

**Gloria Material Technology Corp. and  
Subsidiaries**

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

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Gloria Material Technology Corp.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Gloria Material Technology Corp. and its subsidiaries (collectively, the "Group") as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$3,598,821 thousand and NT\$3,499,633 thousand, respectively, representing 10% and 14%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$523,587 thousand and NT\$912,477 thousand, respectively, representing 3% and 8%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2024 and 2023, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$83,998 thousand and NT\$54,496 thousand, respectively, representing 11% and 9%, respectively, of the consolidated total comprehensive income, and for the six months ended June 30, 2024 and 2023, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$134,553 thousand and NT\$161,722 thousand, respectively, representing 10% and 13%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 13, the investments accounted for

using the equity method, as of June 30, 2024 and 2023, were NT\$629,081 thousand and NT\$229,643 thousand, respectively, and the share of comprehensive income of those investments for the three months ended June 30, 2024 and 2023 amounted to NT\$17,930 thousand and NT\$10,571, respectively, and for the six months ended June 30, 2024 and 2023 amounted to NT\$22,721 thousand and NT\$19,281 thousand, respectively, and the related investment amounts as well as additional disclosures were based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yung-Hsiang Chao and Min-Hsien Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

July 25, 2024

### **Notice to Readers**

*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 review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.*

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

| ASSETS   | June 30, 2024        |            | December 31, 2023    |            | June 30, 2023        |            |
|--|----------------------|------------|----------------------|------------|----------------------|------------|
|  | Amount               | %          | Amount               | %          | Amount               | %          |
| <b>CURRENT ASSETS</b>  |                      |            |                      |            |                      |            |
| Cash and cash equivalents (Note 6)   | \$ 7,517,909         | 22         | \$ 6,478,921         | 21         | \$ 1,618,355         | 6          |
| Financial assets at fair value through profit or loss - current (Note 7)                 | 66,781               | -          | 39,046               | -          | 58,296               | -          |
| Notes receivable (Note 9)  | 171,922              | 1          | 166,113              | 1          | 205,453              | 1          |
| Trade receivables (Notes 9 and 30)   | 2,664,759            | 8          | 2,411,128            | 8          | 2,651,262            | 11         |
| Other receivables (Note 30)  | 127,453              | -          | 93,505               | -          | 157,746              | 1          |
| Inventories (Note 10)  | 6,333,461            | 18         | 6,514,612            | 22         | 6,620,778            | 26         |
| Non-current assets held for sale (Note 11)   | 486,653              | 1          | -                    | -          | -                    | -          |
| Other current assets (Notes 17, 30 and 31)   | 289,320              | 1          | 522,524              | 2          | 379,650              | 2          |
| Total current assets   | 17,658,258           | 51         | 16,225,849           | 54         | 11,691,540           | 47         |
| <b>NON-CURRENT ASSETS</b>  |                      |            |                      |            |                      |            |
| Financial assets at fair value through profit or loss - non-current (Note 7)             | 237,150              | 1          | 399,587              | 1          | -                    | -          |
| Financial assets at fair value through other comprehensive income - non-current (Note 8) | 352,606              | 1          | 269,873              | 1          | 297,164              | 1          |
| Investments accounted for using the equity method (Note 13)                              | 3,537,449            | 10         | 361,966              | 1          | 229,643              | 1          |
| Property, plant and equipment (Notes 13, 30 and 31)                                      | 8,123,297            | 24         | 8,420,471            | 28         | 8,713,156            | 35         |
| Right-of-use assets (Note 15)  | 83,956               | -          | 141,024              | 1          | 147,093              | -          |
| Investment properties (Notes 16 and 30)  | 145,149              | -          | 400,195              | 1          | 405,081              | 2          |
| Deferred tax assets  | 119,083              | -          | 131,518              | 1          | 119,514              | -          |
| Prepayments for equipment (Note 30)  | 4,251,866            | 12         | 3,700,552            | 12         | 3,210,435            | 13         |
| Other non-current assets (Notes 17 and 31)   | 173,706              | 1          | 125,470              | -          | 156,049              | 1          |
| Total non-current assets   | 17,024,262           | 49         | 13,950,656           | 46         | 13,278,135           | 53         |
| <b>TOTAL</b>   | <b>\$ 34,682,520</b> | <b>100</b> | <b>\$ 30,176,505</b> | <b>100</b> | <b>\$ 24,969,675</b> | <b>100</b> |
| <b>LIABILITIES AND EQUITY</b>  |                      |            |                      |            |                      |            |
| <b>CURRENT LIABILITIES</b>   |                      |            |                      |            |                      |            |
| Short-term borrowings (Notes 18 and 31)  | \$ 1,089,762         | 3          | \$ 1,163,941         | 4          | \$ 1,167,310         | 5          |
| Short-term bills payable (Note 18)   | -                    | -          | 5,000                | -          | 45,000               | -          |
| Financial liabilities at fair value through profit or loss - current (Note 7)            | 360                  | -          | -                    | -          | 1,443                | -          |
| Notes payable  | 243                  | -          | 283                  | -          | 315                  | -          |
| Trade payables (Note 30)   | 632,035              | 2          | 487,728              | 2          | 591,223              | 2          |
| Other payables (Notes 20 and 30)   | 2,211,556            | 6          | 738,652              | 2          | 1,831,375            | 7          |
| Current tax liabilities  | 304,134              | 1          | 496,141              | 2          | 288,787              | 1          |
| Lease liabilities - current (Notes 15)   | 17,712               | -          | 16,855               | -          | 14,546               | -          |
| Current portion of long-term borrowings (Notes 18 and 31)                                | -                    | -          | 13,350               | -          | 2,260,462            | 9          |
| Other current liabilities  | 294,394              | 1          | 182,675              | -          | 169,545              | 1          |
| Total current liabilities  | 4,550,196            | 13         | 3,104,625            | 10         | 6,370,006            | 25         |
| <b>NON-CURRENT LIABILITIES</b>   |                      |            |                      |            |                      |            |
| Bonds payable (Notes 19 and 31)  | 6,307,158            | 18         | 6,251,817            | 21         | 1,961,006            | 8          |
| Long-term borrowings (Notes 18 and 31)   | 5,476,950            | 16         | 4,822,405            | 16         | 2,423,600            | 10         |
| Deferred tax liabilities   | 220,763              | 1          | 145,884              | -          | 178,106              | 1          |
| Lease liabilities - non-current (Note 15)  | 63,752               | -          | 54,334               | -          | 57,535               | -          |
| Net defined benefit liabilities - non-current  | 25,830               | -          | 34,021               | -          | 44,864               | -          |
| Other non-current liabilities (Note 21)  | 40,925               | -          | 502,150              | 2          | 524,953              | 2          |
| Total non-current liabilities  | 12,135,378           | 35         | 11,810,611           | 39         | 5,190,064            | 21         |
| Total liabilities  | 16,685,574           | 48         | 14,915,236           | 49         | 11,560,070           | 46         |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>                            |                      |            |                      |            |                      |            |
| Share capital  |                      |            |                      |            |                      |            |
| Ordinary shares  | 6,024,712            | 17         | 5,395,512            | 18         | 5,229,496            | 21         |
| Capital surplus  | 6,838,872            | 20         | 4,438,857            | 15         | 3,829,871            | 15         |
| Retained earnings  |                      |            |                      |            |                      |            |
| Legal reserve  | 1,350,333            | 4          | 1,116,835            | 4          | 1,116,835            | 5          |
| Special reserve  | 67,793               | -          | 43,415               | -          | 43,415               | -          |
| Unappropriated earnings  | 3,507,160            | 10         | 3,986,056            | 13         | 2,802,021            | 11         |
| Total retained earnings  | 4,925,286            | 14         | 5,146,306            | 17         | 3,962,271            | 16         |
| Other equity   | 3,139                | -          | (67,788)             | -          | (51,827)             | -          |
| Treasury shares  | (338,842)            | (1)        | (270,930)            | (1)        | (150,923)            | (1)        |
| Total equity attributable to owners of the Company                                       | 17,453,167           | 50         | 14,641,957           | 49         | 12,818,888           | 51         |
| <b>NON-CONTROLLING INTERESTS</b>   |                      |            |                      |            |                      |            |
|  | 543,779              | 2          | 619,312              | 2          | 590,717              | 3          |
| Total equity   | 17,996,946           | 52         | 15,261,269           | 51         | 13,409,605           | 54         |
| <b>TOTAL</b>   | <b>\$ 34,682,520</b> | <b>100</b> | <b>\$ 30,176,505</b> | <b>100</b> | <b>\$ 24,969,675</b> | <b>100</b> |

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

(With Deloitte & Touche review report dated July 25, 2024)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|  | For the Three Months Ended June 30 |             |                    |             | For the Six Months Ended June 30 |             |                    |             |
|--|------------------------------------|-------------|--------------------|-------------|----------------------------------|-------------|--------------------|-------------|
|  | 2024                               |             | 2023               |             | 2024                             |             | 2023               |             |
|  | Amount                             | %           | Amount             | %           | Amount                           | %           | Amount             | %           |
| OPERATING REVENUE<br>(Note 30)                         | \$ 3,363,835                       | 100         | \$ 3,621,638       | 100         | \$ 6,776,974                     | 100         | \$ 6,939,157       | 100         |
| OPERATING COSTS<br>(Notes 10, 24 and 30)               | <u>(2,513,411)</u>                 | <u>(75)</u> | <u>(2,630,151)</u> | <u>(73)</u> | <u>(5,002,889)</u>               | <u>(74)</u> | <u>(5,020,157)</u> | <u>(72)</u> |
| GROSS PROFIT   | <u>850,424</u>                     | <u>25</u>   | <u>991,487</u>     | <u>27</u>   | <u>1,774,085</u>                 | <u>26</u>   | <u>1,919,000</u>   | <u>28</u>   |
| OPERATING EXPENSES<br>(Notes 24 and 30)                |                                    |             |                    |             |                                  |             |                    |             |
| Selling and marketing expenses                         | (200,466)                          | (6)         | (190,839)          | (5)         | (384,703)                        | (6)         | (351,150)          | (5)         |
| General and administrative expenses                    | (147,425)                          | (4)         | (125,796)          | (4)         | (276,565)                        | (4)         | (251,370)          | (4)         |
| Research and development expenses                      | (12,479)                           | -           | (4,608)            | -           | (25,860)                         | -           | (10,356)           | -           |
| Expected credit loss reversed (recognized)             | <u>280</u>                         | <u>-</u>    | <u>975</u>         | <u>-</u>    | <u>1,023</u>                     | <u>-</u>    | <u>717</u>         | <u>-</u>    |
| Total operating expenses                               | <u>(360,090)</u>                   | <u>(10)</u> | <u>(320,268)</u>   | <u>(9)</u>  | <u>(686,105)</u>                 | <u>(10)</u> | <u>(612,159)</u>   | <u>(9)</u>  |
| PROFIT FROM OPERATIONS                                 | <u>490,334</u>                     | <u>15</u>   | <u>671,219</u>     | <u>18</u>   | <u>1,087,980</u>                 | <u>16</u>   | <u>1,306,841</u>   | <u>19</u>   |
| NON-OPERATING INCOME AND EXPENSES<br>(Notes 24 and 30) |                                    |             |                    |             |                                  |             |                    |             |
| Interest income  | 23,267                             | 1           | 8,375              | -           | 39,714                           | 1           | 10,977             | -           |
| Other income   | 22,368                             | 1           | 43,636             | 1           | 49,151                           | 1           | 69,053             | 1           |
| Other gains and losses                                 | 388,656                            | 11          | 79,542             | 2           | 428,467                          | 6           | 167,008            | 2           |
| Finance costs  | (59,835)                           | (2)         | (40,022)           | (1)         | (114,964)                        | (2)         | (87,851)           | (1)         |
| Share of profit of associates                          | <u>91,191</u>                      | <u>3</u>    | <u>9,485</u>       | <u>1</u>    | <u>131,037</u>                   | <u>2</u>    | <u>16,331</u>      | <u>-</u>    |
| Total non-operating income and expenses                | <u>465,647</u>                     | <u>14</u>   | <u>101,016</u>     | <u>3</u>    | <u>533,405</u>                   | <u>8</u>    | <u>175,518</u>     | <u>2</u>    |
| PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS    | 955,981                            | 29          | 772,235            | 21          | 1,621,385                        | 24          | 1,482,359          | 21          |
| INCOME TAX EXPENSE<br>(Note 25)                        | <u>(230,690)</u>                   | <u>(7)</u>  | <u>(156,343)</u>   | <u>(4)</u>  | <u>(317,318)</u>                 | <u>(5)</u>  | <u>(287,974)</u>   | <u>(4)</u>  |
| NET PROFIT FOR THE PERIOD                              | <u>725,291</u>                     | <u>22</u>   | <u>615,892</u>     | <u>17</u>   | <u>1,304,067</u>                 | <u>19</u>   | <u>1,194,385</u>   | <u>17</u>   |

(Continued)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|  | For the Three Months Ended June 30 |           |                   |           | For the Six Months Ended June 30 |           |                     |           |
|--|------------------------------------|-----------|-------------------|-----------|----------------------------------|-----------|---------------------|-----------|
|  | 2024                               |           | 2023              |           | 2024                             |           | 2023                |           |
|  | Amount                             | %         | Amount            | %         | Amount                           | %         | Amount              | %         |
| OTHER COMPREHENSIVE INCOME (LOSS)  |                                    |           |                   |           |                                  |           |                     |           |
| Items that will not be reclassified subsequently to profit or loss:  |                                    |           |                   |           |                                  |           |                     |           |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income | \$ (356)                           | -         | \$ 24,057         | 1         | \$ (22,738)                      | -         | \$ 42,373           | 1         |
| Share of the other comprehensive income of associates accounted for using the equity method                  | (6,884)                            | -         | 1,086             | -         | 10,796                           | -         | 2,950               | -         |
| Items that may be reclassified subsequently to profit or loss:   |                                    |           |                   |           |                                  |           |                     |           |
| Exchange differences on translation of the financial statements of foreign operations                        | 14,425                             | -         | (30,619)          | (1)       | 71,759                           | 1         | (26,869)            | (1)       |
| Other comprehensive income (loss) for the period, net of income tax  | <u>7,185</u>                       | <u>-</u>  | <u>(5,476)</u>    | <u>-</u>  | <u>59,817</u>                    | <u>1</u>  | <u>18,454</u>       | <u>-</u>  |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD  | <u>\$ 732,476</u>                  | <u>22</u> | <u>\$ 610,416</u> | <u>17</u> | <u>\$ 1,363,884</u>              | <u>20</u> | <u>\$ 1,212,839</u> | <u>17</u> |
| NET PROFIT   |                                    |           |                   |           |                                  |           |                     |           |
| ATTRIBUTABLE TO:   |                                    |           |                   |           |                                  |           |                     |           |
| Owners of the Company  | \$ 715,997                         | 22        | \$ 602,234        | 17        | \$ 1,287,402                     | 19        | \$ 1,154,531        | 17        |
| Non-controlling interests  | <u>9,294</u>                       | <u>-</u>  | <u>13,658</u>     | <u>-</u>  | <u>16,665</u>                    | <u>-</u>  | <u>39,854</u>       | <u>-</u>  |
|  | <u>\$ 725,291</u>                  | <u>22</u> | <u>\$ 615,892</u> | <u>17</u> | <u>\$ 1,304,067</u>              | <u>19</u> | <u>\$ 1,194,385</u> | <u>17</u> |
| TOTAL COMPREHENSIVE INCOME   |                                    |           |                   |           |                                  |           |                     |           |
| ATTRIBUTABLE TO:   |                                    |           |                   |           |                                  |           |                     |           |
| Owners of the Company  | \$ 722,736                         | 22        | \$ 586,582        | 16        | \$ 1,356,085                     | 20        | \$ 1,150,298        | 16        |
| Non-controlling interests  | <u>9,740</u>                       | <u>-</u>  | <u>23,834</u>     | <u>1</u>  | <u>7,799</u>                     | <u>-</u>  | <u>62,541</u>       | <u>1</u>  |
|  | <u>\$ 732,476</u>                  | <u>22</u> | <u>\$ 610,416</u> | <u>17</u> | <u>\$ 1,363,884</u>              | <u>20</u> | <u>\$ 1,212,839</u> | <u>17</u> |
| EARNINGS PER SHARE   |                                    |           |                   |           |                                  |           |                     |           |
| (Note 26)  |                                    |           |                   |           |                                  |           |                     |           |
| Basic  | <u>\$1.20</u>                      |           | <u>\$1.20</u>     |           | <u>\$2.20</u>                    |           | <u>\$2.40</u>       |           |
| Diluted  | <u>\$1.08</u>                      |           | <u>\$1.13</u>     |           | <u>\$1.98</u>                    |           | <u>\$2.17</u>       |           |

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

(With Deloitte & Touche review report dated July 25, 2024)

(Concluded)

