Hupao Co., Ltd.	Shie shin Co., Ltd.	Right Way Co., Ltd.
Fair value before acquisition	$ -	$ -	$ -	$ -	$ 632,308
Consideration transferred	166,282	77,786	191,092	285,171	-
Plus: Non-controlling interests	-	1,751	(148)	5,035	2,978,599
Less: Fair value of identifiable net assets acquired	(92,742)	(79,537)	(190,944)	(290,206)	(3,721,155)
Goodwill recognized on acquisitions	$ 73,540	$ -	$ -	$ -	$ (110,248)

f. Net cash outflow (inflow) on the acquisition of subsidiaries

	Wei Mei Hsin Shu Co., Ltd.	Noei Geeng Co., Ltd.	Hupao Co., Ltd.	Shie shin Co., Ltd.	Right Way Co., Ltd.
Consideration paid in cash	$ 166,282	$ 77,786	$ 191,092	$ 285,171	$ 467,832
Less: Cash and cash equivalent balances acquired	(2,056)	(98,164)	(217,491)	(285,325)	(773,618)
	$ 164,226	$ (20,378)	$ (26,399)	$ (154)	$ (305,786)

g. Impact of acquisitions on the results of the Group

If the aforementioned companies concluded the acquisition at January 1, 2022, the Group’s consolidated revenue and profit were $114,762,445 thousand and $14,429,179 thousand for the year ended December 31, 2022, respectively.

This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

h. Figures have been restated based on the valuation report

The Group’s figures have been restated based on the valuation report to acquire the operating assets, Wei Mei Hsin Shu and Right Way, in October 2022, March 2023 and May 2023, respectively, as if the initial accounting was completed at the acquisition date.

The adjusted increase (decrease) of related items in the balance sheet of the Group are as follow:

For the year ended December 31, 2023

	Originally	Adjustment Wei Mei Hsin Shu Co., Ltd. Acquire	Restated
Other assets	$ 63,003	$ (1,078)	$ 61,925
Property, plant and equipment	$ 22,991,260	$ 1,098	$ 22,992,358
Goodwill	$ 4,212,701	$ (25,420)	$ 4,187,281
Intangible assets-customer relationships	$ 399,658	$ 25,400	$ 425,058

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

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, and its continuing interest increased from 99.62% to 99.96% for the year ended December 31, 2023.

In January 2023, the Group subscribed for additional new shares and sold part of its stock of Right Way Industrial Co., Ltd. at a percentage different from its existing ownership percentage, and its continuing interest was reduced from 19.83% to 18.09%.

From January 1 to December 31, 2022, the Group purchased 37,352 thousand shares of common stock of BBI-TW in the market respectively.

In June 2022, 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, and reduced its continuing interest from 100% to 70%.

In June 2022, 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, and increased its continuing interest from 69.17% to 84.58%.

In June 2022, the Group subscribed for additional new shares of Noei Geeng, Hupao and Shie Shin at a percentage different from its existing ownership percentage, and reduced its continuing interest from 97%,99.7% and 98% to 80%, respectively.

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

2023

	BBI-TW	Ta Chen Lung Mei Home Life Co., Ltd	RIGHT WAY.
Cash Consideration paid	$ 14	$ (600,000)	$ 21,138
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	(42,691)	598,817	(7,582)
Difference recognized from equity transactions	$ (42,677)	$ (1,183)	$ 13,556

	BBI-TW	Ta Chen Lung Mei Home Life Co., Ltd	RIGHT WAY INDUSTRIAL CO., LTD.	Total
Adjustment subjects to the difference from equity transactions				
Additional Paid-In Capital - the difference between the actual acquisition or disposal of subsidiary equity prices and book value	$ 14	$ -	$ 13,235	$ 13,249
Additional Paid-In Capital - Recognition of changes in ownership equity in subsidiaries	(42,691)	(1,183)	321	(43,553)
	$ (42,677)	$ (1,183)	$ 13,556	$ (30,304)

2022

	BBI-TW	WEI MEI ROLLER BLIND CO., LTD.	Ta Chen Lung Mei Home Life Co., Ltd	NOEI GEENG ENTERPRISE CO., LTD	Hupao Technology CO., LTD.	Shie Shin	RIGHT WAY.
Cash Consideration paid	$ (1,297,788)	$ 30,000	$ -	$ 10,913	$ 18,958	$ 26,586	$ (19,849)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	811,801	(29,794)	(58,893)	(7,860)	(19,166)	(26,574)	(17,415)
Difference recognized from equity transactions	$ (485,987)	$ 206	$ (58,893)	$ 3,053	$ (208)	$ 12	$ (37,264)

	BBI-TW	WEI MEI ROLLER BLIND CO., LTD.	Ta Chen Lung Mei Home Life Co., Ltd	NOEI GEENG ENTERPRISE CO., LTD.	Hupao Technology CO., LTD.	Shie Shin	RIGHT WAY.	Total
Adjustment subjects to the difference from equity transactions								
Additional Paid-In Capital - the difference between the actual acquisition or disposal of subsidiary equity prices and book value	$ (315,032)	$ -	$ -	$ -	$ -	$ -	$ -	$ (315,032)
Additional Paid-In Capital - Recognition of changes in ownership equity in subsidiaries	-	206	(58,893)	3,053	(208)	12	(23,135)	(78,965)
Retained Earnings	(170,955)	-	-	-	-	-	(14,129)	(185,084)
	$ (485,987)	$ 206	$ (58,893)	$ 3,053	$ (208)	$ 12	$ (37,264)	$ (579,081)

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged for 2023 and 2022.

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

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

32. FINANCIAL INSTRUMENTS

a. 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.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 666,952	$ -	$ 666,952
Mutual funds	108,645	-	-	108,645
	$ 108,645	$ 666,952	$ -	$ 775,597
Financial assets at FVTOCI				
Foreign listed shares	$ 79,030	$ -	$ -	$ 79,030
Domestic emerging market shares	-	-	759,295	759,295
Domestic unlisted shares	-	-	27,152	27,152
	$ 79,030	$ -	$ 786,447	$ 865,477
Financial assets for hedging				
Derivatives	$ -	$ 697,866	$ -	$ 697,866
Financial liabilities at FVTPL				
Derivatives	$ -	$ 175,429	$ -	$ 175,429

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 40,839	$ -	$ 40,839
Mutual funds	81,410	-	-	81,410
	$ 81,410	$ 40,839	$ -	$ 122,249
Financial assets at FVTOCI				
Foreign listed shares	$ 79,240	$ -	$ -	$ 79,240
Domestic unlisted shares	-	-	741,799	741,799
	$ 79,240	$ -	$ 741,799	$ 821,039
Financial assets for hedging				
Derivatives	$ -	$ 1,640,059	$ -	$ 1,640,059
Financial liabilities at FVTPL				
Derivatives	$ -	$ 182,653	$ -	$ 182,653

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

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

The private share of listed company is evaluated by B-S Model with the target price, option exercise price, risk-free rate, historic volatility, and the maturity date.

The fair value measurement of foreign exchange swap contracts, foreign exchange forward contracts and cross-currency swaps are based on the exchange rate quotations and corresponding yield curves. The fair value measurement of metal swap contracts, metal forward contracts and metal future contracts are based on the forward quotations of the metal and the corresponding yield curves. Option contracts were measured by option pricing models.

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 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

2023

	Financial assets at fair value through other comprehensive income
	Equity instruments
Balance at January 1, 2023	$ 741,799
Additional	53,905
Recognized in other comprehensive income	(9,257)
Balance at December 31, 2023	$ 786,447

2022

	Financial assets at fair value through other comprehensive income
	Equity instruments
Balance at January 1, 2022	$ 496,222
Additions	10,947
Recognized in other comprehensive income	(45,572)
Acquisitions through Business Combinations	280,202
Balance at December 31, 2022	$ 741,799

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at FVTPL		
Held for trading	$ 666,952	$ 40,839
Mandatorily classified as at FVTPL	108,645	81,410
Financial assets for hedging	697,866	1,640,059
Financial assets at amortized cost (Note 1)	23,047,794	24,082,246
Financial assets at FVTOCI	865,477	821,039
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	175,429	182,653
Financial liabilities at amortized cost (Note 2)	47,956,789	59,625,904

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).