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)

|  | Equity Attributable to Owners of the Company |                             |                        |  |                     |                     |                  |                         | Other Equity  |   | Treasury Shares     | Total Equity Attributable to Owners of the Company | Non-controlling Interests | Total Equity         |
|--|--|-----------------------------|------------------------|--|---------------------|---------------------|------------------|-------------------------|---|---|---------------------|--|---------------------------|----------------------|
|  | Capital Surplus                              |                             |                        |  |                     | Retained Earnings   |                  |                         | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income |                     |  |                           |                      |
|  | Ordinary Shares                              | Treasury Share Transactions | Employee Share Options | Changes in Ownership Interests in Subsidiaries | Others (Note 22)    | Legal Reserve       | Special Reserve  | Unappropriated Earnings |   |   |                     |  |                           |                      |
| BALANCE AT JANUARY 1, 2023   | \$ 4,571,224                                 | \$ 324,559                  | \$ 119,163             | \$ 28,693                                      | \$ 1,705,821        | \$ 914,627          | \$ 103,107       | \$ 3,032,679            | \$ (7,557)  | \$ (35,858)   | \$ (221,911)        | \$ 10,534,547                                      | \$ 597,733                | \$ 11,132,280        |
| Appropriation of 2022 earnings   |  |                             |                        |  |                     |                     |                  |                         |   |   |                     |  |                           |                      |
| Legal reserve  | -  | -                           | -                      | -  | -                   | 202,208             | -                | (202,208)               | -   | -   | -                   | -  | -                         | -                    |
| Special reserve  | -  | -                           | -                      | -  | -                   | -                   | (59,692)         | 59,692                  | -   | -   | -                   | -  | -                         | -                    |
| Cash dividends distributed by the Company  | -  | -                           | -                      | -  | -                   | -                   | -                | (1,239,092)             | -   | -   | -                   | (1,239,092)  | -                         | (1,239,092)          |
| Net profit for the six months ended June 30, 2023  | -  | -                           | -                      | -  | -                   | -                   | -                | 1,154,531               | -   | -   | -                   | 1,154,531  | 39,854                    | 1,194,385            |
| Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax                  | -  | -                           | -                      | -  | -                   | -                   | -                | -                       | (26,836)  | 22,603  | -                   | (4,233)  | 22,687                    | 18,454               |
| Convertible bonds converted to ordinary shares   | 721,562                                      | -                           | (93,554)               | -  | 1,766,210           | -                   | -                | -                       | -   | -   | -                   | 2,394,218  | -                         | 2,394,218            |
| Cancellation of treasury shares  | (63,290)                                     | (1,336)                     | -                      | -  | (35,109)            | -                   | -                | -                       | -   | -   | 99,735              | -  | -                         | -                    |
| Purchase of the Company's shares by subsidiaries   | -  | -                           | -                      | -  | -                   | -                   | -                | -                       | -   | -   | (782)               | (782)  | (913)                     | (1,695)              |
| Disposal of the Company's shares held by subsidiaries  | -  | 5,167                       | -                      | -  | -                   | -                   | -                | -                       | -   | -   | 5,063               | 10,230   | 7,400                     | 17,630               |
| Adjustment to capital surplus arising from dividends paid to subsidiaries                                    | -  | 13,953                      | -                      | -  | -                   | -                   | -                | -                       | -   | -   | -                   | 13,953   | -                         | 13,953               |
| Disposal of investments accounted for using the method equity  | -  | -                           | -                      | -  | (1,846)             | -                   | -                | 727                     | -   | (727)   | -                   | (1,846)  | -                         | (1,846)              |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed                    | -  | -                           | -                      | -  | -                   | -                   | -                | (7,760)                 | -   | -   | -                   | (7,760)  | 7,760                     | -                    |
| Differences in ownership interest in subsidiaries  | -  | -                           | -                      | (1,850)  | -                   | -                   | -                | -                       | -   | -   | (33,028)            | (34,878)   | 30,868                    | (4,010)              |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income | -  | -                           | -                      | -  | -                   | -                   | -                | 3,452                   | -   | (3,452)   | -                   | -  | -                         | -                    |
| Decrease in non-controlling interests  | -  | -                           | -                      | -  | -                   | -                   | -                | -                       | -   | -   | -                   | -  | (114,672)                 | (114,672)            |
| BALANCE AT JUNE 30, 2023   | <u>\$ 5,229,496</u>                          | <u>\$ 342,343</u>           | <u>\$ 25,609</u>       | <u>\$ 26,843</u>                               | <u>\$ 3,435,076</u> | <u>\$ 1,116,835</u> | <u>\$ 43,415</u> | <u>\$ 2,802,021</u>     | <u>\$ (34,393)</u>  | <u>\$ (17,434)</u>  | <u>\$ (150,923)</u> | <u>\$ 12,818,888</u>                               | <u>\$ 590,717</u>         | <u>\$ 13,409,605</u> |
| BALANCE AT JANUARY 1, 2024   | \$ 5,395,512                                 | \$ 341,564                  | \$ 249,211             | \$ 28,499                                      | \$ 3,819,583        | \$ 1,116,835        | \$ 43,415        | \$ 3,986,056            | \$ (43,667)   | \$ (24,121)   | \$ (270,930)        | \$ 14,641,957                                      | \$ 619,312                | \$ 15,261,269        |
| Appropriation of 2023 earnings   |  |                             |                        |  |                     |                     |                  |                         |   |   |                     |  |                           |                      |
| Legal reserve  | -  | -                           | -                      | -  | -                   | 233,498             | -                | (233,498)               | -   | -   | -                   | -  | -                         | -                    |
| Special reserve  | -  | -                           | -                      | -  | -                   | -                   | 24,378           | (24,378)                | -   | -   | -                   | -  | -                         | -                    |
| Cash dividends distributed by the Company  | -  | -                           | -                      | -  | -                   | -                   | -                | (1,506,178)             | -   | -   | -                   | (1,506,178)  | -                         | (1,506,178)          |
| Net profit for the six months ended June 30, 2024  | -  | -                           | -                      | -  | -                   | -                   | -                | 1,287,402               | -   | -   | -                   | 1,287,402  | 16,665                    | 1,304,067            |
| Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax                  | -  | -                           | -                      | -  | -                   | -                   | -                | -                       | 69,979  | (1,296)   | -                   | 68,683   | (8,866)                   | 59,817               |
| Changes in capital surplus from investments in associates accounted for using the equity method              | -  | -                           | -                      | -  | 10,451              | -                   | -                | -                       | -   | -   | -                   | 10,451   | -                         | 10,451               |
| Purchase of the Company's shares by subsidiaries   | -  | -                           | -                      | -  | -                   | -                   | -                | -                       | -   | -   | (68,774)            | (68,774)   | (46,981)                  | (115,755)            |
| Disposal of the Company's shares held by subsidiaries  | -  | 41                          | -                      | -  | -                   | -                   | -                | -                       | -   | -   | 862                 | 903  | 1,056                     | 1,959                |
| Issuance of new shares in exchange for the shares of another company   | 629,200                                      | -                           | -                      | -  | 2,365,792           | -                   | -                | -                       | -   | -   | -                   | 2,994,992  | -                         | 2,994,992            |
| Adjustment to capital surplus arising from dividends paid to subsidiaries                                    | -  | 23,731                      | -                      | -  | -                   | -                   | -                | -                       | -   | -   | -                   | 23,731   | -                         | 23,731               |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income | -  | -                           | -                      | -  | -                   | -                   | -                | (2,244)                 | -   | 2,244   | -                   | -  | -                         | -                    |
| Increase in non-controlling interests  | -  | -                           | -                      | -  | -                   | -                   | -                | -                       | -   | -   | -                   | -  | (37,407)                  | (37,407)             |
| BALANCE AT JUNE 30, 2024   | <u>\$ 6,024,712</u>                          | <u>\$ 365,336</u>           | <u>\$ 249,211</u>      | <u>\$ 28,499</u>                               | <u>\$ 6,195,826</u> | <u>\$ 1,350,333</u> | <u>\$ 67,793</u> | <u>\$ 3,507,160</u>     | <u>\$ 26,312</u>  | <u>\$ (23,173)</u>  | <u>\$ (338,842)</u> | <u>\$ 17,453,167</u>                               | <u>\$ 543,779</u>         | <u>\$ 17,996,946</u> |

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

(With Deloitte & Touche review report dated July 25, 2024)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

|   | For the Six Months Ended<br>June 30 |              |
|---|-------------------------------------|--------------|
|   | 2024                                | 2023         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                     |              |
| Income before income tax  | \$ 1,621,385                        | \$ 1,482,359 |
| Adjustments for:  |                                     |              |
| Depreciation expense  | 248,941                             | 236,732      |
| Amortization expense  | 966                                 | 429          |
| Expected credit loss reversed on trade receivables  | (1,023)                             | (717)        |
| Net gain on fair value changes of financial assets/liabilities at fair value through profit or loss | (114,004)                           | (21,627)     |
| Finance costs   | 114,964                             | 87,851       |
| Interest income   | (39,714)                            | (10,977)     |
| Dividend income   | (11,642)                            | (13,796)     |
| Share of profit of associates   | (131,037)                           | (16,331)     |
| Gain on disposal of property, plant and equipment   | (208,891)                           | (108)        |
| Expenses arising from property, plant and equipment   | 59,799                              | 67,093       |
| Gain on disposal of right-of-use assets   | (152,934)                           | -            |
| Gain on disposal of investments accounted for using equity method                                   | -                                   | (164,563)    |
| Write-down of inventories   | 29,543                              | 57,181       |
| Impairment losses   | 57,359                              | -            |
| Net gain on foreign currency exchange   | (14,866)                            | (19,285)     |
| Gain on lease modification  | (4)                                 | -            |
| Changes in operating assets and liabilities   |                                     |              |
| Notes receivable  | (5,564)                             | 22,477       |
| Trade receivables   | (187,831)                           | (293,555)    |
| Other receivables   | (4,578)                             | (16,484)     |
| Inventories   | 151,248                             | (259,434)    |
| Other current assets  | (65,128)                            | (198,854)    |
| Notes payable   | (40)                                | (80)         |
| Trade payables  | 141,585                             | (157,260)    |
| Other payables  | (39,989)                            | (123,984)    |
| Other current liabilities   | 111,719                             | 61,503       |
| Net defined benefit liabilities   | (8,191)                             | (89,006)     |
| Cash generated from operations  | 1,552,073                           | 629,564      |
| Interest received   | 39,714                              | 10,977       |
| Dividends received  | 269,294                             | 2,759        |
| Interest paid   | (50,527)                            | (61,691)     |
| Income tax paid   | (422,700)                           | (424,872)    |
| Net cash generated from operating activities  | 1,387,854                           | 156,737      |

(Continued)



# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

|   | For the Six Months Ended<br>June 30 |                    |
|---|-------------------------------------|--------------------|
|   | 2024                                | 2023               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                     |                    |
| Purchase of financial assets at fair value through other comprehensive income             | \$ (147,623)                        | \$ (50,871)        |
| Proceeds from sale of financial assets at fair value through other comprehensive income   | 42,152                              | 31,732             |
| Proceeds from sale of financial assets at amortized cost                                  | 298,332                             | 175,244            |
| Purchase of financial assets at fair value through profit or loss                         | (66,457)                            | (24,487)           |
| Proceeds from sale of financial assets at fair value through profit or loss               | 41,818                              | 42,140             |
| Acquisition of long-term equity investments accounted for using the equity method         | (36,571)                            | -                  |
| Proceeds from disposal of associates  | -                                   | 302,860            |
| Payments for property, plant and equipment  | (1,011,042)                         | (592,609)          |
| Proceeds from disposal of property, plant and equipment                                   | 105,283                             | 284                |
| Proceeds from disposal of right-of-use assets   | 14,645                              | -                  |
| Payments for investment properties  | -                                   | (2,095)            |
| Proceeds from disposal of investment properties   | -                                   | 207,438            |
| Increase in other non-current assets  | (48,469)                            | -                  |
| Decrease in other non-current assets  | -                                   | 3,488              |
| Net cash (used in) generated from investing activities                                    | <u>(807,932)</u>                    | <u>93,124</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                                     |                    |
| Repayments of short-term borrowings   | (123,281)                           | (439,342)          |
| Proceeds from short-term bills payable  | -                                   | 5,000              |
| Repayments of short-term bills payable  | (5,000)                             | -                  |
| Proceeds from long-term borrowings  | 939,470                             | 40,000             |
| Repayments of long-term borrowings  | (300,000)                           | (606,160)          |
| Repayment of the principal portion of lease liabilities                                   | (9,598)                             | (7,803)            |
| Increase in other non-current liabilities   | 655                                 | -                  |
| Decrease in other non-current liabilities   | -                                   | (18)               |
| Acquisition of additional interests in subsidiaries                                       | -                                   | (57,954)           |
| Proceeds from disposal of the Company's shares by subsidiary                              | 1,959                               | 17,630             |
| Payments for buy-back of the Company's shares as treasury shares by subsidiary            | (115,755)                           | (1,695)            |
| Cash dividends paid by subsidiaries   | <u>(8,029)</u>                      | <u>(66,540)</u>    |
| Net cash generated from (used in) financing activities                                    | <u>380,421</u>                      | <u>(1,116,882)</u> |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b> |                                     |                    |
|   | <u>78,645</u>                       | <u>(23,217)</u>    |
|   |                                     | (Continued)        |

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

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|   | For the Six Months Ended<br>June 30 |                     |
|---|-------------------------------------|---------------------|
|   | 2024                                | 2023                |
| NET INCREASE (DECREASE) IN CASH AND CASH<br>EQUIVALENTS     | \$ 1,038,988                        | \$ (890,238)        |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br>PERIOD | <u>6,478,921</u>                    | <u>2,508,593</u>    |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD          | <u>\$ 7,517,909</u>                 | <u>\$ 1,618,355</u> |

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

(With Deloitte & Touche review report dated July 25, 2024)

(Concluded)

# GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. ORGANIZATION AND OPERATIONS

Gloria Material Technology Corp. (the “Company”) was incorporated in the Republic of China (ROC) in March 1993 and its shares have been trading on the Taiwan Stock Exchange since October 1998. The Company mainly engaged in the production and sale of special steel, carbon steel, alloy steel, super alloy and smelting of the raw materials of these products.

Taiwan Steel Group United Co., Ltd. is the parent company of the Company, and the ultimate parent company of the Company is Kings Asset Management Corp.

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

### 2. ADMIT OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s Board of Directors on July 25, 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 FSC

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

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

| <b>New, Amended and Revised Standards and Interpretations</b> | <b>Effective Date<br/>Announced by IASB</b> |
|---|---|
| Amendments to IAS 21 “Lack of Exchangeability”                | January 1, 2025 (Note)                      |

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

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

| <b>New, Amended and Revised Standards and Interpretations</b>  | <b>Effective Date<br/>Announced by IASB (Note 1)</b> |
|--|--|
| Annual Improvements to IFRS Accounting Standards - Volume 11   | January 1, 2026                                      |
| Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”              | January 1, 2026                                      |
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | To be determined by IASB                             |
| IFRS 17 “Insurance Contracts”  | January 1, 2023                                      |
| Amendments to IFRS 17  | January 1, 2023                                      |
| Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”                              | January 1, 2023                                      |
| IFRS 18 “Presentation and Disclosure in Financial Statements”  | January 1, 2027                                      |
| IFRS 19 “Subsidiaries without Public Accountability: Disclosures”  | January 1, 2027                                      |

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

#### IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the 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 MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit 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. 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).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

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.

See Note 12, for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- 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:

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

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

4) Non-current assets held for sale

Non-current assets 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 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.

Non-current assets 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.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2023 for the material accounting judgments and key sources of estimation uncertainty.

## 6. CASH AND CASH EQUIVALENTS

|   | June 30, 2024       | December 31,<br>2023 | June 30, 2023       |
|---|---------------------|----------------------|---------------------|
| Cash on hand  | \$ 794              | \$ 1,266             | \$ 1,054            |
| Checking accounts and demand deposits                                       | 2,588,582           | 3,033,934            | 1,402,579           |
| Cash equivalents (investments with original maturities of 3 months or less) |                     |                      |                     |
| Time deposits   | 1,236,596           | 1,740,056            | 15,000              |
| Repurchase agreements collateralized by bills                               | <u>3,691,937</u>    | <u>1,703,665</u>     | <u>199,722</u>      |
|   | <u>\$ 7,517,909</u> | <u>\$ 6,478,921</u>  | <u>\$ 1,618,355</u> |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|   | June 30, 2024     | December 31,<br>2023 | June 30, 2023    |
|---|-------------------|----------------------|------------------|
| <u>Financial assets at FVTPL - current</u>                    |                   |                      |                  |
| Mandatorily classified as at FVTPL                            |                   |                      |                  |
| Derivative financial assets (not under hedge accounting)      |                   |                      |                  |
| Foreign exchange forward contracts                            | \$ 1,243          | \$ -                 | \$ -             |
| Non-derivative financial assets                               |                   |                      |                  |
| Domestic listed shares  | 6,462             | 7,091                | 33,291           |
| Mutual funds  | <u>59,076</u>     | <u>31,955</u>        | <u>25,005</u>    |
|   | <u>\$ 66,781</u>  | <u>\$ 39,046</u>     | <u>\$ 58,296</u> |
| <u>Financial assets at FVTPL - non-current</u>                |                   |                      |                  |
| Mandatorily classified as at FVTPL                            |                   |                      |                  |
| Non-derivative financial assets                               |                   |                      |                  |
| Domestic listed shares  | \$ 232,150        | \$ 394,587           | \$ -             |
| Film investment agreements                                    | <u>5,000</u>      | <u>5,000</u>         | <u>-</u>         |
|   | <u>\$ 237,150</u> | <u>\$ 399,587</u>    | <u>\$ -</u>      |
| <u>Financial liabilities at FVTPL - current</u>               |                   |                      |                  |
| Mandatorily classified as at FVTPL                            |                   |                      |                  |
| Derivative financial liabilities (not under hedge accounting) |                   |                      |                  |
| Foreign exchange swap contracts                               | \$ 360            | \$ -                 | \$ 336           |
| Foreign exchange forward contracts                            | <u>-</u>          | <u>-</u>             | <u>1,107</u>     |
|   | <u>\$ 360</u>     | <u>\$ -</u>          | <u>\$ 1,443</u>  |

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

June 30, 2024

|                                    | Currency | Maturity Date       | Notional Amount<br>(In Thousands) |
|------------------------------------|----------|---------------------|-----------------------------------|
| Foreign exchange swap contracts    | EUR/USD  | 2024/8/29-2024/9/12 | EUR1,550/USD1,682                 |
|                                    | USD/NTD  | 2024/7/5-2024/7/18  | USD4,900/NTD158,405               |
| Foreign exchange forward contracts |          |                     |                                   |
| Sell                               | EUR/USD  | 2024/7/15-2024/8/29 | EUR2,000/USD2,167                 |
| Sell                               | GBP/USD  | 2024/7/8-2024/9/19  | GBP3,000/USD3,806                 |

December 31, 2023: None.