Note2: 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).

d. 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 (a) below), interest rates (refer to (b) below) and other price risk (refer to (c) 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.

a) Foreign currency 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 37.

<u>Sensitivity analysis</u>

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)	
	For the Year Ended December 31	
	2023	2022
Profit or loss	$ 110,189	$ 170,593

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

Cross-currency swap

The Group entered into cross-currency swap contracts to mitigate the risk of changes in foreign exchange rates and interest rates on cash flow and fair value exposure related to its outstanding variable rate debts.

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

The outstanding cross-currency swap contracts at the end of the reporting period were as follows:

For the year ended December 31, 2022

		Amount Reclassified to P/L and the Adjusted Line Item
Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Due to Hedged Future Cash Flows No Longer Expected to Occur (iv)
Cash flow hedge		
Forecast cash flow interest rate risk	$ (524)	$ 3,836

b) 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:

	December 31	
	2023	**2022**
Cash flow interest rate risk		
Financial assets	$ 8,111,461	$ 9,059,104
Financial liabilities	40,893,614	50,849,236

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 for the years ended December 31, 2023 and 2022 would have been lower by $327,822 thousand and $417,901 thousand, respectively, which was merely a result of variable-rate debts.

Hedge accounting

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

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

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

December 31, 2023

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount 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 USD 245,000 as Hedge accounting.

For the year ended December 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	$ (745,759)	$ 553,789

December 31, 2022

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount
					Asset
USD 300,000	2027.5.6	1.78%	USD LIBOR-1month	Financial Assets for hedging	$ 761,101
USD 50,000	2027.5.6	0.67%	USD LIBOR-1month	Financial Assets for hedging	195,470
USD 100,000	2024.5.6	1.31%	Term SOFR 1 month to 1%	Financial Assets for hedging	103,319
USD 100,000	2023.5.6	1.27%	Term SOFR 1 month to 1%	Financial Assets for hedging	44,885
USD 25,000	2024.5.6	1.37%	USD LIBOR-1month	Financial Assets for hedging	34,040
USD 50,000	2024.5.7	1.37%	USD LIBOR-1month	Financial Assets for hedging	72,888
USD 75,000	2027.5.6	1.1%	USD LIBOR-1month	Financial Assets for hedging	141,348
USD 50,000	2027.5.6	0.7%	USD LIBOR-1month	Financial Assets for hedging	198,511
USD 10,000	2026.5.1	0.975%	USD LIBOR-1month	Financial Assets for hedging	29,220
USD 10,000	2026.5.1	1.023%	USD LIBOR-1month	Financial Assets for hedging	29,530
USD 10,000	2026.5.1	1.005%	USD LIBOR-1month	Financial Assets for hedging	29,747
					$ 1,640,059

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	$ -	$ 1,551,562	$ -
Syndicated Loans of BBI-USA	-	88,497	-

For the year ended December 31, 2022

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	$ 1,397,463	$ 40,088

For the adjustment information of other equity for hedging, refer to Note 24.

c) 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 for years ended December 31, 2023 and 2022 would have increased/decreased by $25,591 thousand and $23,000 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 $93,202 thousand and unrealized losses of $135,962 thousand for years ended December 31, 2023 and 2022, 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:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities set out in (3) below.

a) 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.

December 31, 2023

	On Demand and Less than 1 year	**More than 1 Year**
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
	$ 28,268,631	$ 32,868,416

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 1,378,225	$ 4,799,918	$ 4,036,620

December 31, 2022

	On Demand and Less than 1 year	More than 1 Year
Non-derivative financial liabilities		
Non-interest bearing liabilities	$ 6,980,190	$ -
Lease liabilities	1,151,917	7,864,418
Fixed interest rate bank loans	2,136,703	824,929
Floating interest rate bank loans	32,083,978	39,061,500
	$ 42,352,788	$ 47,750,847

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 1,151,917	$ 4,028,672	$ 3,835,746

b) 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.

December 31, 2023

	Less than 1 Year	1-5 Years
Net settled		
Foreign exchange forward contracts	$ 45,267	$ -
Metal price derivative contracts	130,162	-
	$ 175,429	$ -

December 31, 2022

	Less than 1 Year	1-5 Years
Net settled		
Foreign exchange forward contracts	$ 15,517	$ -
Foreign exchange swap contracts	15,583	-
Metal price derivative contracts	151,353	-
	$ 182,453	$ -

c) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	$ 12,552,016	$ 9,381,340
Amount unused	8,137,051	9,639,883
	$ 20,689,067	$ 19,021,223
Secured bank loan facilities which may be extended by mutual agreement:		
Amount used	$ 30,277,763	$ 43,370,367
Amount unused	54,290,157	37,045,434
	$ 84,567,920	$ 80,415,801

33. 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.

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

Related Party Name	Relationship
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

(Continued)

Related Party Name	Relationship
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, is also the director of the Group since June 26, 2023(Note 15)
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)

(Concluded)

Note 1: A related party since January 5, 2022.

Note 2: As described in Note 13, it became a related party in June 2022, which is evaluated by the equity method and is classified as an associate of the Company.

b. Purchases of goods and purchase allowances

Related Party Category / Name	For the Year Ended December 31 2023	2022
Jinn Her Enterprise Co., Ltd.	$ 1,667,955	$ 2,493,923
Fang Sheng Screw Co., Ltd.	757,365	904,452
Tong Win	1,053,523	1,689,890
TY Steel	-	564,837
Related party in substance	259,832	410,101
	$ 3,738,675	$ 6,063,203

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 45 to 90 days or prepaid; and the payment term to third parties is prepaid or 0 to 90 days.

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

Line Item	Related Party Category / Name	December 31 2023	2022
Other receivables	Corporate director of subsidiaries	$ 666	$ 900
	Related party in substance	656	379
		$ 1,322	$ 1,279

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

d. Payables to related parties

Line Item	Related Party Category / Name	December 31 2023	December 31 2022
Accounts payable	Corporate director of subsidiaries	$ 178,149	$ 261,235
	Related party in substance	132,646	162,815
		$ 310,795	$ 424,050

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

e. Prepayments

Related Party Category / Name	December 31 2023	December 31 2022
Associated	$ 20,000	$ 20,000
Corporate director of subsidiaries	-	13,108
Related party in substance	-	2,495
	$ 20,000	$ 35,603

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

Related Party Category / Name	December 31 2023	December 31 2022
Related party in substance	$ 1,760	$ 2,060

g. Loan to Related parties

Related Party Category / Name	December 31 2023	December 31 2022
Other Receivables		
Fuzhou Assured (Note)	$ -	$ 12,367
Interest Revenue		
Fuzhou Assured	$ 162	$ 395

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.

h. Lease agreements - the Group is lessee

The Company entered into a contract with its related parties in substance to rent Taipei office space, Tainan dormitories, Kaohsiung office, Kaohsiung plant, dormitories in California and two cars, five locations in total, from December 2023 to April 2024. The rental is based on similar assets' market rental rates, which are paid quarterly.