June 30, 2023

|                                    | Currency | Maturity Date       | Notional Amount<br>(In Thousands) |
|------------------------------------|----------|---------------------|-----------------------------------|
| Foreign exchange swap contracts    | EUR/USD  | 2023/8/10           | EUR800/USD878                     |
|                                    | GBP/USD  | 2023/7/20           | GBP1,000/USD1,244                 |
| Foreign exchange forward contracts |          |                     |                                   |
| Sell                               | EUR/USD  | 2023/7/27           | EUR400/USD431                     |
| Sell                               | GBP/USD  | 2023/7/20-2023/8/24 | GBP2,300/USD2,876                 |

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

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|   | June 30, 2024     | December 31,<br>2023 | June 30, 2023     |
|---|-------------------|----------------------|-------------------|
| <u>Non-current</u>                          |                   |                      |                   |
| Investments in equity instruments at FVTOCI |                   |                      |                   |
| Listed shares                               | \$ 351,151        | \$ 268,418           | \$ 295,709        |
| Unlisted shares                             | <u>1,455</u>      | <u>1,455</u>         | <u>1,455</u>      |
|   | <u>\$ 352,606</u> | <u>\$ 269,873</u>    | <u>\$ 297,164</u> |

These investments in equity instruments 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.



## 9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

|                                     | June 30, 2024       | December 31,<br>2023 | June 30, 2023       |
|-------------------------------------|---------------------|----------------------|---------------------|
| <u>Notes receivable</u>             |                     |                      |                     |
| At amortized cost                   |                     |                      |                     |
| Gross carrying amount               | \$ 173,567          | \$ 167,995           | \$ 207,071          |
| Less: Allowance for impairment loss | <u>(1,645)</u>      | <u>(1,882)</u>       | <u>(1,618)</u>      |
|                                     | <u>\$ 171,922</u>   | <u>\$ 166,113</u>    | <u>\$ 205,453</u>   |
| <u>Trade receivables</u>            |                     |                      |                     |
| At amortized cost                   |                     |                      |                     |
| Gross carrying amount               | \$ 1,928,471        | \$ 1,482,412         | \$ 1,727,539        |
| Less: Allowance for impairment loss | <u>(26,190)</u>     | <u>(26,041)</u>      | <u>(20,965)</u>     |
|                                     | 1,902,281           | 1,456,371            | 1,706,574           |
| At FVTOCI                           | <u>762,478</u>      | <u>954,757</u>       | <u>944,688</u>      |
|                                     | <u>\$ 2,664,759</u> | <u>\$ 2,411,128</u>  | <u>\$ 2,651,262</u> |

### Trade Receivable

#### a. At amortized cost

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 action is 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 was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, the GDP forecasts and industry outlook, as well as recent development of the COVID-19. The overdue trade receivables were provided with an allowance of 0.01% to 100%, 0.01% to 100% and 0.01% to 100% and not past due trade receivables were provided with an allowance of 0% to 0.95%, 0% to 1.91% and 0% to 1.26% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables 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 trade receivables based on the Group's aging analysis:

|                    | <b>June 30, 2024</b> | <b>December 31,<br/>2023</b> | <b>June 30, 2023</b> |
|--------------------|----------------------|------------------------------|----------------------|
| Not past due       | \$ 1,591,186         | \$ 1,078,222                 | \$ 1,310,204         |
| Past due           |                      |                              |                      |
| 1-60 days          | 277,821              | 295,578                      | 316,576              |
| 61-120 days        | 23,664               | 58,405                       | 55,135               |
| More than 121 days | <u>35,800</u>        | <u>50,207</u>                | <u>45,624</u>        |
|                    | <u>\$ 1,928,471</u>  | <u>\$ 1,482,412</u>          | <u>\$ 1,727,539</u>  |

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the loss allowance of trade receivables at amortized cost were as follows:

|                                   | <b>For the Six Months Ended<br/>June 30</b> |                  |
|-----------------------------------|---|------------------|
|                                   | <b>2024</b>                                 | <b>2023</b>      |
| Balance at January 1              | \$ 26,041                                   | \$ 21,286        |
| Less: Reversal                    | (748)                                       | (105)            |
| Foreign exchange gains and losses | <u>897</u>                                  | <u>(216)</u>     |
| Balance at June 30                | <u>\$ 26,190</u>                            | <u>\$ 20,965</u> |

b. At FVTOCI

The Group signed a contract with a bank to sell certain accounts receivable without recourse and transaction costs. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets.

The following table details the loss allowance of trade receivables based on the Group's aging analysis:

|                    | <b>June 30, 2024</b> | <b>December 31,<br/>2023</b> | <b>June 30, 2023</b> |
|--------------------|----------------------|------------------------------|----------------------|
| Not past due       | \$ 566,778           | \$ 710,415                   | \$ 778,015           |
| Past due           |                      |                              |                      |
| 1-60 days          | 166,138              | 196,213                      | 164,811              |
| 61-120 days        | 25,991               | 45,178                       | 1,862                |
| More than 120 days | <u>3,571</u>         | <u>2,951</u>                 | <u>-</u>             |
|                    | <u>\$ 762,478</u>    | <u>\$ 954,757</u>            | <u>\$ 944,688</u>    |

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the loss allowance of trade receivables at FVTOCI were as follows:

|                      | <b>For the Six Months Ended<br/>June 30</b> |             |
|----------------------|---|-------------|
|                      | <b>2024</b>                                 | <b>2023</b> |
| Balance at January 1 | \$ -  | \$ -        |
| Add: Recognition     | <u>-</u>                                    | <u>-</u>    |
| Balance at June 30   | <u>\$ -</u>                                 | <u>\$ -</u> |

## Notes Receivable

The following table details the loss allowance of notes receivable based on the Group's aging analysis:

|              | <b>June 30, 2024</b> | <b>December 31,<br/>2023</b> | <b>June 30, 2023</b> |
|--------------|----------------------|------------------------------|----------------------|
| Not past due | \$ 161,319           | \$ 153,214                   | \$ 198,512           |
| Past due     | <u>12,248</u>        | <u>14,781</u>                | <u>8,559</u>         |
|              | <u>\$ 173,567</u>    | <u>\$ 167,995</u>            | <u>\$ 207,071</u>    |

The above aging schedule was based on the number of days past due from the expiration date.

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

|                                   | <b>For the Six Months Ended<br/>June 30</b> |                 |
|-----------------------------------|---|-----------------|
|                                   | <b>2024</b>                                 | <b>2023</b>     |
| Balance at January 1              | \$ 1,882                                    | \$ 2,247        |
| Less: Reversal                    | (275)                                       | (612)           |
| Foreign exchange gains and losses | <u>38</u>                                   | <u>(17)</u>     |
| Balance at June 30                | <u>\$ 1,645</u>                             | <u>\$ 1,618</u> |

## 10. INVENTORIES

|                                    | <b>June 30, 2024</b> | <b>December 31,<br/>2023</b> | <b>June 30, 2023</b> |
|------------------------------------|----------------------|------------------------------|----------------------|
| Raw materials                      | \$ 2,651,057         | \$ 2,445,396                 | \$ 2,154,603         |
| Supplies                           | 550,393              | 461,039                      | 287,913              |
| Work in progress                   | 1,912,103            | 2,086,140                    | 2,762,340            |
| Finished goods                     | 658,020              | 985,152                      | 898,465              |
| Merchandise                        | 164,305              | 170,783                      | 187,424              |
| Inventory in transit               | <u>459,122</u>       | <u>446,395</u>               | <u>435,913</u>       |
|                                    | 6,395,000            | 6,594,905                    | 6,726,658            |
| Less: Adjustments and eliminations | <u>(61,539)</u>      | <u>(80,293)</u>              | <u>(105,880)</u>     |
|                                    | <u>\$ 6,333,461</u>  | <u>\$ 6,514,612</u>          | <u>\$ 6,620,778</u>  |

The nature of the cost of goods sold is as follows:

|                                   | For the Three Months Ended<br>June 30 |                     | For the Six Months Ended<br>June 30 |                     |
|-----------------------------------|---------------------------------------|---------------------|-------------------------------------|---------------------|
|                                   | 2024                                  | 2023                | 2024                                | 2023                |
| Cost of inventories sold          | \$ 2,496,837                          | \$ 2,575,926        | \$ 4,955,303                        | \$ 4,945,261        |
| Unamortized manufacturing expense | 11,696                                | 10,030              | 18,043                              | 17,715              |
| Inventory write-downs             | <u>4,878</u>                          | <u>44,195</u>       | <u>29,543</u>                       | <u>57,181</u>       |
|                                   | <u>\$ 2,513,411</u>                   | <u>\$ 2,630,151</u> | <u>\$ 5,002,889</u>                 | <u>\$ 5,020,157</u> |

## 11. NON-CURRENT ASSETS HELD FOR SALE

|   | June 30, 2024     | December 31,<br>2023 | June 30, 2023 |
|---|-------------------|----------------------|---------------|
| VIM land, plant and equipment held for sale | <u>\$ 486,653</u> | <u>\$ -</u>          | <u>\$ -</u>   |

The board of directors resolved on April 15, 2024, to dispose of the property, plant, and equipment of VIM to S-Tech Corp. They signed the related sale and purchase agreement on June 5, 2024, with a transaction amount of \$1,462,097 thousand. The disposal process is expected to be completed within 12 months. These assets have been reclassified as non-current assets held for sale and are presented separately in the consolidated balance sheet.

The selling price is expected to exceed the carrying amount of the related net assets; therefore, no impairment loss is recognized when classifying the unit as a non-current asset held for sale.

## 12. SUBSIDIARIES

### a. Subsidiaries included in consolidated financial statements

| Investor                          | Investee   | Nature of Activities  | Proportion of Ownership (%) |                      |                  | Remark |
|-----------------------------------|--|---|-----------------------------|----------------------|------------------|--------|
|                                   |  |   | June 30,<br>2024            | December 31,<br>2023 | June 30,<br>2023 |        |
| The Company                       | Faith Easy Enterprises Ltd.                                      | General investment and trading  | 96                          | 96                   | 96               | 2      |
| The Company                       | Golden Win Steel Industrial Corp.                                | Processing and trading of special steel, carbon steel, super alloy material rollers | 46                          | 46                   | 46               | 1, 2   |
| The Company                       | Alloy Tool Steel Inc.  | Trading of alloy steel  | 100                         | 100                  | 100              | 2      |
| The Company                       | Ho Yang Investment Corp.   | General investment  | 49                          | 49                   | 47               | 1, 2   |
| The Company                       | All Win Enterprises Ltd.   | General investment and trading  | 100                         | 100                  | 100              | 2      |
| The Company                       | Rong Yang Investment Corp.                                       | General investment  | 100                         | 100                  | 100              | 2      |
| The Company                       | Gloria Material Technology Japan Co., Ltd.                       | Production and selling of alloy steel   | 100                         | 100                  | 100              | 2      |
| Faith Easy Enterprises Ltd.       | Guangzhou Goldway Special Material Co., Ltd.                     | Production and selling of alloy steel   | 100                         | 100                  | 100              | 2      |
| Faith Easy Enterprises Ltd.       | Zhejiang Jiaxing Goldway Special Material Co., Ltd.              | Production and selling of alloy steel   | 100                         | 100                  | 100              | 2      |
| Faith Easy Enterprises Ltd.       | Tianjin Goldway Special Material Co., Ltd.                       | Production and selling of alloy steel   | 100                         | 100                  | 100              | 2      |
| Faith Easy Enterprises Ltd.       | Xian Goldway Special Material Co., Ltd.                          | Production and selling of alloy steel   | 100                         | 100                  | 100              | 2      |
| Golden Win Steel Industrial Corp. | Rainbow Shines Limited   | General investment and trading  | 97                          | 97                   | 97               | 2      |
| Rainbow Shines Limited            | Vietnam Goldway Special Material Co., Ltd.                       | Production and selling of alloy steel   | 100                         | 100                  | 100              | 2      |
| All Win Enterprises Ltd.          | G-Yao Enterprises Ltd.   | General investment and trading  | 100                         | 100                  | 100              | 2      |
| G-Yao Enterprises Ltd.            | Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | Production and trading of alloy steel   | 100                         | 100                  | 100              | 2      |

- 1) Although the Group's percentage of ownership in those entities. was less than 50%, the Group still has control over the entity. Thus, those entities are considered a subsidiaries of the Group.
  - 2) This is an immaterial subsidiary; its financial statements have not been accountant reviewed.
- b. Subsidiaries excluded from consolidated financial statements: None.

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Investment in Associates

|   | June 30, 2024       | December 31,<br>2023 | June 30, 2023     |
|---|---------------------|----------------------|-------------------|
| Material associate corporation              |                     |                      |                   |
| Soft-World International Corporation        | \$ 2,908,368        | \$ -                 | \$ -              |
| Associate that is not individually material | <u>629,081</u>      | <u>361,966</u>       | <u>229,643</u>    |
|   | <u>\$ 3,537,449</u> | <u>\$ 361,966</u>    | <u>\$ 229,643</u> |

#### Material associate

|                                      | <u>Proportion of Ownership and Voting Rights (%)</u> |                      |               |
|--------------------------------------|--|----------------------|---------------|
|                                      | June 30, 2024  | December 31,<br>2023 | June 30, 2023 |
| Soft-World International Corporation | 18%  | -                    | -             |

In order to deepen the strategic cooperative relationship between the two parties, the board of directors of the Company resolved to conduct a share exchange with Soft-World International Corporation on December 21, 2023. The Company issued 62,920 thousand new shares for a total amount of \$2,994,992 thousand as consideration for the transfer of 28,600 thousand shares of Soft-World International Corporation. The base date for the share exchange was January 31, 2024, and it has been declared effective by the regulator. After the share exchange, the Company holds 18.39% of the voting rights in Soft-World International Corporation and is the single shareholder holding the largest portion of equity. Considering the relative size of and dispersion of the shareholdings owned by the other shareholders, the Company had a significant influence on Soft-World International Corporation, which has been recognized as an associate accounted for using the equity method.

The Company obtained two seats on the board of directors of Kuei Tien Cultural & Creative Entertainment Co., Ltd. on January 9, 2023. The Company had significant influence but no control over Kuei Tien Cultural & Creative Entertainment Co., Ltd., which has been recognized as an associate accounted for using the equity method.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements, which have not been reviewed, except for Soft-World International Corporation. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of the Soft-World International Corporation, which have not been reviewed.

Fair values (Level 1) of investments in the material associate with available published price quotations are summarized as follows:

|                                      | June 30, 2024 | December 31,<br>2023 | June 30, 2023 |
|--------------------------------------|---------------|----------------------|---------------|
| Soft-World International Corporation | \$ 4,204,200  | \$ -                 | \$ -          |

#### 14. PROPERTY, PLANT AND EQUIPMENT

|                          | June 30, 2024       | December 31,<br>2023 | June 30, 2023       |
|--------------------------|---------------------|----------------------|---------------------|
| <u>Carrying amount</u>   |                     |                      |                     |
| Land                     | \$ 2,691,754        | \$ 2,732,369         | \$ 2,732,369        |
| Buildings                | 1,482,529           | 1,683,852            | 1,736,415           |
| Equipment                | 2,112,835           | 2,358,290            | 2,773,355           |
| Transportation equipment | 49,449              | 52,541               | 42,482              |
| Machinery                | 4,743               | 8,204                | 9,273               |
| Other equipment          | 156,560             | 156,272              | 159,040             |
| Construction in progress | <u>1,625,427</u>    | <u>1,428,943</u>     | <u>1,260,222</u>    |
|                          | <u>\$ 8,123,297</u> | <u>\$ 8,420,471</u>  | <u>\$ 8,713,156</u> |

|   | Land                | Buildings           | Equipment            | Transportation<br>Equipment | Machinery         | Other<br>Equipment | Construction in<br>Progress | Total                |
|---|---------------------|---------------------|----------------------|-----------------------------|-------------------|--------------------|-----------------------------|----------------------|
| <u>Cost</u>   |                     |                     |                      |                             |                   |                    |                             |                      |
| Balance at January 1, 2024                          | \$ 2,732,369        | \$ 3,419,188        | \$ 9,854,944         | \$ 349,973                  | \$ 140,246        | \$ 320,299         | \$ 1,428,943                | \$ 18,245,962        |
| Additions   | -                   | 5,457               | 266,723              | 5,695                       | 30                | 11,625             | 196,760                     | 486,290              |
| Disposals   | -                   | (215,743)           | (108,729)            | (1,569)                     | (17,514)          | (1,455)            | -                           | (345,010)            |
| Reclassified as held for sale                       | (40,615)            | (39,955)            | (472,005)            | (33,624)                    | (20,856)          | (4,208)            | -                           | (611,263)            |
| Reclassified  | -                   | -                   | (91,507)             | -                           | -                 | -                  | (525)                       | (92,032)             |
| Effects of foreign currency<br>exchange differences | -                   | 13,180              | 6,553                | 147                         | 1,174             | 761                | 249                         | 22,064               |
| Balance at June 30, 2024                            | <u>\$ 2,691,754</u> | <u>\$ 3,182,127</u> | <u>\$ 9,455,979</u>  | <u>\$ 320,622</u>           | <u>\$ 103,080</u> | <u>\$ 327,022</u>  | <u>\$ 1,625,427</u>         | <u>\$ 17,706,011</u> |
| <u>Accumulated depreciation</u>                     |                     |                     |                      |                             |                   |                    |                             |                      |
| Balance at January 1, 2024                          | \$ -                | \$ 1,735,336        | \$ 7,496,654         | \$ 297,432                  | \$ 132,042        | \$ 164,027         | \$ -                        | \$ 9,825,491         |
| Disposals   | -                   | (65,931)            | (87,478)             | (1,569)                     | (15,041)          | (1,127)            | -                           | (171,146)            |
| Depreciation expense                                | -                   | 36,020              | 179,303              | 7,597                       | 1,199             | 11,026             | -                           | 235,145              |
| Impairment losses<br>recognized                     | -                   | -                   | 57,359               | -                           | -                 | -                  | -                           | 57,359               |
| Reclassified as held for sale                       | -                   | (11,033)            | (307,353)            | (32,372)                    | (20,856)          | (4,208)            | -                           | (375,822)            |
| Effects of foreign currency<br>exchange differences | -                   | 5,206               | 4,659                | 85                          | 993               | 744                | -                           | 11,687               |
| Balance at June 30, 2024                            | <u>\$ -</u>         | <u>\$ 1,699,598</u> | <u>\$ 7,343,144</u>  | <u>\$ 271,173</u>           | <u>\$ 98,337</u>  | <u>\$ 170,462</u>  | <u>\$ -</u>                 | <u>\$ 9,582,714</u>  |
| Carrying amount at<br>June 30, 2024                 | <u>\$ 2,691,754</u> | <u>\$ 1,482,529</u> | <u>\$ 2,112,835</u>  | <u>\$ 49,449</u>            | <u>\$ 4,743</u>   | <u>\$ 156,560</u>  | <u>\$ 1,625,427</u>         | <u>\$ 8,123,297</u>  |
| Carrying amount at<br>January 1, 2024               | <u>\$ 2,732,369</u> | <u>\$ 1,683,852</u> | <u>\$ 2,358,290</u>  | <u>\$ 52,541</u>            | <u>\$ 8,204</u>   | <u>\$ 156,272</u>  | <u>\$ 1,428,943</u>         | <u>\$ 8,420,471</u>  |
| <u>Cost</u>   |                     |                     |                      |                             |                   |                    |                             |                      |
| Balance at January 1, 2023                          | \$ 2,732,369        | \$ 3,468,158        | \$ 11,344,476        | \$ 332,284                  | \$ 144,180        | \$ 321,577         | \$ 1,073,812                | \$ 19,416,856        |
| Additions   | -                   | 10,201              | 484,705              | 7,395                       | 255               | 4,474              | 194,835                     | 701,865              |
| Disposals   | -                   | -                   | (44,560)             | (2,174)                     | (590)             | (1,426)            | -                           | (48,750)             |
| Reclassified  | -                   | (3,410)             | (58,142)             | -                           | -                 | -                  | (8,311)                     | (69,863)             |
| Effects of foreign currency<br>exchange differences | -                   | (6,663)             | (2,127)              | 64                          | (543)             | (286)              | (114)                       | (9,669)              |
| Balance at June 30, 2023                            | <u>\$ 2,732,369</u> | <u>\$ 3,468,286</u> | <u>\$ 11,724,352</u> | <u>\$ 337,569</u>           | <u>\$ 143,302</u> | <u>\$ 324,339</u>  | <u>\$ 1,260,222</u>         | <u>\$ 19,990,439</u> |

(Continued)

|   | Land                | Buildings           | Machinery           | Transportation<br>Equipment | Tools and<br>Equipment | Other<br>Equipment | Construction in<br>Progress | Total                |
|---|---------------------|---------------------|---------------------|-----------------------------|------------------------|--------------------|-----------------------------|----------------------|
| <u>Accumulated depreciation</u>                     |                     |                     |                     |                             |                        |                    |                             |                      |
| Balance at January 1, 2023                          | \$ -                | \$ 1,699,560        | \$ 8,827,784        | \$ 291,191                  | \$ 132,890             | \$ 157,799         | \$ -                        | \$ 11,109,224        |
| Disposals   | -                   | -                   | (44,522)            | (2,174)                     | (590)                  | (1,288)            | -                           | (48,574)             |
| Depreciation expense                                | -                   | 36,594              | 168,890             | 6,029                       | 1,824                  | 9,371              | -                           | 222,708              |
| Reclassified  | -                   | (1,541)             | -                   | -                           | -                      | -                  | -                           | (1,541)              |
| Effects of foreign currency<br>exchange differences | -                   | (2,742)             | (1,155)             | 41                          | (95)                   | (583)              | -                           | (4,534)              |
| Balance at June 30, 2023                            | <u>\$ -</u>         | <u>\$ 1,731,871</u> | <u>\$ 8,950,997</u> | <u>\$ 295,087</u>           | <u>\$ 134,029</u>      | <u>\$ 165,299</u>  | <u>\$ -</u>                 | <u>\$ 11,277,283</u> |
| Carrying amount at<br>June 30, 2023                 | <u>\$ 2,732,369</u> | <u>\$ 1,736,415</u> | <u>\$ 2,773,355</u> | <u>\$ 42,482</u>            | <u>\$ 9,273</u>        | <u>\$ 159,040</u>  | <u>\$ 1,260,222</u>         | <u>\$ 8,713,156</u>  |

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

#### Buildings

|                                      |             |
|--------------------------------------|-------------|
| Houses and buildings (structure)     | 40-55 years |
| Mechanical and electrical facilities | 2-10 years  |
| Engineering system                   | 1-15 years  |

#### Equipment

|                             |             |
|-----------------------------|-------------|
| Production line for forging | 10-20 years |
| Process equipment           | 1-10 years  |
| Mechanical system           | 5-5 years   |
| Molds                       | 1-3 years   |

#### Transportation equipment

|          |            |
|----------|------------|
| Stackers | 3-10 years |
| Cranes   | 5-8 years  |

#### Machinery

|                                   |            |
|-----------------------------------|------------|
| Analyzers and radiation detectors | 3-10 years |
| Other tools and instruments       | 2-5 years  |
| Other equipment                   | 2-13 years |

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 31.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

|                          | June 30, 2024    | December 31,<br>2023 | June 30, 2023     |
|--------------------------|------------------|----------------------|-------------------|
| <u>Carrying amount</u>   |                  |                      |                   |
| Land                     | \$ 48,236        | \$ 101,522           | \$ 107,212        |
| Buildings                | 26,852           | 29,977               | 36,078            |
| Transportation equipment | <u>8,868</u>     | <u>9,525</u>         | <u>3,803</u>      |
|                          | <u>\$ 83,956</u> | <u>\$ 141,024</u>    | <u>\$ 147,093</u> |

|  | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                 |
|--|---------------------------------------|-----------------|-------------------------------------|-----------------|
|  | 2024                                  | 2023            | 2024                                | 2023            |
| Additions to right-of-use assets               |                                       |                 | \$ 4,299                            | \$ 31,401       |
| Depreciation charge for<br>right-of-use assets |                                       |                 |                                     |                 |
| Land   | \$ 783                                | \$ 993          | \$ 1,676                            | \$ 1,993        |
| Buildings                                      | 2,990                                 | 2,863           | 5,919                               | 5,701           |
| Transportation equipment                       | <u>1,155</u>                          | <u>634</u>      | <u>2,367</u>                        | <u>955</u>      |
|  | <u>\$ 4,928</u>                       | <u>\$ 4,490</u> | <u>\$ 9,962</u>                     | <u>\$ 8,649</u> |

Refer to Note 21 for details regarding the disposal of land use rights by the subsidiary, Zhejiang Jiaying Shiang Yang Metal Material Technology Co., Ltd. (“Shiang Yang Company”).

Except for the aforementioned additions, disposals and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2024 and 2023.

b. Lease liabilities

|                        | June 30, 2024    | December 31,<br>2023 | June 30, 2023    |
|------------------------|------------------|----------------------|------------------|
| <u>Carrying amount</u> |                  |                      |                  |
| Current                | \$ 17,712        | \$ 16,855            | \$ 14,546        |
| Non-current            | <u>\$ 63,752</u> | <u>\$ 54,334</u>     | <u>\$ 57,535</u> |

Range of discount rates for lease liabilities was as follows:

|                          | June 30, 2024 | December 31,<br>2023 | June 30, 2023 |
|--------------------------|---------------|----------------------|---------------|
| Land                     | 1.85%         | 1.85%                | 1.85%         |
| Buildings                | 1.79%-3.95%   | 1.79%-1.80%          | 1.79%-1.80%   |
| Transportation equipment | 1.79%-2.02%   | 1.79%-2.02%          | 1.79%-2.02%   |

c. Other lease information

|   | For the Three Months Ended<br>June 30 |        | For the Six Months Ended<br>June 30 |                  |
|---|---------------------------------------|--------|-------------------------------------|------------------|
|   | 2024                                  | 2023   | 2024                                | 2023             |
| Expenses relating to short-term<br>leases and low-value asset<br>leases | \$ 114                                | \$ 842 | \$ 216                              | \$ 2,525         |
| Total cash outflow for leases   |                                       |        | <u>\$ 9,182</u>                     | <u>\$ 11,003</u> |

The Group’s leases of certain assets qualify as short-term leases and low-value asset 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.



## 16. INVESTMENT PROPERTIES

|           | June 30, 2024     | December 31,<br>2023 | June 30, 2023     |
|-----------|-------------------|----------------------|-------------------|
| Land      | \$ 76,844         | \$ 189,518           | \$ 189,518        |
| Buildings | <u>68,305</u>     | <u>210,677</u>       | <u>215,563</u>    |
|           | <u>\$ 145,149</u> | <u>\$ 400,195</u>    | <u>\$ 405,081</u> |

The Group reclassified investment properties as non-current assets held for sale, please refer to Note 11.

The depreciation of investment properties is recognized using the straight-line method over their useful lives as follows:

|                                      |             |
|--------------------------------------|-------------|
| Houses and buildings (structure)     | 25-50 years |
| Mechanical and electrical facilities | 2-10 years  |
| Engineering system                   | 2-20 years  |

As of December 31, 2023 and 2022, the determination of fair value was performed by independent qualified professional valuers in the balance sheet date.

The fair value as appraised was as follows:

|            | June 30, 2024     | December 31,<br>2023 | June 30, 2023       |
|------------|-------------------|----------------------|---------------------|
| Fair value | <u>\$ 518,587</u> | <u>\$ 1,464,213</u>  | <u>\$ 1,491,236</u> |

Being consideration of the Group's management, except for the portion reclassified as non-current assets held for sale, there were no significant difference between in the fair value of investment properties as of June 30, 2024 and 2023 and as of December 31, 2023 and 2022.

The Group leases property, plant and equipment to S-Tech Corp. and Taiwan Steel Group Aerospace Technology Corporation. The lease terms were 3 years. Rents are paid at the end of each month.

Investment properties pledged as collateral for bank borrowings were set out in Note 31.

## 17. OTHER ASSETS

|                               | June 30, 2024     | December 31,<br>2023 | June 30, 2023     |
|-------------------------------|-------------------|----------------------|-------------------|
| Prepayments                   | \$ 208,635        | \$ 140,715           | \$ 250,482        |
| Refundable deposits (Note 31) | 163,843           | 123,675              | 155,090           |
| Restricted deposits (Note 31) | 62,675            | 61,007               | 8,521             |
| Other financial assets        | -                 | 300,000              | 103,692           |
| Others                        | <u>27,873</u>     | <u>22,597</u>        | <u>17,914</u>     |
|                               | <u>\$ 463,026</u> | <u>\$ 647,994</u>    | <u>\$ 535,699</u> |

(Continued)

|             | June 30, 2024     | December 31,<br>2023 | June 30, 2023                    |
|-------------|-------------------|----------------------|----------------------------------|
| Current     | \$ 289,320        | \$ 522,524           | \$ 379,650                       |
| Non-current | <u>173,706</u>    | <u>125,470</u>       | <u>156,049</u>                   |
|             | <u>\$ 463,026</u> | <u>\$ 647,994</u>    | <u>\$ 535,699</u><br>(Concluded) |

## 18. BORROWINGS

### a. Short-term borrowings

|                                     | June 30, 2024       | December 31,<br>2023 | June 30, 2023       |
|-------------------------------------|---------------------|----------------------|---------------------|
| <u>Secured borrowings (Note 31)</u> |                     |                      |                     |
| Bank loans                          | \$ 70,457           | \$ 94,787            | \$ 57,978           |
| <u>Unsecured borrowings</u>         |                     |                      |                     |
| Letters of credit                   | 20,204              | 9,409                | 33,294              |
| Line of credit borrowings           | <u>999,101</u>      | <u>1,059,745</u>     | <u>1,076,038</u>    |
|                                     | <u>\$ 1,089,762</u> | <u>\$ 1,163,941</u>  | <u>\$ 1,167,310</u> |
| Range of interest rates             | 0.50%-7.10%         | 0.50%-7.80%          | 1.88%-7.10%         |

### b. Short-term bills payable

Outstanding short-term bills payable were as follows:

|  | June 30, 2024 | December 31,<br>2023 | June 30, 2023    |
|--|---------------|----------------------|------------------|
| Commercial paper                             | \$ -          | \$ 5,000             | \$ 45,000        |
| Less: Unamortized discounts on bills payable | <u>-</u>      | <u>-</u>             | <u>-</u>         |
|  | <u>\$ -</u>   | <u>\$ 5,000</u>      | <u>\$ 45,000</u> |

### c. Current portion of long-term liabilities

|   | June 30, 2024 | December 31,<br>2023 | June 30, 2023       |
|---|---------------|----------------------|---------------------|
| Current portion of long-term borrowings | <u>\$ -</u>   | <u>\$ 13,350</u>     | <u>\$ 2,260,462</u> |

d. Long-term borrowings

|                                     | June 30, 2024       | December 31,<br>2023 | June 30, 2023       |
|-------------------------------------|---------------------|----------------------|---------------------|
| <u>Secured borrowings (Note 31)</u> |                     |                      |                     |
| Bank loans                          | \$ 5,476,950        | \$ 4,835,755         | \$ 4,684,062        |
| Less: Current portions              | <u>-</u>            | <u>(13,350)</u>      | <u>(2,260,462)</u>  |
| Long-term borrowings                | <u>\$ 5,476,950</u> | <u>\$ 4,822,405</u>  | <u>\$ 2,423,600</u> |
| Range of interest rates             | 2.01%-2.14%         | 2.01%-2.19%          | 1.34%-2.03%         |

1) In order to repay outstanding financial liabilities and enrich medium-term working capital, the Company obtained a syndicated loan, which has the maturity of 5 years with a credit line of NT\$4,200,000 thousand from Chang Hwa Bank and multiple financial institutions. In August 2023, the Group repaid all of the syndicated loan in advance.

- a) Term Loan A: Loan limit NT\$2,238,320 thousand; non-revolving credit line.
- b) Term Loan B: Loan limit NT\$1,496,230 thousand; revolving credit line.
- c) Term Loan C: Loan limit NT\$465,450 thousand; revolving credit line.

In addition to the general requirements, the maintenance of certain financial ratios is also required. If the Company is unable to comply with the financial ratio restrictions, the decision on whether the Company is in violation of the financial ratios will be made by a majority vote of the syndicate of banks.

According to the joint credit agreement aforementioned, during the loan period, the Company is required to maintain certain financial ratios as follows:

- a) Current ratio: No less than 1.0.
- b) Debt to net worth ratio: No higher than 1.8.
- c) Debt service coverage ratio: No less than 3.0.