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

	December 31			
	2023		2022	
Future lease payables	$	12,788	$	4,502

	For the Year Ended December 31			
Related Party Category / Name	2023		2022	
Lease expense				
Related party in substance	$	17,796	$	12,446

i. 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 $7,560 thousand of consulting expense (recognized as operating expense) for the years ended December 31, 2023.

j. Remuneration of key management personnel

	For the Year Ended December 31			
	2023		2022	
Short-term employee benefits	$	518,148	$	444,320
Post-employment benefits		1,481		1,421
	$	519,629	$	445,741

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

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31			
	2023		2022	
Financial assets at amortized cost (pledged time deposits, pledged demand deposits and pledged repurchase agreements collateralized by bonds)	$	2,914,243	$	3,106,035
Accounts receivable		5,778,669		6,785,442
Inventories		50,667,356		65,660,934
Property, plant and equipment, net		10,348,204		10,770,986
	$	69,708,472	$	86,323,397

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Unused letters of credit for purchases of raw materials as of December 31, 2023 and 2022 were as follows:

	December 31	
	2023	**2022**
Unused letters of credit for purchases of raw materials	$ 401,796	$ 331,588

b. Unrecognized commitments were as follows:

	December 31	
	2023	**2022**
Acquisition of property, plant and equipment	$ 9,529,735	$ 1,635,815

c. As of December 31, 2023, the subsidiary BBI-USA provided a letter of credit in the amount of $156,596 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.

d. 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 $108,229 thousand (US$3,525 thousand) for the year ended December 31, 2023, which was recognized as cost of goods sold and 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. As of the date the consolidated financial statements were authorized for issue, according to the statement from the attorney of BBI-USA, the attorney was unable to express an opinion on the outcome of the litigation. The final outcome of the litigation has yet to be negotiated with U.S. Customs.

e. As of December 31, 2023 and 2022, the guaranteed notes submitted and payables issued by the Group for the loan was $337,300 thousand and $1,219,000 thousand, respectively.

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Donations

The Group engaged in charitable donations from January 1 to December 31, 2023 and 2022, donating a total of $15,901 thousand and $199,924 thousand, respectively, to the Buddhist Compassion Relief Tzu Chi Foundation and Buddhist Compassion Relief Tzu Chi Hospital, recognized as operating expenses.

37. 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:

December 31, 2023

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

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands)
Financial assets				
Monetary items				
USD	$ 580,570	30.71		$ 17,829,312
USD	5,481	6.9646	(USD:CNY)	168,322
EUR	1,025	32.72		33,552
EUR	3,720	7.4229	(EUR:CNY)	107,041
CAD	19,762	22.67		448,009
AUD	37,000	20.83		770,715
RMB	7,961	4.408		35,092
GBP	2,130	37.09		79,009
NZD	1,402	19.44		27,258
Financial liabilities				
Monetary items				
USD	22,026	30.71		676,422
USD	1,015	6.9646	(USD:CNY)	31,184
USD	7,512	5.8857	(USD:BRL)	230,689

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

	For the Year Ended December 31			
	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	$ 111,219	1 (NTD:NTD)	$ 1,951,673
USD	31.1548 (USD:NTD)	(963)	29.8045 (USD:NTD)	(13,521)
BRL	5.8493 (BRL:NTD)	7,317	5.7738 (BRL:NTD)	4,452
CAD	22.4933 (CAD:NTD)	1,020	22.8975 (CAD:NTD)	(1,378)
NZD	19.1500 (NZD:NTD)	(650)	18.9125 (NZD:NTD)	(659)
GBP	36.9033 (GBP:NTD)	470	36.7992 (GBP:NTD)	(56)
AUD	20.8000 (AUD:NTD)	(789)	20.6650 (AUD:NTD)	(1,094)
CNY	4.4240 (CNY:NTD)	12,560	4.4346 (CNY:NTD)	12,391
		$ 130,184		$ 1,951,808

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 2)

2) Endorsements/guarantees provided (Table 3)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 4)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 5)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 6)

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 7)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 8)

9) Trading in derivative instruments (Notes 7 and 32)

10) Intercompany relationships and significant intercompany transactions (Table 12)

b. Information on investees (Table 9)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)

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, 8, 9, 10 and 12):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information on major shareholders: the name, amount and proportion of shareholders who hold more than 5 % of the shares (Table 11).

39. 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 - TIG, 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, Right Way, 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.

a. Segment revenue and results

	Stainless Steel and Aluminum	Aluminum Manufacturing	Screws and Nuts	Curtains and Decorations	Adjustments and Eliminations	Total
For the year ended December 31, 2023						
Revenue from external customers	$ 75,796,808	$ -	$ 22,705,995	$ 2,753,798	$ -	$ 101,256,601
Inter-segment revenue	8,557,222	20,349,409	780,633	50,795	(29,738,059)	-
Segment revenue	$ 84,354,030	$ 20,349,409	$ 23,486,628	$ 2,804,593	$ (29,738,059)	$ 101,256,601
Segment income	$ 4,965,966	$ 469,541	$ 3,728,195	$ (374,144)	$ 66,416	$ 8,855,974
Non-operating income and expenses						2,064,580
Finance costs						(1,159,200)
Share of associates accounted for using the equity method						(153,014)
Profit before income tax						$ 9,608,340
For the year ended December 31, 2022						
Revenue from external customers	$ 88,305,153	$ -	$ 24,669,057	$ 1,174,360	$ -	$ 114,148,570
Inter-segment revenue	12,800,710	21,202,338	1,006,890	27,225	(35,037,163)	-
Segment revenue	$ 101,105,863	$ 21,202,338	$ 25,675,947	$ 1,201,585	$ (35,037,163)	$ 114,148,570
Segment income	$ 14,481,901	$ (416,579)	$ 5,125,645	$ (731,866)	$ 67,101	$ 18,526,202
Non-operating income and expenses						2,187,068
Finance costs						(1,215,810)
Share of associates accounted for using the equity method						(311,237)
Profit before income tax						$ 19,186,223

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.

b. Geographical information

The Group operates in three principal geographical areas - USA, Taiwan and China.

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from External Customers For the Year Ended December 31	
	2023	2022
USA	$ 93,233,405	$ 105,722,840
China	1,382,278	1,565,460
Taiwan	3,658,398	4,046,159
Others	2,982,520	2,814,111
	$ 101,256,601	$ 114,148,570

	Non-current Assets December 31	
	2023	2022
USA	$ 31,745,158	$ 25,674,214
China	618,411	662,047
Taiwan	11,535,416	12,989,216
Others	2,624,563	898,604
	$ 46,523,548	$ 40,224,081

Non-current assets excluded those classified as investments accounted for using the equity method financial instruments (include prepayments for investments), financial instruments, net defined benefit assets and deferred tax assets.

c. Information about major customers

The customer contributing 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31			
	2023		2022	
	Amount	**%**	**Amount**	**%**
Customer A	$ 10,928,943	11	$ 13,324,469	12