The above financial ratios are reviewed every six months based on either the audited annual financial statements or the reviewed semi-annual financial statements.

If the Company is unable to comply with any of the aforementioned financial ratio restrictions, the Company should propose a financial improvement plan immediately to the managing bank, and if the financial ratios in the next period's consolidated financial statements are in compliance with the restrictions, the Company will be deemed as not in violation of the financial ratio restrictions. However, the interest of the outstanding borrowings will be increased by 0.1% of the original agreed loan interest rate from the interest payment date of the month following the month the current consolidated financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

2) Due to loan repayment, capital expenditure and operating fund needs, the Company obtained a syndicated loan with a credit line of NT\$6,200,000 thousand from First Bank and multiple financial institutions. The maturity period was 5 years starting from the initial drawdown date. In August 2023, the Group repaid all of the syndicated loan in advance.

- a) Term Loan A: Loan limit NT\$3,060,000 thousand; non-revolving credit line.
- b) Term Loan B: Loan limit NT\$1,700,000 thousand; non-revolving credit line.
- c) Term Loan C: Loan limit NT\$1,440,000 thousand; revolving credit line.
- d) Term Loan D: Loan limit NT\$1,440,000 thousand; revolving credit line. The shared credit line of Term Loan C and Term Loan D cannot exceed the credit line of Term Loan C.

In addition to the general requirements, the maintenance of certain financial ratios is also required. If the Company is unable to comply with the financial ratio restrictions, the decision on whether the Company is in violation of the financial ratios will be made by a majority vote of the syndicate of banks.

According to the joint credit agreement aforementioned, during the loan period, the Company is required to maintain certain financial ratios as follows:

- a) Current ratio: No less than 1.0.
- b) Debt to net worth ratio: No higher than 1.8.
- c) Debt service coverage ratio: No less than 3.0.

The above financial ratios are reviewed every six months based on either the audited annual financial statements or the reviewed financial statements of Q1 and Q2.

If the Company is unable to comply with any of the aforementioned financial ratio restrictions, the Company should propose a financial improvement plan immediately to the managing bank, and if the financial ratios in the next period's consolidated financial statements are in compliance with the restrictions, the Company will be deemed as not in violation of the financial ratio restrictions. However, the interest of the outstanding borrowings will be increased by 0.1% of the original agreed loan interest rate from the interest payment date of the month following the month the current consolidated financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

3) Due to bank loan repayment and operating fund needs, the Company obtained a syndicated loan with a credit line of NT\$8,000,000 thousand from First Bank and multiple financial institutions. The maturity period was 5 years, starting from the initial drawdown date.

- a) Term Loan A: Loan limit NT\$3,800,000 thousand; non-revolving credit line.
- b) Term Loan B: Loan limit NT\$4,200,000 thousand; revolving credit line.
- c) Term Loan C: Loan limit NT\$2,100,000 thousand; revolving credit line.
- d) The shared credit line of Term Loan B and Term Loan C cannot exceed the credit line of Term Loan B.

In addition to the general requirements, the maintenance of certain financial ratios is also required. If the Company is unable to comply with the financial ratio restrictions, the decision on whether the Company is in violation of the financial ratios will be made by a majority vote of the syndicate of banks.

According to the joint credit agreement aforementioned, during the loan period, the Company is required to maintain certain financial ratios as follows:

- a) Current ratio: No less than 1.0.
- b) Debt to net worth ratio: No higher than 1.8.
- c) Debt service coverage ratio: No less than 3.0.

The above financial ratios are reviewed every six months based on either the audited annual financial statements or the reviewed financial statements of Q1 and Q2.

If the Company is unable to comply with any of the aforementioned financial ratio restrictions, the Company should propose a financial improvement plan immediately to the managing bank, and if the financial ratios in the next period's consolidated financial statements are in compliance with the restrictions, the Company will be deemed as not in violation of the financial ratio restrictions. However, the interest of the outstanding borrowings will be increased by 0.1% of the original agreed loan interest rate from the interest payment date of the month following the month the current consolidated financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

## 19. BONDS PAYABLE

|                                      | June 30, 2024       | December 31,<br>2023 | June 30, 2023       |
|--------------------------------------|---------------------|----------------------|---------------------|
| Secured domestic bonds (Note 31)     | \$ 1,500,000        | \$ 1,500,000         | \$ 1,500,000        |
| Discount on bonds payable            | <u>(57,979)</u>     | <u>(64,316)</u>      | <u>(70,571)</u>     |
|                                      | 1,442,021           | 1,435,684            | 1,429,429           |
| Unsecured domestic convertible bonds | 5,075,398           | 5,075,398            | 548,953             |
| Discount on bonds payable            | <u>(210,261)</u>    | <u>(259,265)</u>     | <u>(17,376)</u>     |
|                                      | <u>4,865,137</u>    | <u>4,816,133</u>     | <u>531,577</u>      |
|                                      | <u>\$ 6,307,158</u> | <u>\$ 6,251,817</u>  | <u>\$ 1,961,006</u> |

### a. Secured domestic bonds

On November 29, 2021, the Group issued \$1,500,000 thousand, which was 0.65% of its NTD denominated secured bonds in Taiwan, with maturity date on November 29, 2028. The interest will be paid annually and the bonds will be repaid on the maturity date. The bonds are guaranteed by Hua Nan Commercial Bank and as trustee for the bondholders by Taishin International Commercial Bank, Ltd.

### b. The 6th unsecured domestic convertible bonds

On August 15, 2022, the Group issued 30,000 unsecured convertible bonds with a face value of \$100 thousand each at an interest rate of 0% at 101% of par value, with a total principal amount of \$3,000,000 thousand. The maturity period is three years from August 15, 2022 to August 15, 2025. The Company redeemed the bonds at par on December 12, 2023 and terminated the over-the-counter trading on December 13, 2023.

Unless the holders of the convertible bonds apply for conversion into the Company's common shares or the Group repurchases and cancels the bonds from securities dealers, the Group repays the bonds in cash within five business days from the maturity date of the convertible bonds at the face value plus interest compensation (101.5075% of the face value and 0.5% real rate of return).

From the day following the expiration of three months after the date of issuance of the convertible bonds (November 16, 2022) to the maturity date (August 15, 2025), the bondholders may, except for (a) The period during which the transfer of the common shares is legally suspended; (b) The period from the fifteen business days prior to the date of cessation of transfer of the Company's allotment, the date of cessation of transfer of cash dividends or the date of cessation of transfer of stock options from cash capital increase to the base date; (c) Except for the period from the base date of the capital reduction to the day before the commencement of trading of the capital reduction for the conversion of shares, the Company may request the Company's share agent to convert the bonds into shares of the Company's common shares anytime, by forwarding a request to Taiwan Central Depository & Clearing Corporation (TDCC) through a trading broker.

The conversion price is determined on a base date of August 5, 2022. The base price was calculated by the arithmetic mean of the closing price of one day, three days or five days of the business days before the base date (not included). The conversion price is determined by multiplying the base price by 110% of the conversion rate (calculated to the nearest dollar, rounded up to the nearest dollar). The calculation is based on the following: If there is an ex-rights or ex-dividend date, the closing price used to calculate the conversion price shall be set as the ex-rights or ex-dividend price; if there is an ex-rights or ex-dividend date after the conversion price is determined and before the actual issuance date, the conversion price shall be adjusted according to the conversion price adjustment formula. In accordance with the above, the conversion price is set at NT\$33.9 per share upon issuance of the conversion bonds.

This convertible bond consists of a liability and an equity component, which is expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 1.5258%.

|   |                    |
|---|--------------------|
| Issue price (net of transaction costs and adjusted for related income tax effects)                              | \$ 3,024,721       |
| Components of equity (net of transaction costs allocated to equity and adjusted for related income tax effects) | <u>(114,739)</u>   |
| Components of liabilities at issue date (net of transaction costs allocated to liabilities)                     | 2,909,982          |
| Interest calculated at an effective rate of 1.5258%   | 30,303             |
| Convertible bonds converted into ordinary shares  | (2,938,997)        |
| Redeemed convertible bonds  | <u>(1,288)</u>     |
| Liability components as of December 31, 2023  | \$ <u><u>-</u></u> |

c. The 7th unsecured domestic convertible bonds

On July 31, 2023, the Group issued 50,000 unsecured convertible bonds with a face value of \$100 thousand each at an interest rate of 0% at 100.5% of par value, with a total principal amount of \$5,000,000 thousand. The maturity period is three years from July 31, 2023 to July 31, 2026.

Unless the holders of the convertible bonds apply for conversion into the Company's ordinary shares, redeemed, or the Group repurchases and cancels the bonds from securities dealers, the Group repays the bonds in cash within five business days from the maturity date of the convertible bonds at the face value plus interest compensation (101.51% of the face value and 0.5% real rate of return).

From the day following the expiration of three months after the date of issuance of the convertible bonds (November 1, 2023) to the maturity date (July 31, 2026), the bondholders may, except for (a) The period during which the transfer of the ordinary shares is legally suspended; (b) The period from the fifteen business days prior to the date of cessation of transfer of the Company's allotment, the date of cessation of transfer of cash dividends or the date of cessation of transfer of stock options from cash capital increase to the base date; (c) The period from the base date of the capital reduction to the day before the commencement of trading of the capital reduction for the conversion of shares; (d) Except for the period from the start date of the suspension of conversion (subscription) for the change of face value of the stock to the day before the day of the issue of new shares in exchange for the old shares, the Company may request the Company's share agent to convert the bonds into shares of the Company's ordinary shares anytime, by forwarding a request to Taiwan Central Depository & Clearing Corporation (TDCC) through a trading broker.

The conversion price is determined on a base date of July 21, 2023. The base price was calculated by the arithmetic mean of the closing price of one day, three days or five days of the business days before the base date (not included). The conversion price is determined by multiplying the base price by 110% of the conversion rate (calculated to the nearest dollar, rounded up to the nearest dollar). The calculation is based on the following: If there is an ex-rights or ex-dividend date, the closing price used to calculate the conversion price shall be set as the ex-rights or ex-dividend price; if there is an ex-rights or ex-dividend date after the conversion price is determined and before the actual issuance date, the conversion price shall be adjusted according to the conversion price adjustment formula. In accordance with the above, the conversion price is set at NT\$59.2 per share upon issuance of the conversion bonds.

This convertible bond consists of a liability and an equity component, which is expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 2.0524%.

|   |                     |
|---|---------------------|
| Issue price (net of transaction costs and adjusted for related income tax effects)                              | \$ 5,019,682        |
| Components of equity (net of transaction costs allocated to equity and adjusted for related income tax effects) | <u>(244,291)</u>    |
| Components of liabilities at issue date (net of transaction costs allocated to liabilities)                     | 4,775,391           |
| Interest calculated at an effective rate of 2.0524%   | 40,838              |
| Convertible bonds converted into ordinary shares  | <u>(96)</u>         |
| Liability components as of December 31, 2023  | 4,816,133           |
| Interest calculated at an effective rate of 2.0524%   | <u>49,004</u>       |
| Liability components as of June 30, 2024  | <u>\$ 4,865,137</u> |

## 20. OTHER PAYABLES

|                                   | June 30, 2024       | December 31, 2023 | June 30, 2023       |
|-----------------------------------|---------------------|-------------------|---------------------|
| Payable for salaries and bonuses  | \$ 186,700          | \$ 284,337        | \$ 182,718          |
| Payable for annual leave          | 54,977              | 56,176            | 51,389              |
| Payable for purchase of equipment | 105,193             | 110,864           | 52,050              |
| Payable for fuel                  | 35,584              | 25,018            | 29,751              |
| Payable for utility bill          | 68,888              | 32,922            | 61,180              |
| Payable for export fees           | 98,490              | 71,052            | 83,648              |
| Payable for dividends             | 1,511,824           | -                 | 1,215,706           |
| Others                            | <u>149,900</u>      | <u>158,283</u>    | <u>154,933</u>      |
|                                   | <u>\$ 2,211,556</u> | <u>\$ 738,652</u> | <u>\$ 1,831,375</u> |

## 21. OTHER LIABILITIES

|                                     | June 30, 2024    | December 31,<br>2023 | June 30, 2023     |
|-------------------------------------|------------------|----------------------|-------------------|
| <u>Non-current</u>                  |                  |                      |                   |
| Long-term deferred revenue (a)      | \$ 5,027         | \$ 4,786             | \$ 4,758          |
| Advanced expropriation receipts (b) | -                | 462,121              | 459,392           |
| Guarantee deposit received          | 308              | 329                  | 335               |
| Others                              | <u>35,590</u>    | <u>34,914</u>        | <u>60,468</u>     |
|                                     | <u>\$ 40,925</u> | <u>\$ 502,150</u>    | <u>\$ 524,953</u> |

- a. Long-term deferred revenue is the subsidy of the local government for the purchase of land and lease of land use rights for the investment and establishment of factories by the Group. After the construction of the factory is completed and the operation starts, it is recognized as other income based on the period of use of the factory.
- b. Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. ("Shiang Yang Company"), a subsidiary of the Group, signed an agreement of expropriation and movement on June 30, 2022 with Zhejiang Xinghui Co., Ltd. ("Xinghui Company"). According to the agreement, Xinghui Company would expropriate the land use right of 46,494 square meter and its buildings of Shiang Yang Company, at transaction price of CNY132,500 thousand. The proceeds would be paid according to stages of the agreement. The transaction price was referred to the appraisal report by professional appraisal institution and was agreed by both parties. Shiang Yang Company had an advance receipt of CNY106,651 thousand and CNY106,651 thousand on June 30, 2023 and December 31, 2022, respectively. The gain from expropriation will be recognized once the obligation of the agreement is fulfilled. The Group completed the relocation in accordance with the agreement during the second quarter of 2024, received the final amount of expropriation of CNY25,849 thousand and recognized the gain from expropriation.

## 22. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the pension expense of defined benefit plans were \$468 thousand, \$813 thousand, \$934 thousand and \$1,631 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

## 23. EQUITY

- a. Share capital

### Ordinary shares

|   | June 30, 2024        | December 31,<br>2023 | June 30, 2023       |
|---|----------------------|----------------------|---------------------|
| Number of shares authorized (in thousands)            | <u>1,000,000</u>     | <u>800,000</u>       | <u>800,000</u>      |
| Shares authorized                                     | <u>\$ 10,000,000</u> | <u>\$ 8,000,000</u>  | <u>\$ 8,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>602,471</u>       | <u>539,551</u>       | <u>522,950</u>      |
| Shares issued   | <u>\$ 6,024,712</u>  | <u>\$ 5,395,512</u>  | <u>\$ 5,229,496</u> |



Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to dividends.

As of December 12, 2023, the holders of the Company's 6th unsecured domestic convertible bonds had applied for conversion into the cumulative amount of 89,142 thousand shares of the Company's ordinary shares, respectively. The company has redeemed the bonds payable on December 12, 2023.

As of June 30, 2024, the holders of the Company's 7th unsecured domestic convertible bonds had applied for conversion into the cumulative amount of 2 thousand shares of the Company's ordinary shares.

On April 13, 2023, the board of directors of the Company resolved to cancel the treasury shares. The base date for capital reduction was May 22, 2023. After canceling 6,329 thousand treasury shares, the registration was completed in June 2023.

On December 21, 2023, the board of directors of the Company resolved to increase capital and issue new shares in exchange for the new shares issued by Soft-World International Corporation. The Company issued 62,920 thousand new shares as consideration in exchange for 28,600 thousand ordinary shares of Soft-World International Corporation. The base date for the share exchange was January 31, 2024. And the change registration was completed on March 8, 2024.

b. Capital surplus

|   | June 30, 2024       | December 31,<br>2023 | June 30, 2023       |
|---|---------------------|----------------------|---------------------|
| Additional paid-in capital                      | \$ 2,579,710        | \$ 213,918           | \$ 213,918          |
| Additional paid-in capital-bond conversion      | 3,592,624           | 3,592,624            | 3,205,889           |
| Adjustment from changes in equity of associates | 19,990              | 9,539                | 11,767              |
| Donated assets                                  | <u>3,502</u>        | <u>3,502</u>         | <u>3,502</u>        |
|   | <u>\$ 6,195,826</u> | <u>\$ 3,819,583</u>  | <u>\$ 3,435,076</u> |

The premium from shares issued in excess of par (share premium from issuance of ordinary shares, bond conversion and treasury shares transactions) and donations 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 capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from adjustment from changes in equity of associates may only be used to offset a deficit.

The capital surplus from employee share options and convertible bonds share options may not be used for any purpose.

c. Retained earnings and dividends policy

The Company explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each quarter of the fiscal year.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a quarter, the profit shall be first utilized for paying taxes, offsetting losses of previous years, paying employee retention credits, setting aside as 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. The distribution of cash dividends should be resolved by the Company's Board of Directors, while the distribution of share dividends should be resolved by the shareholders in their meeting.

When 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 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. The distribution of share dividends should be resolved by the shareholders in their meeting. In accordance with Article 240, paragraph 5 of the Company Act, the distribution of cash dividends should be resolved by a majority of the directors present at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors. The Company's Articles also stipulate a dividends policy whereby the payment of cash dividends takes precedence over the issuance of share dividends.