TABLE 1

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

MOVEMENTS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	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
Cost														
Balance at January 1, 2022	$ 4,244,981	$ 129,782	$ 4,565,320	$ 9,145,432	$ 1,722,559	$ 341,757	$ 189,164	$ 529,218	$ 229,791	$ 290,337	$ 1,671	$ 266,392	$ 494,496	$ 22,150,900
Additions	2,395,289	6,716	220,463	574,708	156,804	734	88,430	49,797	2,076	145,293	-	227,701	302,889	4,170,900
Disposals	(45,500)	-	(26,634)	(202,281)	(8,130)	-	(14,673)	(11,980)	(145)	(17,223)	-	(15,872)	-	(342,438)
Transferred to expense	(27,359)	-	-	-	-	-	-	-	-	-	-	-	-	(27,359)
Reclassifications	2,739	13,279	(17,121)	302,604	21,257	-	-	3,344	596	-	-	60,374	(44,176)	342,896
Acquisitions through business combinations	2,116,453	-	416,001	813,772	-	-	16,647	36,979	78,982	-	-	60,422	2,272,287	5,811,543
Effects of foreign currency exchange differences	123,165	6,245	306,001	668,940	173,224	-	3,229	43,781	(1,917)	11,649	183	3,335	7,648	1,345,483
Balance at December 31, 2022	$ 8,809,768	$ 156,022	$ 5,464,030	$ 11,303,175	$ 2,065,714	$ 342,491	$ 282,797	$ 651,139	$ 309,383	$ 430,056	$ 1,854	$ 602,352	$ 3,033,144	$ 33,451,925
Accumulated Depreciation														
Balance at January 1, 2022	$ -	$ 49,189	$ 1,169,140	$ 4,188,048	$ 1,409,582	$ 197,991	$ 139,082	$ 431,424	$ 221,603	$ 241,840	$ 1,671	$ 206,737	$ -	$ 8,256,307
Depreciation expenses	-	6,996	198,248	474,697	119,421	19,741	27,216	35,316	5,756	22,909	-	38,784	-	949,084
Disposals	-	-	(13,320)	(190,146)	(6,681)	-	(10,743)	(11,502)	(145)	(17,174)	-	(15,379)	-	(265,090)
Acquisitions through business combinations	-	-	190,698	721,497	-	-	9,544	32,763	65,217	-	-	52,039	-	1,071,758
Effects of foreign currency exchange differences	-	1,055	63,537	192,163	141,337	-	2,476	36,100	(1,089)	9,088	183	2,658	-	447,508
Balance at December 31, 2022	$ -	$ 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
Carrying amounts at December 31, 2022	$ 8,809,768	$ 98,782	$ 3,855,727	$ 5,916,916	$ 402,055	$ 124,759	$ 115,222	$ 127,038	$ 18,041	$ 173,393	$ -	$ 317,513	$ 3,033,144	$ 22,992,358
Cost														
Balance at January 1, 2023	$ 8,809,768	$ 156,022	$ 5,464,030	$ 11,303,175	$ 2,065,714	$ 342,491	$ 282,797	$ 651,139	$ 309,383	$ 430,056	$ 1,854	$ 602,352	$ 3,033,144	$ 33,451,925
Additions	69,277	265	268,513	222,982	82,533	-	24,828	29,793	2,843	132,586	-	25,214	5,276,670	6,135,504
Disposals	(3,896)	-	(26,791)	(62,229)	(15,157)	-	(22,171)	(11,670)	(2,532)	(29,519)	-	(17,012)	-	(190,977)
Reclassifications	190	-	1,452,179	71,162	4,549	-	1,950	16,902	234	-	-	37,112	(260,240)	1,324,038
Effects of foreign currency exchange differences	(4,702)	(10)	28,996	(29,402)	2,779	-	(484)	201	37,562	(67)	-	(37,437)	12,195	9,631
Balance at December 31, 2023	$ 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
Accumulated Depreciation														
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 expenses	-	7,216	277,110	551,597	107,587	19,134	33,115	44,039	7,639	58,851	-	60,115	-	1,166,403
Disposals	-	-	(23,187)	(46,269)	(12,672)	-	(17,946)	(11,153)	(2,532)	(29,018)	-	(16,696)	-	(159,473)
Reclassifications	-	-	-	(2,116)	-	-	-	-	-	-	-	-	-	(2,116)
Effects of foreign currency exchange differences	-	(47)	(5,266)	(31,785)	1,457	-	(447)	389	-	63	-	196	-	(35,440)
Balance at December 31, 2023	$ -	$ 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
Carrying amounts at January 1, 2023	$ 8,809,768	$ 98,782	$ 3,855,727	$ 5,916,916	$ 402,055	$ 124,759	$ 115,222	$ 127,038	$ 18,041	$ 173,393	$ -	$ 317,513	$ 3,033,144	$ 22,992,358
Carrying amounts at December 31, 2023	$ 8,870,637	$ 91,868	$ 5,329,967	$ 5,648,002	$ 380,387	$ 105,625	$ 104,623	$ 128,989	$ 51,041	$ 246,497	$ -	$ 281,775	$ 8,061,769	$ 29,301,180

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	The Company	Wei Mei Roller Blind Co., Ltd.	Other receivables from related parties	Y	$ 80,000	$ 80,000	$ 80,000	1.80%	2	$ -	Operating capital	$ -	None	$ -	$ 6,306,000	$ 25,223,999
		Ta Chen Lung Mei Home Life Co., Ltd.	Other receivables from related parties	Y	600,000	200,000	200,000	1.50%	2	-	Operating capital	-	None	-	6,306,000	25,223,999
		Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Other receivables from related parties	Y	75,000	-	-	1.80%	2	-	Operating capital	-	None	-	6,306,000	25,223,999
		Ta Chen (Hong Kong) Limited	Other receivables from related parties	Y	159,300	-	-	-	2	-	Operating capital	-	None	-	6,306,000	25,223,999
		TCI Texarkana Inc.	Other receivables from related parties	Y	2,782,800	2,782,800	2,782,800	5.85%	2	-	Operating capital	-	None	-	6,306,000	25,223,999
1	Brighton-Best International (Taiwan) Inc.	Brighton-best International (NZ), Limited	Other receivables from related parties	Y	10,761	8,921	8,921	-	1	23,773	—	-	None	-	23,773	11,045,926
		Brighton-best International (AU), Pty Ltd.	Other receivables from related parties	Y	424,345	408,275	408,275	-	1	864,511	—	-	None	-	864,511	11,045,926
		Brighton-best International (Brasil), Comercio De Parafusos Ltda.	Other receivables from related parties	Y	88,796 (Note 3)	15,205	15,205	-	1	88,266	—	-	None	-	88,266	11,045,926
		Brighton-best International (Brasil), Comercio De Parafusos Ltda.	Other receivables from related parties	Y	16,213	-	-	-	2	-	Operating capital	-	None	-	5,034,688	10,069,376
		Brighton-Best International (UK), Limited	Other receivables from related parties	Y	131,690	127,238	116,634	-	2	-	Operating capital	-	None	-	5,034,688	10,069,376
2	Brighton-Best International, Inc.	Brighton-best International (Brasil), Comercio De Parafusos Ltda.	Other receivables from related parties	Y	153,525	153,525	153,525	-	2	-	Operating capital	-	None	-	2,744,506	5,489,012
		Brighton-best International (Canada), Inc.	Other receivables from related parties	Y	81,063	76,763	-	-	2	-	Operating capital	-	None	-	2,744,506	5,489,012
3	Brighton-Best International (AU), Pty Ltd.	Brighton-best International (NZ), Limited	Other receivables from related parties	Y	62,940	62,940	55,977	-	2	-	Operating capital	-	None	-	180,816	361,633
4	Ta Chen Empire Co., Ltd.	Hupao Technology Co., Ltd.	Other receivables from related parties	Y	120,000	-	-	1.50%	2	-	Operating capital	-	None	-	1,199,544	2,399,088
		Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	220,000	-	-	1.50%	2	-	Operating capital	-	None	-	1,199,544	2,399,088
5	Hupao Technology Co., Ltd.	Noei Geeng Enterprise Co., Ltd.	Other receivables from related parties	Y	45,000	45,000	32,400	1.50%	2	-	Operating capital	-	None	-	46,928	93,856
6	Right way industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables from related parties	Y	48,638	46,058	38,381	5.0%	1	94,645	—	-	None	-	94,645	1,089,376
		Fuzhou Assured Brake Systems Co., Ltd.	Other receivables	N	17,780	-	-	7.0%	2	-	Operating capital	-	None	-	408,516	1,089,376
7	Empire Resources, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	2,765,205	2,765,205	2,068,855	-	2	-	Operating capital	-	None	-	4,587,759	4,587,759
		Imbali Metals BVBA	Other receivables from related parties	Y	370,180	258,160	157,853	1M Term SORF+1.6%	2	-	Operating capital	-	None	-	4,587,759	4,587,759
		Empire Resources (UK)limited	Other receivables from related parties	Y	215,250	215,250	141,661	1M Term SORF+1.6%	2	-	Operating capital	-	None	-	4,587,759	4,587,759
8	Primus Pipe and Tube Holding, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	13,400	13,400	13,400	-	2	-	Operating capital	-	None	-	1,632,741	1,632,741
9	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	Other receivables from related parties	Y	325,970	193,700	193,700	4.50%	2	-	Operating capital	-	None	-	2,356,390	2,356,390
10	8911 Kelso Drive	Empire Resources, Inc.	Other receivables from related parties	Y	80,655	80,655	80,655	-	2	-	Operating capital	-	None	-	89,859	89,859

Note 1:

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

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

Note 2: The nature for financing is as follows:

1) Business transaction

2) The need for short-term financing

Note 3: Because of difference in exchange rate, actual amount borrowed was exceeded financing limit for Each Borrower from BBI-TW financing provided to Brighton-best International (Brasil), Comercio De Parafusos Ltda. After checking, the amount of the originally currency of highest balance for the Period was US$2,751,669,89 which was less than the amount of the originally currency of nature of financing was US$3,010,811.79. There is no risk of exceeding the limit.

TABLE 3

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Ta Chen (B.V.I.) Holdings Ltd.	Subsidiary	$ 126,119,994	$ 100,188	$ 100,188	$ -	$ -	-		Y	N	N
		Ta Chen (Hong Kong) Limited	Subsidiary	126,119,994	2,141,438	-	-	-	-		Y	N	N
		Ta Chen (Shijiazhuang) Co., Ltd.	Sub-subsidiary	126,119,994	145,700	-	-	-	-		Y	N	Y
		Empire Resources, Inc.	Sub-subsidiary	126,119,994	181,170	181,170	181,170	-	-		Y	N	N
		Ta Chen (Boye) Co., Ltd.	Sub-subsidiary	126,119,994	157,608	157,608	157,608	-	-		Y	N	Y
		TMCT Products, Inc.	Sub-subsidiary	126,119,994	174,132	174,132	174,132	-	-		Y	N	N
		Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiary	126,119,994	2,050,000	2,050,000	2,050,000	-	3		Y	N	N
		TCI Texarkana, Inc.	Sub-subsidiary	126,119,994	913,500	913,500	-	-	1		Y	N	N
		Wei Mei Hsin Shu Interior Decoration Co., Ltd.	Sub-subsidiary	126,119,994	95,000	95,000	95,000	-	-	$ 126,119,994	Y	N	N
1	Brighton-Best International (Taiwan) Inc.	Brighton-Best International (AU), Pty Ltd.	Subsidiary (100% of ownership)	20,138,750	243,935	170,489	-	-	1		N	N	N
		Brighton-Best International (NZ), Limited	Subsidiary (100% of ownership)	20,138,750	89,921	89,921	-	-	-	25,173,438	N	N	N
2	Ta Chen Empire Co., Ltd.	Hupao Technology Co., Ltd.	Subsidiary (80% of ownership)	4,798,176	148,000	148,000	148,000	-	2		N	N	N
		Noei Geeng Enterprise Co., Ltd.	Subsidiary (80% of ownership)	4,798,176	190,000	190,000	190,000	-	3	5,997,720	N	N	N
3	Ta Chen International, Inc.	Empire Resources Pacific, Ltd.	Sub-subsidiary	102,691,104	29,230,500	29,230,500	29,230,500	-	57		N	N	N
		TCI Investment Group, Inc.	Subsidiary	102,691,104	29,230,500	29,230,500	29,230,500	-	57		N	N	N
		Empire Resources, Inc.	Subsidiary	102,691,104	29,230,500	29,230,500	29,230,500	-	57		N	N	N
		TCI Texarkana, Inc.	Subsidiary	102,691,104	41,574,860	39,222,060	39,222,060	-	76		N	N	N
		Primus Pipe and Tube Holding, Inc.	Subsidiary	102,691,104	29,230,500	29,230,500	29,230,500	-	57		N	N	N
		Primus Pipe and Tube Inc.	Sub-subsidiary	102,691,104	29,230,500	29,230,500	29,230,500	-	57	102,691,104	N	N	N
4	Empire Resources, Inc.	Ta Chen International, Inc.	Parent company	91,755,180	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		Empire Resources Pacific, Ltd.	Subsidiary	91,755,180	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	91,755,180	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	91,755,180	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	91,755,180	29,230,500	29,230,500	29,230,500	-	637		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	91,755,180	29,230,500	29,230,500	29,230,500	-	637	91,755,180	N	N	N
5	TCI Investment Group, Inc.	Ta Chen International, Inc.	Parent company	63,661,500	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	63,661,500	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	63,661,500	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	63,661,500	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	63,661,500	29,230,500	29,230,500	29,230,500	-	16,070		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	63,661,500	29,230,500	29,230,500	29,230,500	-	16,070	63,661,500	N	N	N
6	Empire Resources Pacific, Ltd.	Ta Chen International, Inc.	Parent company	77,500,000	29,230,500	29,230,500	29,230,500	-	7,325,940		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	77,500,000	29,230,500	29,230,500	29,230,500	-	7,325,940		N	N	N
		Empire Resources, Inc.	Parent company	77,500,000	29,230,500	29,230,500	29,230,500	-	7,325,940		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	77,500,000	29,230,500	29,230,500	29,230,500	-	7,325,940		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	77,500,000	29,230,500	29,230,500	29,230,500	-	7,325,940		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	77,500,000	29,230,500	29,230,500	29,230,500	-	7,325,940	77,500,000	N	N	N
7	Primus Pipe and Tube Holding, Inc.	Ta Chen International, Inc.	Parent company	57,145,935	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	57,145,935	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	57,145,935	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	57,145,935	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	57,145,935	29,230,500	29,230,500	29,230,500	-	1,790		N	N	N
		Primus Pipe and Tube, Inc.	Subsidiary	57,145,935	29,230,500	29,230,500	29,230,500	-	1,790	57,145,935	N	N	N
8	Primus Pipe and Tube Inc.	Ta Chen International, Inc.	Parent company	76,497,355	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	76,497,355	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	76,497,355	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	76,497,355	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	76,497,355	29,230,500	29,230,500	29,230,500	-	2,102		N	N	N
		Primus Pipe and Tube Holding, Inc.	Parent company	76,497,355	29,230,500	29,230,500	29,230,500	-	2,102	76,497,355	N	N	N
9	TCI Texarkana, Inc.	Empire Resources Pacific Ltd.	Fellow subsidiaries	47,777,530	29,230,500	29,230,500	29,230,500	-	302		N	N	N
		Primus Pipe and Tube Holdings, Inc.	Fellow subsidiaries	47,777,530	29,230,500	29,230,500	29,230,500	-	302		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	47,777,530	29,230,500	29,230,500	29,230,500	-	302		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	47,777,530	29,230,500	29,230,500	29,230,500	-	302		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	47,777,530	29,230,500	29,230,500	29,230,500	-	302		N	N	N
		Ta Chen International, Inc.	Parent company	47,777,530	29,230,500	29,230,500	29,230,500	-	302	47,777,530	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.	80% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen Empire Co., Ltd.	80% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen International, Inc.	200% of net worth in recently audited financial statements or reviewed financial statements	200% of net worth in recently audited financial statements or reviewed financial statements
Empire Resources, Inc.	2,000% of net worth in recently audited financial statements or reviewed financial statements	2,000% of net worth in recently audited financial statements or reviewed financial statements
TCI Investment Group, Inc.	35,000% of net worth in recently audited financial statements or reviewed financial statements	35,000% of net worth in recently audited financial statements or reviewed financial statements
Empire Resources Pacific, Ltd.	25,000,000% of net worth in recently audited financial statements or reviewed financial statements	25,000,000% of net worth in recently audited financial statements or reviewed financial statements
Primus Pipe and Tube Holding, Inc.	3,500% of net worth in recently audited financial statements or reviewed financial statements	3,500% of net worth in recently audited financial statements or reviewed financial statements
Primus Pipe and Tube, Inc.	5,500% of net worth in recently audited financial statements or reviewed financial statements	5,500% of net worth in recently audited financial statements or reviewed financial statements
TCI Texarkana, Inc.	500% of net worth in recently audited financial statements or reviewed financial statements	500% of net worth in recently audited financial statements or reviewed financial statements