The Company's Articles stipulated that the Company's a dividends policy is designed to meet present and future development projects and consideration of the investment environment, funding requirements, international, domestic competitive conditions and shareholders' interests simultaneously. The distribution of dividends could be either cash or shares, while cash dividends shall not be less than 50% of the total dividends.

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 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.

The appropriations of earnings for 2023 and 2022 were as follows:

|                                 | <b>Appropriation of Earnings</b>      |             |
|---------------------------------|---------------------------------------|-------------|
|                                 | <b>For the Year Ended December 31</b> |             |
|                                 | <b>2023</b>                           | <b>2022</b> |
| Legal reserve                   | \$ 233,498                            | \$ 202,208  |
| Special reserve                 | 24,378                                | (59,692)    |
| Cash dividends                  | 1,506,178                             | 1,239,092   |
| Cash dividends per share (NT\$) | 2.5                                   | 2.3694      |

Cash dividends were approved by the board of directors on February 29, 2024 and April 13, 2023, respectively. Other appropriations of earnings for 2022 was approved by the shareholders in the shareholders' meeting on May 25, 2023. Other appropriations of earnings for 2023 was approved by the shareholders in the shareholders' meeting on May 29, 2024.

d. Treasury shares

| <b>Purpose of Buy-back</b>            | <b>Shares Held by<br/>Subsidiaries<br/>(In Thousands<br/>of Shares)</b> | <b>Shares<br/>Transferred to<br/>Employees<br/>(In Thousands<br/>of Shares)</b> | <b>Total<br/>(In Thousands<br/>of Shares)</b> |
|---------------------------------------|---|---|---|
| Number of shares at January 1, 2024   | 13,378  | -   | 13,378  |
| Increase during the period            | 2,338   | -   | 2,338   |
| Decrease during the period            | <u>(40)</u>   | <u>-</u>  | <u>(40)</u>                                   |
| Number of shares at June 30, 2024     | <u>15,676</u>   | <u>-</u>  | <u>15,676</u>                                 |
| Book value of shares at June 30, 2024 | <u>\$ 338,842</u>   | <u>\$ -</u>   | <u>\$ 338,842</u>                             |
| Number of shares at January 1, 2023   | 9,527   | 6,329   | 15,856  |
| Increase during the period            | 42  | -   | 42  |
| Decrease during the period            | <u>(314)</u>  | <u>(6,329)</u>  | <u>(6,643)</u>                                |
| Number of shares at June 30, 2023     | <u>9,255</u>  | <u>-</u>  | <u>9,255</u>                                  |
| Book value of shares at June 30, 2023 | <u>\$ 150,923</u>   | <u>\$ -</u>   | <u>\$ 150,923</u>                             |

For the six months ended June 30, 2024 and 2023, subsidiaries sold 40 thousand and 314 thousand, respectively shares of the Company for \$1,959 thousand and \$17,630 thousand, respectively.

For information on the shares of the Company held by its subsidiaries, please refer to Table 3.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The shares held by subsidiaries were accounted for as treasury shares.

## 24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations included the following items:

a. Other income

|                     | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                  |
|---------------------|---|------------------|---|------------------|
|                     | <b>2024</b>                                   | <b>2023</b>      | <b>2024</b>                                 | <b>2023</b>      |
| Rental income       | \$ 9,347                                      | \$ 16,737        | \$ 18,829                                   | \$ 34,120        |
| Sale of electricity | 1,042   | 4,143            | 3,242                                       | 7,473            |
| Dividends income    | 4,232   | 13,796           | 11,642                                      | 13,796           |
| Others              | <u>7,747</u>                                  | <u>8,960</u>     | <u>15,438</u>                               | <u>13,664</u>    |
|                     | <u>\$ 22,368</u>                              | <u>\$ 43,636</u> | <u>\$ 49,151</u>                            | <u>\$ 69,053</u> |

b. Finance costs

|  | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                  |
|--|---|------------------|---|------------------|
|  | <b>2024</b>                                   | <b>2023</b>      | <b>2024</b>                                 | <b>2023</b>      |
| Interest on bank loans and bills payable               | \$ 49,586                                     | \$ 46,425        | \$ 94,705                                   | \$ 93,294        |
| Amortization of long-term borrowing costs              | 862   | 1,722            | 1,725                                       | 3,444            |
| Interest on lease liabilities                          | 307   | 343              | 632   | 675              |
| Interest on bonds payable                              | 30,446  | 8,921            | 60,891                                      | 23,055           |
| Less: Amount included in the cost of qualifying assets | <u>(21,366)</u>                               | <u>(17,389)</u>  | <u>(42,989)</u>                             | <u>(32,617)</u>  |
|  | <u>\$ 59,835</u>                              | <u>\$ 40,022</u> | <u>\$ 114,964</u>                           | <u>\$ 87,851</u> |

Information on capitalized interest was as follows:

|                      | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                  |
|----------------------|---|------------------|---|------------------|
|                      | <b>2024</b>                                   | <b>2023</b>      | <b>2024</b>                                 | <b>2023</b>      |
| Capitalized interest | <u>\$ 21,366</u>                              | <u>\$ 17,389</u> | <u>\$ 42,989</u>                            | <u>\$ 32,617</u> |
| Capitalization rate  | 1.72%-1.79%                                   | 1.74%-1.89%      | 1.44%-2.37%                                 | 1.61%-1.89%      |

c. Other gains and losses

|   | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                   |
|---|---|------------------|---|-------------------|
|   | <b>2024</b>                                   | <b>2023</b>      | <b>2024</b>                                 | <b>2023</b>       |
| Gain on fair value changes of financial assets/liabilities designated as at FVTPL | \$ 110,014                                    | \$ 12,938        | \$ 114,004                                  | \$ 21,627         |
| Gain on disposal of associates  | -   | 76,156           | -   | 164,563           |
| Gain on disposal of right-of-use assets   | 152,934                                       | -                | 152,934                                     | -                 |
| Gain on disposal of property, plant and equipment                                 | 208,738                                       | 88               | 208,891                                     | 108               |
| Net foreign currency exchange gains   | 123,723                                       | 120,783          | 256,719                                     | 255,952           |
| Net foreign currency exchange losses  | (99,106)                                      | (80,405)         | (178,626)                                   | (209,081)         |
| Impairment loss   | (57,359)                                      | -                | (57,359)                                    | -                 |
| Others  | <u>(50,288)</u>                               | <u>(50,018)</u>  | <u>(68,096)</u>                             | <u>(66,161)</u>   |
|   | <u>\$ 388,656</u>                             | <u>\$ 79,542</u> | <u>\$ 428,467</u>                           | <u>\$ 167,008</u> |

d. Depreciation and amortization

|   | <b>For the Three Months Ended<br/>June 30</b> |                   | <b>For the Six Months Ended<br/>June 30</b> |                   |
|---|---|-------------------|---|-------------------|
|   | <b>2024</b>                                   | <b>2023</b>       | <b>2024</b>                                 | <b>2023</b>       |
| An analysis of depreciation by function |   |                   |   |                   |
| Operating costs                         | \$ 103,139                                    | \$ 91,082         | \$ 206,391                                  | \$ 184,046        |
| Operating expenses                      | 14,251  | 7,012             | 24,095                                      | 14,608            |
| Other losses                            | <u>7,039</u>                                  | <u>18,787</u>     | <u>18,455</u>                               | <u>38,078</u>     |
|   | <u>\$ 124,429</u>                             | <u>\$ 116,881</u> | <u>\$ 248,941</u>                           | <u>\$ 236,732</u> |
| An analysis of amortization by function |   |                   |   |                   |
| Operating costs                         | \$ 486  | \$ -              | \$ 672                                      | \$ 34             |
| Operating expenses                      | <u>159</u>                                    | <u>198</u>        | <u>294</u>                                  | <u>395</u>        |
|   | <u>\$ 645</u>                                 | <u>\$ 198</u>     | <u>\$ 966</u>                               | <u>\$ 429</u>     |

e. Employee benefits expense

|                                | <b>For the Three Months Ended<br/>June 30</b> |                   | <b>For the Six Months Ended<br/>June 30</b> |                   |
|--------------------------------|---|-------------------|---|-------------------|
|                                | <b>2024</b>                                   | <b>2023</b>       | <b>2024</b>                                 | <b>2023</b>       |
| Defined contribution plan      | \$ 10,195                                     | \$ 12,250         | \$ 20,409                                   | \$ 24,051         |
| Defined benefit plan (Note 22) | 468   | 813               | 934   | 1,631             |
| Other employee benefits        | <u>351,537</u>                                | <u>360,741</u>    | <u>681,215</u>                              | <u>720,856</u>    |
|                                | <u>\$ 362,200</u>                             | <u>\$ 373,804</u> | <u>\$ 702,558</u>                           | <u>\$ 746,538</u> |
| An analysis by function        |   |                   |   |                   |
| Operating costs                | \$ 232,861                                    | \$ 250,299        | \$ 469,850                                  | \$ 500,251        |
| Operating expenses             | <u>129,339</u>                                | <u>123,505</u>    | <u>232,708</u>                              | <u>246,287</u>    |
|                                | <u>\$ 362,200</u>                             | <u>\$ 373,804</u> | <u>\$ 702,558</u>                           | <u>\$ 746,538</u> |

f. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at the rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the compensation of employees and remuneration of directors and supervisors are as follows:

| <u>Amount</u>                             | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                  |
|---|---|------------------|---|------------------|
|   | <b>2024</b>                                   | <b>2023</b>      | <b>2024</b>                                 | <b>2023</b>      |
| Compensation of employees                 | <u>\$ 15,425</u>                              | <u>\$ 12,000</u> | <u>\$ 22,075</u>                            | <u>\$ 24,000</u> |
| Remuneration of directors and supervisors | <u>\$ 8,013</u>                               | <u>\$ 6,000</u>  | <u>\$ 10,738</u>                            | <u>\$ 12,000</u> |

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

The appropriations of compensation of employees and remuneration of directors and supervisors for 2023 and 2022 that were resolved by the Board of Directors on February 29, 2024 and February 23, 2023, respectively, are as shown below:

|   | <b>For the Year Ended December 31</b> |               |             |               |
|---|---------------------------------------|---------------|-------------|---------------|
|   | <b>2023</b>                           |               | <b>2022</b> |               |
|   | <b>Cash</b>                           | <b>Shares</b> | <b>Cash</b> | <b>Shares</b> |
| Employees' compensation                   | \$ 50,000                             | \$ -          | \$ 50,000   | \$ -          |
| Remuneration of directors and supervisors | 25,000                                | -             | 25,000      | -             |

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees 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.

## 25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

|   | <b>For the Three Months Ended<br/>June 30</b> |                   | <b>For the Six Months Ended<br/>June 30</b> |                   |
|---|---|-------------------|---|-------------------|
|   | <b>2024</b>                                   | <b>2023</b>       | <b>2024</b>                                 | <b>2023</b>       |
| Current tax                                     |   |                   |   |                   |
| In respect of the current year                  | \$ 167,793                                    | \$ 108,201        | \$ 267,535                                  | \$ 254,325        |
| Income tax on                                   |   |                   |   |                   |
| unappropriated earnings                         | 1,048   | 2,180             | 1,048                                       | 2,180             |
| Adjustments for prior year                      | -   | -                 | (38,668)                                    | (8,525)           |
| Deferred tax                                    |   |                   |   |                   |
| In respect of the current year                  | <u>61,849</u>                                 | <u>45,962</u>     | <u>87,403</u>                               | <u>39,994</u>     |
| Income tax expense recognized in profit or loss | <u>\$ 230,690</u>                             | <u>\$ 156,343</u> | <u>\$ 317,318</u>                           | <u>\$ 287,974</u> |

### b. Income tax assessments

The Company's tax returns through 2022 have been assessed by the tax authorities, and the Group agrees with the assessment.

## 26. EARNINGS PER SHARE

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

### Net Profit for the Period

|   | For the Three Months Ended<br>June 30 |                   | For the Six Months Ended<br>June 30 |                     |
|---|---------------------------------------|-------------------|-------------------------------------|---------------------|
|   | 2024                                  | 2023              | 2024                                | 2023                |
| Profit for the period attributable to owners of the Group                                 | \$ 715,997                            | \$ 602,234        | \$ 1,287,402                        | \$ 1,154,531        |
| Effect of dilutive potential ordinary shares:   |                                       |                   |                                     |                     |
| Employees' compensation   | -                                     | -                 | -                                   | -                   |
| Interest on convertible bonds (after tax)   | <u>19,602</u>                         | <u>2,692</u>      | <u>39,204</u>                       | <u>9,554</u>        |
| Earnings used in the computation of diluted earnings per share from continuing operations | <u>\$ 735,599</u>                     | <u>\$ 604,926</u> | <u>\$ 1,326,606</u>                 | <u>\$ 1,164,085</u> |

### Shares (In Thousands)

|  | For the Three Months Ended<br>June 30 |                | For the Six Months Ended<br>June 30 |                |
|--|---------------------------------------|----------------|-------------------------------------|----------------|
|  | 2024                                  | 2023           | 2024                                | 2023           |
| Weighted average number of ordinary shares used in the computation of basic earnings per share   | 594,936                               | 500,904        | 584,528                             | 480,127        |
| Effect of potentially dilutive ordinary shares:  |                                       |                |                                     |                |
| Employees' compensation  | 319                                   | 208            | 811                                 | 768            |
| Convertible bonds  | <u>84,458</u>                         | <u>33,678</u>  | <u>84,458</u>                       | <u>54,594</u>  |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>679,713</u>                        | <u>534,790</u> | <u>669,797</u>                      | <u>535,489</u> |

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be 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.

## 27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the three months ended June 30, 2023, the Group acquired additional shares of Ho Yang Investment Corp. in the amount of \$57,954 thousand, increasing its continuing interest from 62% to 75%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

## 28. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

The Group is not subject to any externally imposed capital requirements. However, the financial ratio restrictions stipulated in the loan contract are also included in the consideration of the Group's optimal capital structure.

The management of the Group re-examines the capital structure quarterly, and the inspection includes consideration of the cost of various types of capital and related risks. The Group will balance its overall capital structure by paying dividends, issuing new shares, buying back shares, and issuing new debts or repaying old debts based on the recommendations of key management personnel.

## 29. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments that are not measured at fair value

The carrying amounts of the financial assets and financial liabilities that are not measured at fair value are approaching their fair value or their fair value cannot be reliably measured.

June 30, 2024

|   | Fair Value          |                     |             |             |                     |
|---|---------------------|---------------------|-------------|-------------|---------------------|
|   | Carrying Amount     | Level 1             | Level 2     | Level 3     | Total               |
| <u>Financial liabilities</u>            |                     |                     |             |             |                     |
| Financial liabilities at amortized cost |                     |                     |             |             |                     |
| Convertible bonds                       | <u>\$ 4,865,137</u> | <u>\$ 5,722,386</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,722,386</u> |

December 31, 2023

|   | Fair Value          |                     |             |             |                     |
|---|---------------------|---------------------|-------------|-------------|---------------------|
|   | Carrying Amount     | Level 1             | Level 2     | Level 3     | Total               |
| <u>Financial liabilities</u>            |                     |                     |             |             |                     |
| Financial liabilities at amortized cost |                     |                     |             |             |                     |
| Convertible bonds                       | <u>\$ 4,816,133</u> | <u>\$ 5,332,393</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,332,393</u> |



June 30, 2023

|   | Fair Value      |            |         |         |            |
|---|-----------------|------------|---------|---------|------------|
|   | Carrying Amount | Level 1    | Level 2 | Level 3 | Total      |
| <u>Financial liabilities</u>            |                 |            |         |         |            |
| Financial liabilities at amortized cost |                 |            |         |         |            |
| Convertible bonds                       | \$ 531,577      | \$ 957,216 | \$ -    | \$ -    | \$ 957,216 |

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

1) Fair value hierarchy

June 30, 2024

|  | Level 1    | Level 2  | Level 3    | Total      |
|--|------------|----------|------------|------------|
| Financial assets at FVTOCI               |            |          |            |            |
| Investments in equity instruments        |            |          |            |            |
| Listed shares and emerging market shares | \$ 351,151 | \$ -     | \$ -       | \$ 351,151 |
| Unlisted shares                          | \$ -       | \$ -     | \$ 1,455   | \$ 1,455   |
| Investments in debt instruments          |            |          |            |            |
| Trade receivables                        | \$ -       | \$ -     | \$ 762,478 | \$ 762,478 |
| Financial assets at FVTPL                |            |          |            |            |
| Listed shares and emerging market shares | \$ 6,462   | \$ -     | \$ 232,150 | \$ 238,612 |
| Mutual funds                             | \$ 59,076  | \$ -     | \$ -       | \$ 59,076  |
| Film investment agreements               | \$ -       | \$ -     | \$ 5,000   | \$ 5,000   |
| Derivative financial liabilities         | \$ -       | \$ 1,243 | \$ -       | \$ 1,243   |
| Financial liabilities at FVTPL           |            |          |            |            |
| Derivative financial liabilities         | \$ -       | \$ 360   | \$ -       | \$ 360     |

December 31, 2023

|  | Level 1    | Level 2 | Level 3    | Total      |
|--|------------|---------|------------|------------|
| Financial assets at FVTOCI               |            |         |            |            |
| Investments in equity instruments        |            |         |            |            |
| Listed shares and emerging market shares | \$ 268,418 | \$ -    | \$ -       | \$ 268,418 |
| Unlisted shares                          | \$ -       | \$ -    | \$ 1,455   | \$ 1,455   |
| Investments in debt instruments          |            |         |            |            |
| Trade receivables                        | \$ -       | \$ -    | \$ 954,757 | \$ 954,757 |

(Continued)

|  | Level 1   | Level 2 | Level 3    | Total       |
|--|-----------|---------|------------|-------------|
| Financial assets at FVTPL                |           |         |            |             |
| Listed shares and emerging market shares | \$ 7,091  | \$ -    | \$ 394,587 | \$ 401,678  |
| Mutual funds                             | \$ 31,955 | \$ -    | \$ -       | \$ 31,955   |
| Film investment agreements               | \$ -      | \$ -    | \$ 5,000   | \$ 5,000    |
|  |           |         |            | (Concluded) |

June 30, 2023

|  | Level 1    | Level 2  | Level 3    | Total      |
|--|------------|----------|------------|------------|
| Financial assets at FVTOCI               |            |          |            |            |
| Investments in equity instruments        |            |          |            |            |
| Listed shares and emerging market shares | \$ 295,709 | \$ -     | \$ -       | \$ 295,709 |
| Unlisted shares                          | -          | -        | 1,455      | 1,455      |
|  | \$ 295,709 | \$ -     | \$ 1,455   | \$ 297,164 |
| Investments in debt instruments          |            |          |            |            |
| Trade receivables                        | \$ -       | \$ -     | \$ 944,688 | \$ 944,688 |
| Financial assets at FVTPL                |            |          |            |            |
| Investments in equity instruments        |            |          |            |            |
| Listed shares and emerging market shares | \$ 33,291  | \$ -     | \$ -       | \$ 33,291  |
| Mutual funds                             | 25,005     | -        | -          | 25,005     |
|  | \$ 58,296  | \$ -     | \$ -       | \$ 58,296  |
| Financial liabilities at FVTPL           |            |          |            |            |
| Derivative financial liabilities         | \$ -       | \$ 1,443 | \$ -       | \$ 1,443   |

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

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2024

| Financial Assets   | Financial Assets at FVTPL | Financial Assets at FVTOCI |
|--|---------------------------|----------------------------|
| Balance at January 1, 2024   | \$ 399,587                | \$ 956,212                 |
| Recognized in profit or loss (included in other losses)  | 111,268                   | -                          |
| Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI) | -                         | -                          |
| Net changes in trade receivables   | -                         | (192,279)                  |
| Sales  | (273,705)                 | -                          |
| Balance at June 30, 2024   | \$ 237,150                | \$ 763,933                 |

For the six months ended June 30, 2023

| <b>Financial Assets</b>   | <b>Financial Assets<br/>at FVTPL</b> | <b>Financial Assets<br/>at FVTOCI</b> |
|---|--------------------------------------|---------------------------------------|
| Balance at January 1, 2023  | \$ -                                 | \$ 828,334                            |
| Recognized in other comprehensive income (included in<br>unrealized valuation loss on financial assets at FVTOCI) | -                                    | -                                     |
| Net changes in trade receivables  | <u>-</u>                             | <u>117,809</u>                        |
| Balance at June 30, 2023  | <u>\$ -</u>                          | <u>\$ 946,143</u>                     |

3) Valuation techniques and inputs applied for Level 2 fair value measurement

| <b>Financial Instruments</b>  | <b>Valuation Techniques and Inputs</b>   |
|---|--|
| Derivatives - foreign exchange<br>forward contracts and<br>foreign exchange swap<br>contracts | Discounted cash flow: Future cash flows are estimated based on<br>observable forward exchange rates at the end of the period<br>and contract forward rates, discounted at a rate that reflects<br>the credit risk of various counterparties. |

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The future cash flows of trade receivables at FVTOCI are estimated using the discounted cash flow method based on trade receivables at the end of the period, discounted at a rate that reflects the credit risk of the transaction. The valuation of unlisted shares is determined by using the market approach and adjusted for the impact of a lack of market liquidity. Valuation of domestic listed private stocks is based on observable stock prices at the end of the period and discounted for lack of liquidity. The film investment agreement adopts the income method and calculates the present value of the income that can be obtained and distributed by holding this contract based on the discounted cash flow method.

c. Categories of financial instruments

|  | <b>June 30, 2024</b> | <b>December 31,<br/>2023</b> | <b>June 30, 2023</b> |
|--|----------------------|------------------------------|----------------------|
| <u>Financial assets</u>                              |                      |                              |                      |
| Financial assets at amortized cost (1)<br>FVTPL      | \$ 9,880,199         | \$ 8,618,211                 | \$ 3,884,746         |
| Mandatorily classified as at FVTPL                   | 303,931              | 438,633                      | 58,296               |
| Financial assets at FVTOCI                           |                      |                              |                      |
| Equity instruments                                   | 352,606              | 269,873                      | 297,164              |
| Debt instruments                                     | 762,478              | 954,757                      | 944,688              |
| <u>Financial liabilities</u>                         |                      |                              |                      |
| Financial liabilities at amortized cost (2)<br>FVTPL | 13,957,207           | 13,136,416                   | 8,817,688            |
| Held for trading                                     | 360                  | -                            | 1,443                |

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, refundable deposits and restricted deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term borrowings (including current portion), short-term bills payable, trade and other payables, bonds payable and deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, lease liabilities 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 that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is 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 is 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 (see (a) below) and interest rates (see (b) below). The Group entered into forward foreign exchange contracts to manage its exposure to foreign currency risk.

There were no changes 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 denominated sales and purchases, which exposed the Group to foreign currency exchange risk. Approximately over 50% of the Group's sales is denominated in currencies other than the functional currency of the Group, whilst the cost of raw materials imported from abroad is denominated in currencies other than the functional currency of the Group. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 35. The carrying amount of the Group's derivative financial instruments exposed to foreign currency risk is immaterial.

Sensitivity analysis

The Group was mainly exposed to the CNY, USD, EUR and GBP.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency exchange risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis also included borrowings denominated in non-functional currencies. A positive number below indicates a decrease in pre-tax profit and other equity associated with the New Taiwan dollar strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

|            | <b>For the Six Months Ended<br/>June 30</b> |                  |
|------------|---|------------------|
|            | <b>2024</b>                                 | <b>2023</b>      |
| CNY impact | <u>\$ 3,121</u>                             | <u>\$ 5,999</u>  |
| USD impact | <u>\$ 29,127</u>                            | <u>\$ 47,048</u> |
| EUR impact | <u>\$ 10,959</u>                            | <u>\$ 9,557</u>  |
| GBP impact | <u>\$ 13,159</u>                            | <u>\$ 16,815</u> |

The result was mainly attributable to the exposure on outstanding receivables, payables and borrowing in foreign currency that were not hedged at the end of the reporting period.

The management believes that the sensitivity analysis could not represent the inherent risk of foreign currency risk, since the exposure of foreign currency risk at the end of the reporting period could not reflect foreign currency risk exposure during the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrow 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:

|                               | <b>June 30, 2024</b> | <b>December 31,<br/>2023</b> | <b>June 30, 2023</b> |
|-------------------------------|----------------------|------------------------------|----------------------|
| Fair value interest rate risk |                      |                              |                      |
| Financial assets              | \$ 4,942,162         | \$ 3,647,837                 | \$ 331,103           |
| Financial liabilities         | 6,388,622            | 6,328,006                    | 2,078,087            |
| Cash flow interest rate risk  |                      |                              |                      |
| Financial assets              | 1,883,649            | 1,981,500                    | 973,447              |
| Financial liabilities         | 6,566,712            | 5,999,696                    | 5,851,372            |

### Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole reporting period. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2024 and 2023 would have decreased by \$2,342 thousand and \$2,439 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. The Group does not actively trade these investments. The Group's equity price risk was mainly concentrated on equity instruments operating in Taiwan.

### Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$35,261 thousand and \$29,716 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI, and the Group's pre-tax profit for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$29,769 thousand and \$5,830 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

## 2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in 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 due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

The policy adopted by the Group is to conduct transactions with creditworthy counterparty, and to use publicly available financial information and mutual transaction records to conduct credit evaluations on the customers.

In addition, the credit risk is limited, since the counterparty of the liquidity transaction is a bank with good credit.

The accounts receivable cover many customers, scattered in different industries and geographic regions. The Group evaluates the financial status of customers' accounts receivable continuously.

### 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 the end of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had available unutilized bank loan facilities of \$6,894,530 thousand, \$7,940,768 thousand and \$5,531,621 thousand, respectively.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been 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 includes 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 upon repayment dates.

##### June 30, 2024

|   | <b>On Demand or<br/>Less than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1-5 Years</b>     | <b>5+ Years</b>  |
|---|---|-------------------|-------------------------------|----------------------|------------------|
| <u>Non-derivative<br/>financial liabilities</u> |   |                   |                               |                      |                  |
| Non-interest bearing                            | \$ 2,092,063                                  | \$ 244,349        | \$ 507,422                    | \$ -                 | \$ -             |
| Lease liabilities                               | 1,557   | 3,146             | 14,166                        | 45,055               | 26,201           |
| Liabilities instruments                         | <u>170,626</u>                                | <u>354,233</u>    | <u>652,015</u>                | <u>12,148,192</u>    | <u>-</u>         |
|   | <u>\$ 2,264,246</u>                           | <u>\$ 601,728</u> | <u>\$ 1,173,603</u>           | <u>\$ 12,193,247</u> | <u>\$ 26,201</u> |

Additional information about the maturity analysis for lease liabilities:

|                   | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b> | <b>5-10 Years</b> | <b>10+ Years</b> |
|-------------------|-----------------------------|------------------|-------------------|------------------|
| Lease liabilities | <u>\$ 18,869</u>            | <u>\$ 45,055</u> | <u>\$ 9,193</u>   | <u>\$ 17,008</u> |

##### December 31, 2023

|   | <b>On Demand or<br/>Less than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1-5 Years</b>     | <b>5+ Years</b>  |
|---|---|-------------------|-------------------------------|----------------------|------------------|
| <u>Non-derivative<br/>financial liabilities</u> |   |                   |                               |                      |                  |
| Non-interest bearing                            | \$ 560,854                                    | \$ 128,602        | \$ 533,336                    | \$ 3,871             | \$ -             |
| Lease liabilities                               | 1,535   | 3,070             | 13,392                        | 32,858               | 27,120           |
| Liabilities instruments                         | <u>262,006</u>                                | <u>466,182</u>    | <u>563,323</u>                | <u>11,477,147</u>    | <u>-</u>         |
|   | <u>\$ 824,395</u>                             | <u>\$ 597,854</u> | <u>\$ 1,110,051</u>           | <u>\$ 11,513,876</u> | <u>\$ 27,120</u> |

Additional information about the maturity analysis for lease liabilities:

|                   | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b> | <b>5-10 Years</b> | <b>10+ Years</b> |
|-------------------|-----------------------------|------------------|-------------------|------------------|
| Lease liabilities | <u>\$ 17,997</u>            | <u>\$ 32,858</u> | <u>\$ 9,193</u>   | <u>\$ 17,927</u> |

June 30, 2023

|   | <b>On Demand or<br/>Less than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1-5 Years</b>    | <b>5+ Years</b>     |
|---|---|-------------------|-------------------------------|---------------------|---------------------|
| Non-derivative<br>financial liabilities |   |                   |                               |                     |                     |
| Non-interest bearing                    | \$ 1,802,033                                  | \$ 102,602        | \$ 518,278                    | \$ -                | \$ -                |
| Lease liabilities                       | 1,292   | 2,583             | 11,662                        | 36,930              | 34,934              |
| Liabilities instruments                 | <u>110,125</u>                                | <u>601,606</u>    | <u>2,877,961</u>              | <u>3,043,733</u>    | <u>1,522,583</u>    |
|   | <u>\$ 1,913,450</u>                           | <u>\$ 706,791</u> | <u>\$ 3,407,901</u>           | <u>\$ 3,080,663</u> | <u>\$ 1,557,517</u> |

Additional information about the maturity analysis for lease liabilities:

|                   | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b> | <b>5-10 Years</b> | <b>10+ Years</b> |
|-------------------|-----------------------------|------------------|-------------------|------------------|
| Lease liabilities | <u>\$ 15,537</u>            | <u>\$ 36,930</u> | <u>\$ 9,193</u>   | <u>\$ 25,741</u> |

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

The following table detailed 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 settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the period.

June 30, 2024

|                                    | <b>Less than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> |
|------------------------------------|------------------------------|-------------------|-------------------------------|
| <u>Gross settled</u>               |                              |                   |                               |
| Foreign exchange swap contracts    |                              |                   |                               |
| - outflows                         | \$ 158,405                   | \$ 54,577         | \$ -                          |
| Foreign exchange forward contracts |                              |                   |                               |
| - outflows                         | <u>75,176</u>                | <u>118,668</u>    | <u>-</u>                      |
|                                    | <u>\$ 233,581</u>            | <u>\$ 173,245</u> | <u>\$ -</u>                   |

December 31, 2023: None.



June 30, 2023

|                                    | <b>Less than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> |
|------------------------------------|------------------------------|-------------------|-------------------------------|
| <u>Gross settled</u>               |                              |                   |                               |
| Foreign exchange swap contracts    |                              |                   |                               |
| - outflows                         | \$ 38,746                    | \$ 27,336         | \$ -                          |
| Foreign exchange forward contracts |                              |                   |                               |
| - outflows                         | <u>63,893</u>                | <u>39,071</u>     | <u>-</u>                      |
|                                    | <u>\$ 102,639</u>            | <u>\$ 66,407</u>  | <u>\$ -</u>                   |

e. Transfers of financial assets

Factored trade receivables that were not yet overdue at the end of the period were as follows:

June 30, 2024

| <b>Counterparty</b>   | <b>Receivables<br/>Factoring<br/>Proceeds</b> | <b>Amount<br/>Reclassified to<br/>Other<br/>Receivables</b> | <b>Advances<br/>Received -<br/>Used</b> | <b>Annual<br/>Interest Rates<br/>on Advances<br/>Received<br/>(Used) (%)</b> |
|-----------------------|---|---|---|--|
| Financial institution | <u>\$ 125,920</u>                             | <u>\$ 12,592</u>  | <u>\$ 113,328</u>                       | 5-7  |

December 31, 2023

| <b>Counterparty</b>   | <b>Receivables<br/>Factoring<br/>Proceeds</b> | <b>Amount<br/>Reclassified to<br/>Other<br/>Receivables</b> | <b>Advances<br/>Received -<br/>Used</b> | <b>Annual<br/>Interest Rates<br/>on Advances<br/>Received<br/>(Used) (%)</b> |
|-----------------------|---|---|---|--|
| Financial institution | <u>\$ 52,323</u>                              | <u>\$ 10,465</u>  | <u>\$ 41,858</u>                        | 7  |

June 30, 2023

| <b>Counterparty</b>   | <b>Receivables<br/>Factoring<br/>Proceeds</b> | <b>Amount<br/>Reclassified to<br/>Other<br/>Receivables</b> | <b>Advances<br/>Received -<br/>Used</b> | <b>Annual<br/>Interest Rates<br/>on Advances<br/>Received<br/>(Used) (%)</b> |
|-----------------------|---|---|---|--|
| Financial institution | <u>\$ 28,798</u>                              | <u>\$ 5,760</u>   | <u>\$ 23,038</u>                        | 6  |

The Group has factoring agreements with financial institutions. The credit limit is US\$10,000 thousand for both June 30, 2024 and 2023 and the credit can be recycled.

Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

### 30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Group and other related parties are disclosed as follows:

#### a. Related parties and relationships

| Related Party  | Relationship               |
|--|----------------------------|
| Forcera Materials Co., Ltd.                          | Associate (Remark)         |
| S-Tech Corp.   | Associate                  |
| Soft-World International Corporation                 | Associate                  |
| Chun Yu Works & Co., Ltd.                            | Related party in substance |
| Taiwan Steel Group Aerospace Technoklogy Corporation | Related party in substance |
| Tsg Transport Corp.                                  | Related party in substance |
| Tsg Environmental Technology Corp.                   | Related party in substance |
| Tsg Sports Marketing Co., Ltd.                       | Related party in substance |
| Ofco Industrial Corporation                          | Related party in substance |
| Tsg Hawks Baseball Co., Ltd.                         | Related party in substance |
| Zung-Fu Co., Ltd.                                    | Related party in substance |
| East Win Administration Consultant Co., Ltd.         | Related party in substance |

Remark: The Group sold all the shares and dismissed the directors of Forcera Materials Co., Ltd. in January 2023. The Group is no longer a related party to Forcera Materials Co., Ltd.