TABLE 4

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Nomura Global High Dividend Fund Accumulate TWD	None	Financial assets at fair value through profit or loss - current	42,757.80	$ 990	-	$ 990	
	Yuanta New ASEAN Balanced Fund TWD	〃	〃	600,000.00	4,782	-	4,782	
	Capital ASEAN Fund TWD	〃	〃	61,156.30	702	-	702	
	Capital Conservative Allocation Fund of Funds A TWD	〃	〃	200,000.00	1,967	-	1,967	
	Union Multi-Asset High Income Fund A TWD	〃	〃	200,000.00	1,556	-	1,556	
	Amundi TW - US Dollar Core Fixed Income Fund- A2 TWD (C)	〃	〃	100,000.00	992	-	992	
	Shin Kong Hang Seng TECH Index Fund (TWD)	〃	〃	100,000.00	411	-	411	
	UBS (TW) Bond Fund - Fixed Income Fund of Funds (TWD) A	〃	〃	200,000.00	1,646	-	1,646	
	PGIM USD High Yield Bond Fund-TWD(A)	〃	〃	200,000.00	1,994	-	1,994	
	PineBridge ESG Quantitative Income & Growth Fund A USD	〃	〃	27,863.17	8,620	-	8,620	
	KGI ESG Sustainable Emerging Market Bond Fund - TWD A	〃	〃	500,000.00	4,288	-	4,288	
	KGI ESG Sustainable Emerging Market Bond Fund - USD A	〃	〃	15,000.00	4,041	-	4,041	
	Amundi Funds - Global Ecology ESG U USD (C)	〃	〃	373.92	807	-	807	
	HSBC ESG Sustainable Multi-Asset Fund of Funds ACHTWD	〃	〃	150,000.00	1,409	-	1,409	
	FSITC Glbl Artificl Intlignc Fd TWD	〃	〃	78,657.60	1,428	-	1,428	
	BlackRock Global Funds - Global Allocation Fund A2	〃	〃	1,947.29	4,358	-	4,358	
	Jih Sun Vietnam Opportunity Fund A (TWD)	〃	〃	500,000.00	4,090	-	4,090	
	Allianz Global Investors Income and Growth Fund-A TWD	〃	〃	236,779.80	3,000	-	3,000	
	CTBC ESG Global Digital Infrastructure Fund-USA A	〃	〃	10,000.00	3,071	-	3,071	
	SinoPac ESG Global Digital Infrastructure Fund-TWD Acc. N	〃	〃	500,000.00	4,595	-	4,595	
	Goldman Sachs US Credit - Y Cap USD	〃	〃	532.53	5,205	-	5,205	
	TSMC LTD.	〃	〃	-	6,194	-	6,194	
	FSITC US Top 100 Bond Fund Acc TWD	〃	〃	1,066,211.80	10,043	-	10,043	
	Cathay 3-Year Maturity Global Market Investment Grade Bond Fund A TWD	〃	〃	50,000.00	510	-	510	
	Yuanta Japan Leaders Equity Fund -TWD(A)	〃	〃	1,369,810.20	13,698	-	13,698	
	Mega Global Bond ETF Strategic Income Fund of Funds TWD Acc	〃	〃	500,000.00	4,951	-	4,951	
	Mega Global Bond ETF Strategic Income Fund of Funds USD Acc	〃	〃	10,000.00	3,177	-	3,177	
	FSITC Global Sustainable Impact Investment Multi-Asset Fund-A-TWD	〃	〃	200,000.00	1,994	-	1,994	
	Taishin Flexible Income Fund A-USD	〃	〃	10,000.00	3,129	-	3,129	
	Hua Nan Future Technology Fund	〃	〃	205,752.85	3,998	-	3,998	
	Union APEC Balanced Fund A	〃	〃	100,000.00	999	-	999	
					$ 108,645		$ 108,645	
	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.	〃	〃	1,698,872	12,000	0.05	12,000	
	Greencasa Co., Ltd.	〃	〃	553,824	10,799	18	10,799	
					$ 27,152		$ 27,152	
Los Osos Holdings, Inc.	Foreign listed shares							
	PT Alumindo Light MetalIndustry Tbk	None	Financial assets at fair value through other comprehensive income - current	32,806,000	$ 12,551	5.33	$ 12,551	
	Ascent Industries Co Com	〃	〃	226,472	66,479	2.21	66,479	
					$ 79,030		$ 79,030	
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	$ 428,068	9.58	$ 428,068	
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through profit or loss - current	5,113,089	202,478	0.21	202,478	
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income - non-current	162,090,795	6,418,795	6.66	6,418,795	
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	246,572	0.26	246,572	
	Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	116,921,815	4,630,104	4.80	4,630,104	
Right Way Industrial Co., Ltd.	Listed shares - ROC							
	Ta Chen Stainless Pipe Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income - non-current	12,735,000	450,819	1.23	450,819	
	Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	30,840,493	331,227	7.41	331,227	
	Unlisted shares - ROC							
	Phoenix Motor Corporation	None	Financial assets at fair value through profit or loss - current	600,000	-	-	-	The amount is already recognized as impairment losses.

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

Note 2: Refer to Table 9 and Table 10 for information regarding investment in subsidiaries.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other	Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Amount	Number of Shares	Amount
The Company	Ta Chen Lung Mei Home Life Co., Ltd. - shares	Investment accounted for using the equity method	Open market	Subsidiary	40,845,835	$ -	60,000,000	$ 600,000	-	$ -	$ -	$ -	$ (463,413) (Note 1)	29,987,363 (Note 3)	$ 136,587
Ta Chen International Inc.	TCI Texarkana, Inc. - shares	Investment accounted for using the equity method	Open market	Subsidiary	60,000	6,519,863	20,000	3,070,500 (US$ 100,000 thousand) (Note 2)	-	-	-	-	(34,857) (Note 1)	80,000	9,555,506

Note 1: Investment accounted for using the equity method includes adjustment related to shareholders' equity recognized under the equity method.

Note 2: The related amount is converted according to the average exchange rate of the Bank of Taiwan at the end of December 2023 (US dollar: NTD = 1: 30.705).

Note 3: The number of shares at the end of period includes decreased its capital of 70,858,472 share.

TABLE 6

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(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)	$ 540,523 (US$ 16,750 thousand)	Had paid a performance of 378,887 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	2,456,614 (US$ 76,245 thousand)	210,084 (US$ 6,842 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	4,243,421 (US$ 131,497 thousand)	13,909 (US$ 453 thousand) paid	H&M Construction Co., Inc.		N/A	N/A	N/A	-	N/A	For operation	None

TABLE 7

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
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	(Sale)	$ (8,355,248)	(88)	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.	$ 5,850,153	97	-
Ta Chen International, Inc.	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	Purchase	17,456,210	38	Within 30 days	General market price	Same	(1,401,210)	(16)	-
	Primus Pipe and Tube, Inc.	Sub-subsidiaries (100% indirect shareholding)	Purchase	627,616	1	Within 30 days	General market price	Same	(31,557)	-	-
Empire Resources, Inc.	TCI Texarkana, Inc.	Fellow Subsidiaries	Purchase	2,893,198	91	Within 30 days	General market price	Same	(217,717)	(99)	-
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	(Sale)	(7,431,240)	(86)	Within 180 days	No third-party could be compared	No third-party could be compared	2,608,031	83	-
	Brighton-Best International (AU), Pty Ltd.	Subsidiaries (100% ownership)	(Sale)	(581,166)	(7)	Within 180 days	No third-party could be compared	No third-party could be compared	328,902	10	-
	Brighton-Best International (Canada), Inc.	Subsidiaries (100% ownership)	(Sale)	(391,649)	(5)	Within 180 days	No third-party could be compared	No third-party could be compared	65,877	2	-
	Brighton-Best International (UK), Limited	Subsidiaries (100% ownership)	(Sale)	(203,406)	(2)	Within 180 days	No third-party could be compared	No third-party could be compared	129,074	4	-
	Jinn Her Enterprise Co., Ltd.	Corporate directors	Purchase	418,475	6	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	(47,236)	(7)	-
	Fang Sheng Screw Co., Ltd.	Referred party in substance	Purchase	757,365	10	Within 45-90 days	No third-party could be compared	Note	(99,784)	(15)	-
	Winlink Fasteners Co., Ltd.	Referred party in substance	Purchase	254,537	3	T/T 5 days after acceptance	No third-party could be compared	Note	(6,803)	(1)	-
	Tong Win International Co., Ltd.	Referred party in substance	Purchase	1,053,523	14	T/T 5 days after acceptance	No third-party could be compared	Note	(22,139)	(3)	-
Brighton-Best International, Inc.	Jinn Her Enterprise Co., Ltd.	Corporate directors of parent entity	Purchase	1,249,480	8	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	(130,913)	(5)	-
Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Fellow subsidiaries	(Sale)	(748,040)	(100)	Within 180 days	No third-party could be compared	No third-party could be compared	352,700	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
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	$ 5,850,153	1.21	$ -	-	$ 1,962,060	$ -
	TCI Texarkana, Inc.	Sub-subsidiaries (100% ownership)	2,782,800	Note 2	-	-	-	-
	Ta Chen Lung Mei Home Life Co., Ltd.	Subsidiaries (99.96% ownership)	200,000	Note 2	-	-	-	-
Ta Chen International, Inc.	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	4,912,800	Note 2	-	-	-	-
Ta Chen (B.V.I.) Holdings Ltd.	Ta Chen (Shijiazhuang) Co., Ltd.	Subsidiaries (93.14% ownership)	247,154	Note 3	-	-	-	-
TCI Texarkana, Inc.	Ta Chen International, Inc.	Parent company	1,401,210	10.77	-	-	1,398,189	-
	Empire Resources, Inc.	Fellow subsidiaries	217,717	12.18	-	-	217,717	-
Empire Resources, Inc.	Ta Chen International, Inc.	Parent company	2,068,855	Note 2	-	-	-	-
	Imbali Metals BVBA	Subsidiaries (100% ownership)	157,853	Note 2	-	-	-	-
	Empire Resources (UK) Limited	Subsidiaries (100% ownership)	141,661	Note 2	-	-	-	-
Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	Fellow subsidiaries (100% ownership)	193,700	Note 2	-	-	-	-
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	2,608,031	2.26	-	-	1,713,170	-
	Brighton-Best International（AU）, Pty Inc.	Subsidiaries (100% ownership)	328,902	1.34	-	-	-	-
	Brighton-Best International（AU）, Pty Inc.	Subsidiaries (100% ownership)	440,908	Note 2	-	-	103,190	-
	Brighton-Best International（UK）, Limited	Subsidiaries (100% ownership)	129,074	2.01	-	-	48,079	-
	Brighton-Best International（UK）, Limited	Subsidiaries (100% ownership)	116,634	Note 2	-	-	-	-
Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Fellow subsidiaries	352,700	1.64	-	-	172,566	-

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

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

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

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2023	Original Investment Amount December 31, 2022	As of December 31, 2023 Number of Shares	As of December 31, 2023 %	As of December 31, 2023 Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
The Company	Ta Chen International, Inc.	U.S.A	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	$ 23,327,317	$ 23,327,317	734,836	100	$ 50,489,504	$ 3,159,910	$ 3,195,035	Note 2
	Ta Chen (B.V.I.) Holdings Ltd.	British Virgin Islands	Investment	990,817	990,817	32,625,300	100	1,952,236	54,068	53,934	Note 3
	Brighton-Best International (Taiwan) Inc.	Taiwan	Import, export and sale of screws and nuts	8,500,095	8,500,095	440,610,040	42.81	5,685,474	3,124,950	1,109,061	Note 7
	WEI MEI ROLLER BLIND CO., LTD.	Taiwan	Manufacture and sale of curtains and cloth products	70,000	70,000	7,000,000	70	80,291	11,657	8,160	
	Ta Chen Lung Mei Home Life Co., Ltd.	Taiwan	Manufacture and sale of curtains and cloth products	1,406,468	806,468	29,987,363	99.96	136,587	(461,678)	(460,439)	
	Ta Chen (Hong Kong) Limited	Hong Kong	Trade	279,720	279,720	10,000,000	100	235,639	3,121	3,119	
	Ta Chen Interior Design Co., Ltd.	Taiwan	Interior design	-	50,000	-	-	-	-	4	Note 11
	TY Steel Co., Ltd.	Thailand	Manufacture of steel billets and steel bars	889,216	889,216	105,583,200	38.75	428,925	(454,176)	(175,996)	
	Ta Chen GREEN SYSTEM CO., LTD.	Taiwan	Interior design	60,000	60,000	6,000,000	50	59,497	(12)	(30)	
	Right Way Industrial Co., Ltd.	Taiwan	Manufacture and sales of automobile and motorcycle parts	17,843	25,749	779,000	0.26	7,069	86,662	268	
	City Mocean Co.,Ltd.	Taiwan	asset management industry	4,900	4,900	490,000	49	3,295	(2,366)	(1,153)	
Ta Chen International, Inc.	TCI Investment Group, Inc.	U.S.A	Import, export and sale of screws and nuts	94,950	94,950	3,000	100	181,890	1,651		
	Empire Resources, Inc.	U.S.A	Investment	1,714,340	1,714,340	8,250,455	100	4,587,759	149,556		
	Primus Pipe and Tube Holding, Inc.	U.S.A	Investment	877,540	877,540	29,000	100	1,623,741	181,310		
	TCI Texarkana, Inc.	U.S.A	Manufacture and sale of aluminum products	12,331,500	9,286,500	80,000	100	9,555,506	(38,737)		
Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube, Inc.	U.S.A	Manufacture and sale of stainless steel	873,575	873,575	1,000	100	1,390,861	171,838		
Empire Resources, Inc.	Empire Resources Pacific Ltd.	U.S.A	Import, export and sale of stainless steel and aluminum products	-	-	100	100	310	(263)		Note 6
	Imbali Metals BVBA	Belgium	Import, export and sale of stainless steel and aluminum products	624	624	1,000	100	213,588	(49,780)		〃
	Empire Resources UK Ltd.	United Kingdom	Import, export and sale of stainless steel and aluminum products	208,224	208,224	5,400,000	100	382,003	40,081		〃
	8911 Kelso Drive	U.S.A	Import, export and sale of stainless steel and aluminum products	-	-	-	100	-	(250)		〃
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	U.S.A	Import, export and sale of screws and nuts	5,801,521	5,801,521	186,480	100	12,374,756	1,502,282		Note 2
	Brighton-Best International（AU）, Pty Ltd.	Australia	Import, export and sale of screws and nuts	1,498,544	1,498,544	54,000,000	100	908,561	7,908		〃
	Brighton-Best International（Canada）, Inc.	Canada	Import, export and sale of screws and nuts	381,149	381,149	12,003,893	100	1,105,464	148,815		〃
	Brighton-Best International（UK）, Limited	United Kingdom	Import, export and sale of screws and nuts	453,097	453,097	9,200,000	100	472,651	18,727		〃
	Brighton-Best International（NZ）, Limited	New Zealand	Import, export and sale of screws and nuts	19,328	19,328	1,000	100	13,394	(1,284)		〃
	Ta Chen Empire Co., Ltd.	Taiwan	Import, export and sale of aluminum products	5,300,000	5,300,000	530,000,000	100	5,997,720	284,503		
	Brighton-Best International（HK）, Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 8
	Brighton-Best International, Inc.（Cayman）	Cayman Islands	Investment	-	-	-	-	-	-		Note 5
	Right Way Industrial Co., Ltd.	Taiwan	Manufacture and sales of automobile and motorcycle parts	615,673	615,673	53,540,000	17.82	734,885	86,662		
Brighton-Best International, Inc.	Brighton-Best International（Brasil）, Comerciode Parafusos Ltda.	Brazil	Import and sale of screws and nuts	6,486	6,486	4,000,000	100	(30,587)	11,793		
Ta Chen Empire Co., Ltd.	NOEI GEENG ENTERPRISE CO., LTD.	Taiwan	Manufacturing of screws and nuts	77,785	77,785	7,778,598	80	80,036	(4,854)		
	Hupao Technology CO., LTD.	Taiwan	Energy technology service industry	191,092	191,092	19,109,228	80	187,711	(2,979)		
	Shie Shin Enterprise Co., Ltd.	Taiwan	Manufacturing of screws and nuts	285,171	285,171	28,517,132	80	286,581	553		
Brighton-Best (Hong Kong) Limited	Brighton-Best (Hong Kong) Holding Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 8
Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Malaysia	Manufacture of automobile and motorcycle pistons	202,849（MYR 30,276）	202,849（MYR 30,276）	28,665,667	79.63	262,048	9,298		Note 9
	Excellent Growth Investments Limited	British Virgin Islands	Investment	626,415	723,972	20,073,457	100	92	13,222		
	Right Way North America Inc.	U.S.A	Trading of Automobile Engine Parts	1,575	1,575	-	100	3,940	9		
	RIGHT WAY GLOBAL CO., LTD.	Taiwan	Automobile and motorcycle buying and selling business	-	259,300	-	-	-	(15)		Note 4
Right Way Industrial (Malaysia) Sdn. Bhd	TRIM Telesis Engineering Sdn. Bhd.	Malaysia	Connecting rod manufacturing	48,475（MYR 7,235）	48,475（MYR 7,235）	8,950,000	89.5	1,411	(69)		
RIGHT WAY GLOBAL CO., LTD.	TAIWAN SSANGYONG CO., LTD.	Taiwan	Auto retail	-	16,920	-	-	-	-		Note 10
Ta Chen (B.V.I.) Holdings Ltd.	TMCT Products, Inc.	U.S.A	Investment	156,850	156,850	5,500	100	149,269	(715)		
	Los Osos Holdings, Inc.	U.S.A	Investment	110,237	110,237	-	100	80,430	(650)		
	Clarke St. Property Holdings, LLC	U.S.A	Investment	14,240	14,240	-	100	14,845	(183)		
TMCT Products, Inc.	Amerinox Texarkana, LLC	U.S.A	Aluminum processing industry	28	28	-	49	35,210	-		
Los Osos Holdings, Inc.	Procurmore Trading, Inc.	U.S.A	Trade	557	557	-	100	557	-		
WEI MEI ROLLER BLIND CO., LTD.	WEI MEI HSIN SHU INTERIOR DECORATION CO., LTD.	Taiwan	Manufacture and trade of window decorations	166,282	166,282	6,300,000	100	174,783	9,623		

Note1： Refer to Table 10 for information regarding investment in mainland China.

Note2： 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.

Note3： 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.

Note4： Dismiss on February 21, 2023, remitted the remaining shares on July 26, and liquidated on October 6, 2023.

Note5： Established in February 2016 and no investment funding has been remitted.

Note6： It's the trans-investment company of the acquired company; hence, no original investment amount is listed.

Note7： 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.

Note8： Established in May 2019 and no investment funding has been remitted.

Note9： 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 December 2023 (MYR: NTD = 1: 6.70).

Note10：Sold on January 19, 2023.

Note11：Dismiss on June 30, 2023, and liquidated on December 5, 2023.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 2)	Remittance of Funds (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 and 7)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	$ 164,577	(2) Ta Chen (B.V.I.) Holdings Ltd.	$ 129,063	$ -	$ -	$ 129,063	$ 33,693	93.14	$ 31,438 (3)	$ 387,901	$ -	
Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	385,142	(2) Ta Chen (B.V.I.) Holdings Ltd.(Note 5)	305269	-	-	305,269	(3,358)	100	(3,358) (3)	408,243	-	
Yinrong (Shanghai) Investment Management Limited	Investment	2,493	(3) The Company	2,372	-	-	2,372	18	100	18 (3)	6,141	-	
Cheng-Rong (Shanghai) International Trading Ltd. (Note 1)	Investment	-	(2) Brighton-Best International Inc. (Cayman)	-	-	-	-	-	-	- (3)	-	-	
Fuzhou Assured Brake Systems Co., Ltd. (Note 8, 9, 10 and 11)	Automotive and motorcycle manufacture of mechanical brakes	325,832 (CNY 75,302)	(2) Excellent Growth Investments Limited.	87,018 (US$ 2,834)	-	97,074 (US$ 3,189)	-	-	-	- (3)	-	-	Note 8

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note 2)	Investment Amount Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Ta Chen	$ 436,703	$ 978,029	$ 37,835,998 (Note 3)
Right Way	548,429 (US$ 16,995)	548,429 (US$ 16,995)	1,634,065 (Note 9)

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

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

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

1) The financial statement is audited and attested by certified public accounting firm with all cooperative relations with the Republic of China Accounting Firm.

2) The financial statement is audited and attested by certified public accountants of Taiwan's parent company.

3) Others: The financial statement isn't audited and attested by certified public.

Note 2: Except recovering the price, the amounts were calculated based on the foreign exchange rate as of December 31, 2023. (USD1:NTD30.705, RMB1:NTD4.327)

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:
$63,059,997 thousand x 60% = $37,835,998 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 $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: On June 20, 2022, the Company had substantial control over Right Way, which subsidiaries and investments accounted for using the equity method are included in the consolidated financial statements.

Note 9: Right Way's net equity x 60% = $2,723,441 thousand x 60% = $1,634,065 thousand .

Note 10:In December 2022, the Board of Directors of Right Way approved the disposal of all the shares of Fuzhou Assured Brake Systems Co., Ltd. held by Excellent Growth Investments Limited to non-related parties, and completed the selling procedure in March 2023, refer to Note 12.

Note 11: Indirect investment in Right Way parts (Fuzhou) Co., Ltd. was submitted to the Investment Commission for review on April 20, 2023. The recovery of investment amounted to US$3,139 and was approved for cancellation on April 27, 2023.

TA CHEN STAINLESS PIPE CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

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
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	Ta Chen International Inc.	1	Revenue from sale of goods	$ 8,355,248	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	Accounts receivables	5,850,153	-	4
		TCI Texarkana, Inc.	1	Other Receivables	2,782,800	-	2
		Ta Chen Lung Mei Home Life Co., Ltd.	1	Other Receivables	200,000	-	-
1	Ta Chen International Inc.	Primus Pipe and Tube Inc.	3	Cost of goods sold	623,049	General market price, payment term is 40 days.	1
		〃	3	Accounts Payable	31,557	-	-
		Ta Chen Empire Co., Ltd.	3	Cost of goods sold	600,178	General market price, payment term is 4-6 months	1
		〃	3	Accounts payable	468,186	-	-
		TCI Texarkana, Inc.	3	Other receivable	4,912,800	-	4
		〃	3	Cost of goods sold	17,329,175	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.	17
		〃	3	Accounts Payable	1,401,210	-	1
		〃	3	Prepayment	1,590,661	-	1
		Empire Resources, Inc.	3	Other payable	2,068,855	-	2
2	Empire Resources, Inc.	Imbali Metals BVBA	3	Other receivable	157,853	-	-
		TCI Texarkana, Inc.	3	Cost of goods sold	2,872,144	No comparable transactions available	3
		〃	3	Accounts payable	217,717	-	-
		Empire Resources (UK) Limited	3	Other receivable	141,661	-	-
3	Ta Chen (B.V.I.) Holdings Ltd.	Ta Chen (Shijiazhuang) Co., Ltd.	3	Other receivables	247,154	-	-
4	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	3	Other receivables	193,700	-	-
5	Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	3	Revenue from sale of goods	7,431,240	No comparable transactions available	7
		〃	3	Accounts receivables	2,608,031	-	2
		〃	3	Other receivables	149,674	No comparable transactions available	-
		Brighton-Best International (Canada), Inc.	3	Revenue from sale of goods	391,649	No comparable transactions available	-
		〃	3	Accounts receivables	65,877	-	-
		Brighton-Best International (UK), Inc.	3	Revenue from sale of goods	203,406	No comparable transactions available	-
		〃	3	Accounts receivables	129,074	-	-
		〃	3	Other receivables	116,634		
		Brighton-Best International (AU), Pty Ltd.	3	Revenue from sale of goods	581,166	No comparable transactions available	1
		〃	3	Accounts receivables	328,902	-	-
		〃	3	Other receivables	440,908	-	-
6	Brighton-Best International, Inc.	Brighton-Best International (Canada), Inc.	3	Revenue from sale of goods	109,846	The price is calculated according to the contract	-
		〃	3	Accounts receivables	11,718	-	-
		Brighton-Best International (Brasil), Comerciode Parafusos Ltda.	3	Other receivables	153,525	-	-

Note: The relationships with counterparties are as follows:

1) Parent to subsidiaries

2) Subsidiaries to parent

3) Subsidiaries to subsidiaries