#### b. Sales of goods

| Related Party Category     | For the Three Months Ended<br>June 30 |                  | For the Six Months Ended<br>June 30 |                   |
|----------------------------|---------------------------------------|------------------|-------------------------------------|-------------------|
|                            | 2024                                  | 2023             | 2024                                | 2023              |
| S-Tech Corp.               | \$ 29,211                             | \$ 51,932        | \$ 80,678                           | \$ 104,586        |
| Related party in substance | <u>11,012</u>                         | <u>2,003</u>     | <u>13,154</u>                       | <u>2,367</u>      |
|                            | <u>\$ 40,223</u>                      | <u>\$ 53,935</u> | <u>\$ 93,832</u>                    | <u>\$ 106,953</u> |

The terms of the transactions with S-Tech Corp. are 30 to 60 days T/T (settled by mutual offset of receivables and payments). The term of the transactions with other domestic related parties is 30 T/T. There were no significant differences in transaction terms between related parties and third parties.

#### c. Purchases of goods

| Related Party Category     | For the Three Months Ended<br>June 30 |                  | For the Six Months Ended<br>June 30 |                   |
|----------------------------|---------------------------------------|------------------|-------------------------------------|-------------------|
|                            | 2024                                  | 2023             | 2024                                | 2023              |
| S-Tech Corp.               | \$ 53,100                             | \$ 79,515        | \$ 123,489                          | \$ 205,602        |
| Related party in substance | <u>13,750</u>                         | <u>6,162</u>     | <u>25,051</u>                       | <u>11,150</u>     |
|                            | <u>\$ 66,850</u>                      | <u>\$ 85,677</u> | <u>\$ 148,540</u>                   | <u>\$ 216,752</u> |

The term of the transaction with domestic related parties is 30 days T/T. There were no significant differences in transaction terms between related parties and third parties.

d. Operating expenses and non-operating income and expenses

| Account Item                      | Related Party Category     | For the Three Months Ended June 30 |                  | For the Six Months Ended June 30 |                   |
|-----------------------------------|----------------------------|------------------------------------|------------------|----------------------------------|-------------------|
|                                   |                            | 2024                               | 2023             | 2024                             | 2023              |
| Operating expenses                | Associate                  | \$ -                               | \$ 2,412         | \$ -                             | \$ 2,412          |
|                                   | Tsg Transport Corp.        | 85,973                             | 55,846           | 149,668                          | 111,428           |
|                                   | Related party in substance | <u>4,562</u>                       | <u>25,144</u>    | <u>37,428</u>                    | <u>37,216</u>     |
|                                   |                            | <u>\$ 90,535</u>                   | <u>\$ 83,402</u> | <u>\$ 187,096</u>                | <u>\$ 151,056</u> |
| Manufacturing costs               | Associate                  | \$ 93                              | \$ 336           | \$ 254                           | \$ 620            |
|                                   | Related party in substance | <u>10,198</u>                      | <u>21,364</u>    | <u>27,700</u>                    | <u>40,696</u>     |
|                                   |                            | <u>\$ 10,291</u>                   | <u>\$ 21,700</u> | <u>\$ 27,954</u>                 | <u>\$ 41,316</u>  |
| Non-operating income and expenses | S-Tech Corp.               | \$ 13,666                          | \$ 19,654        | \$ 19,624                        | \$ 37,320         |
|                                   | Related party in substance | <u>1,443</u>                       | <u>2,107</u>     | <u>4,022</u>                     | <u>4,122</u>      |
|                                   |                            | <u>\$ 15,109</u>                   | <u>\$ 21,761</u> | <u>\$ 23,646</u>                 | <u>\$ 41,442</u>  |

e. Receivables from related parties (not including loans to related parties)

| Account Item      | Related Party Category     | June 30, 2024    | December 31, 2023 | June 30, 2023    |
|-------------------|----------------------------|------------------|-------------------|------------------|
| Trade receivables | Associate                  | <u>\$ 8,580</u>  | <u>\$ 43,072</u>  | <u>\$ 24,978</u> |
|                   | Related party in substance | <u>\$ 1,477</u>  | <u>\$ 6,819</u>   | <u>\$ 2,103</u>  |
| Other receivables | Associate                  | <u>\$ 38,430</u> | <u>\$ 7,486</u>   | <u>\$ 30,133</u> |
|                   | Related party in substance | <u>\$ 1,476</u>  | <u>\$ 1,485</u>   | <u>\$ 1,869</u>  |

The outstanding trade receivables from related parties are unsecured.

f. Payables to related parties

| Account Item     | Related Party Category     | June 30, 2024    | December 31, 2023 | June 30, 2023    |
|------------------|----------------------------|------------------|-------------------|------------------|
| Accounts payable | Associate                  | <u>\$ 18,410</u> | <u>\$ 59,700</u>  | <u>\$ 22,431</u> |
|                  | Related party in substance | <u>\$ 9,519</u>  | <u>\$ 9,081</u>   | <u>\$ 5,671</u>  |
| Other payables   | Associate                  | <u>\$ -</u>      | <u>\$ 86</u>      | <u>\$ 69</u>     |
|                  | Related party in substance | <u>\$ 14,245</u> | <u>\$ 13,636</u>  | <u>\$ 17,728</u> |

The outstanding trade payables to related parties are unsecured.

g. Other assets

| <b>Account Item</b>       | <b>Related Party Category</b> | <b>June 30, 2024</b>  | <b>December 31, 2023</b> | <b>June 30, 2023</b> |
|---------------------------|-------------------------------|-----------------------|--------------------------|----------------------|
| Other current assets      | Related party in substance    | \$ <u>          -</u> | \$ <u>          -</u>    | \$ <u>  4,594</u>    |
| Prepayments for equipment | Related party in substance    | \$ <u>  26,393</u>    | \$ <u>   3,819</u>       | \$ <u>   2,351</u>   |

h. Other liabilities

| <b>Account Item</b>       | <b>Related Party Category</b> | <b>June 30, 2024</b> | <b>December 31, 2023</b> | <b>June 30, 2023</b>  |
|---------------------------|-------------------------------|----------------------|--------------------------|-----------------------|
| Other current liabilities | S-Tech Corp.                  | \$ <u> 146,210</u>   | \$ <u>          -</u>    | \$ <u>          -</u> |

i. Disposals of property, plant and equipment

| <b>Related Party Category/Name</b> | <b>Proceeds</b>                           |                     | <b>Gain (Loss) on Disposal</b>            |                     |
|------------------------------------|---|---------------------|---|---------------------|
|                                    | <b>For the Three Months Ended June 30</b> |                     | <b>For the Three Months Ended June 30</b> |                     |
|                                    | <b>2024</b>                               | <b>2023</b>         | <b>2024</b>                               | <b>2023</b>         |
| Associate                          | \$ <u>      425</u>                       | \$ <u>       97</u> | \$ <u>     106</u>                        | \$ <u>       18</u> |

| <b>Related Party Category/Name</b> | <b>Proceeds</b>                         |                     | <b>Gain (Loss) on Disposal</b>          |                     |
|------------------------------------|---|---------------------|---|---------------------|
|                                    | <b>For the Six Months Ended June 30</b> |                     | <b>For the Six Months Ended June 30</b> |                     |
|                                    | <b>2024</b>                             | <b>2023</b>         | <b>2024</b>                             | <b>2023</b>         |
| Associate                          | \$ <u>      425</u>                     | \$ <u>       97</u> | \$ <u>     106</u>                      | \$ <u>       18</u> |

j. Acquisition of investment property

| <b>Related Party Category/Name</b> | <b>Proceeds</b>                         |                    |
|------------------------------------|---|--------------------|
|                                    | <b>For the Six Months Ended June 30</b> |                    |
|                                    | <b>2024</b>                             | <b>2023</b>        |
| Related party in substance         | \$ <u>          -</u>                   | \$ <u>   2,095</u> |

k. Disposals of investment property

| <b>Related Party Category/Name</b> | <b>Proceeds</b>                           |                       | <b>Gain (Loss) on Disposal</b>            |                       |
|------------------------------------|---|-----------------------|---|-----------------------|
|                                    | <b>For the Three Months Ended June 30</b> |                       | <b>For the Three Months Ended June 30</b> |                       |
|                                    | <b>2024</b>                               | <b>2023</b>           | <b>2024</b>                               | <b>2023</b>           |
| S-Tech Corp.                       | \$ <u>          -</u>                     | \$ <u>          -</u> | \$ <u>          -</u>                     | \$ <u>          -</u> |

| Related Party Category/Name | Proceeds                 |                   | Gain (Loss) on Disposal  |                       |
|-----------------------------|--------------------------|-------------------|--------------------------|-----------------------|
|                             | For the Six Months Ended |                   | For the Six Months Ended |                       |
|                             | June 30                  |                   | June 30                  |                       |
|                             | 2024                     | 2023              | 2024                     | 2023                  |
| S-Tech Corp.                | \$ <u>          -</u>    | \$ <u>207,438</u> | \$ <u>          -</u>    | \$ <u>          -</u> |

l. Acquisition of financial assets

For the six months ended June 30, 2024: None

For the six months ended June 30, 2023

| Related Party Category | Account Item | Number of Shares | Underlying Assets        | Purchase Price   |
|------------------------|--------------|------------------|--------------------------|------------------|
| S-Tech Corp.           | (Note)       | 3,900            | Ho Yang Investment Corp. | \$ <u>57,954</u> |

Note: Investment in subsidiaries was eliminated from consolidation.

m. Remuneration of key management personnel

| Related Party Category/Name | For the Three Months Ended |                  | For the Six Months Ended |                  |
|-----------------------------|----------------------------|------------------|--------------------------|------------------|
|                             | June 30                    |                  | June 30                  |                  |
|                             | 2024                       | 2023             | 2024                     | 2023             |
| Short-term benefits         | \$ 30,557                  | \$ 31,457        | \$ 71,128                | \$ 59,460        |
| Post-employment benefits    | <u>235</u>                 | <u>221</u>       | <u>467</u>               | <u>439</u>       |
|                             | \$ <u>30,792</u>           | \$ <u>31,678</u> | \$ <u>71,595</u>         | \$ <u>59,899</u> |

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

### 31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, issuance of bonds and letters of credit:

|  | June 30, 2024       | December 31, 2023   | June 30, 2023       |
|--|---------------------|---------------------|---------------------|
| Restricted deposits (classified as other current assets)                   | \$ 62,675           | \$ 61,007           | \$ 8,521            |
| Pledged foreigna currency time deposit (classified as refundable deposits) | 13,629              | 12,896              | 13,079              |
| Pledged time of deposit (classified as refundable deposits)                | 102,200             | 56,200              | 95,200              |
| Land   | 1,679,681           | 1,679,681           | 2,500,478           |
| Buildings, net   | 676,237             | 688,594             | 966,410             |
| Machinery and equipment, net   | <u>          -</u>  | <u>          -</u>  | <u>607,072</u>      |
|  | \$ <u>2,534,422</u> | \$ <u>2,498,378</u> | \$ <u>4,190,760</u> |

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. As of June 30, 2024, December 31, 2023 and June 30, 2023, unused letters of credit for purchases of raw materials and machinery and equipment were as follows:

|     | June 30, 2024 | December 31,<br>2023 | June 30, 2023 |
|-----|---------------|----------------------|---------------|
| USD | \$ 1,306      | \$ 656               | \$ 289        |
| EUR | \$ 3,592      | \$ 5,875             | \$ 9,451      |
| CNY | \$ 41,893     | \$ -                 | \$ -          |
| JPY | \$ 14,740     | \$ 13,463            | \$ 31,920     |

- b. As of June 30, 2024, December 31, 2023 and June 30, 2023, unrecognized commitments for purchases of machinery and equipment and plant were as follows:

|     | June 30, 2024 | December 31,<br>2023 | June 30, 2023 |
|-----|---------------|----------------------|---------------|
| NTD | \$ 2,854,161  | \$ 2,794,669         | \$ 2,605,291  |
| EUR | \$ 46,311     | \$ 46,311            | \$ 50,014     |
| USD | \$ 4,301      | \$ 2,728             | \$ 417        |
| JPY | \$ -          | \$ -                 | \$ 17,400     |
| CNY | \$ 242,702    | \$ 145,773           | \$ 51,731     |
| CHF | \$ 125        | \$ 95                | \$ 272        |

#### Payment paid as commitment progress

|     | June 30, 2024 | December 31,<br>2023 | June 30, 2023 |
|-----|---------------|----------------------|---------------|
| NTD | \$ 2,351,110  | \$ 2,222,903         | \$ 2,043,211  |
| EUR | \$ 39,530     | \$ 36,569            | \$ 36,727     |
| USD | \$ 2,236      | \$ 795               | \$ 125        |
| JPY | \$ -          | \$ -                 | \$ 5,220      |
| CNY | \$ 103,419    | \$ 66,968            | \$ 36,449     |
| CHF | \$ 87         | \$ 67                | \$ 226        |

- c. As of June 30, 2024, December 31, 2023 and June 30, 2023, \$1,973,750 thousand, \$1,969,750 thousand and \$1,969,750 thousand, respectively, of issued bills were pledged as deposit guarantees to obtain credit facilities. They can be cancelled when the guarantee obligations are terminated.

- d. On February 15, 2023, the President announced an amendment to the Climate Change Response Act to add a carbon fee requirement. The Ministry of Environmental notice is hereby given to commence a period of public comments for drafting “Regulations for Charging of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on April 29, 2024. According to the draft carbon fee charging methodology, the carbon fee will be levied on the emission sources that comply with the Ministry of Environmental announcement that they should be inventoried, registered and verified. In addition, the total annual emissions of greenhouse gases from direct emissions from all factories and indirect emissions from using electricity amounted to 25,000 tons of carbon dioxide in the electric power industry and large-scale manufacturing industry.

Based on the Group’s emissions for the six months ended June 30, 2024, the aforementioned threshold is expected to be reached in 2024. However, the Group is unable to make a reasonable estimate of the impact of the carbon fee because the draft regulations mentioned above are still in the advance notice stage and the carbon fee rate has not been announced yet.

### 33. SIGNIFICANT LOSSES FROM DISASTERS: NONE

### 34. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The board of directors resolved not to distribute dividends for the second quarter of 2024 on July 25, 2024.

### 35. 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 of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2024

|                              | Foreign<br>Currency | Exchange Rate    | Carrying<br>Amount |
|------------------------------|---------------------|------------------|--------------------|
| <u>Financial assets</u>      |                     |                  |                    |
| Monetary items               |                     |                  |                    |
| USD                          | \$ 44,491           | 32.450 (USD:NTD) | \$ 1,443,734       |
| USD                          | 5,066               | 7.1268 (USD:CNY) | 164,379            |
| USD                          | 32                  | 26,818 (USD:VND) | 1,023              |
| EUR                          | 7,725               | 34.710 (EUR:NTD) | 268,138            |
| AUD                          | 384                 | 21.520 (AUD:NTD) | 8,257              |
| GBP                          | 7,863               | 41.040 (GBP:NTD) | 322,693            |
| JPY                          | 157,821             | 0.2017 (JPY:NTD) | 31,833             |
| CNY                          | 37,572              | 4.5532 (CNY:NTD) | 171,073            |
| <u>Financial liabilities</u> |                     |                  |                    |
| Monetary items               |                     |                  |                    |
| USD                          | 25,895              | 32.450 (USD:NTD) | 840,302            |
| USD                          | 4,175               | 7.1268 (USD:CNY) | 135,484            |
| USD                          | 1,565               | 26,818 (USD:VND) | 50,800             |
| EUR                          | 1,411               | 34.710 (EUR:NTD) | 48,962             |
| GBP                          | 1,450               | 41.040 (GBP:NTD) | 59,508             |
| CNY                          | 23,862              | 4.5532 (CNY:NTD) | 108,647            |

December 31, 2023

|                         | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|-------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> |                             |                      |                            |
| Monetary items          |                             |                      |                            |
| USD                     | \$ 45,565                   | 30.705 (USD:NTD)     | \$ 1,399,063               |
| USD                     | 3,149                       | 7.0827 (USD:CNY)     | 96,690                     |
| USD                     | 41                          | 25,376 (USD:VND)     | 1,255                      |
| EUR                     | 7,988                       | 33.980 (EUR:NTD)     | 271,440                    |
| AUD                     | 1,028                       | 20.980 (AUD:NTD)     | 21,558                     |
| GBP                     | 9,858                       | 39.150 (GBP:NTD)     | 385,941                    |
| JPY                     | 82,811                      | 0.2172 (JPY:NTD)     | 17,987                     |
| CNY                     | 50,957                      | 4.3352 (CNY:NTD)     | 220,909                    |

Financial liabilities

|                |        |                  |         |
|----------------|--------|------------------|---------|
| Monetary items |        |                  |         |
| USD            | 23,013 | 30.705 (USD:NTD) | 706,620 |
| USD            | 4,810  | 7.0827 (USD:CNY) | 147,692 |
| USD            | 1,063  | 25,376 (USD:VND) | 32,641  |
| EUR            | 4,361  | 33.980 (EUR:NTD) | 148,175 |
| GBP            | 5,242  | 39.150 (GBP:NTD) | 205,226 |
| JPY            | 11,704 | 0.2172 (JPY:NTD) | 2,542   |
| CNY            | 3,745  | 4.3352 (CNY:NTD) | 16,235  |

June 30, 2023

|                         | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|-------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> |                             |                      |                            |
| Monetary items          |                             |                      |                            |
| USD                     | \$ 63,884                   | 31.140 (USD:NTD)     | \$ 1,989,355               |
| USD                     | 3,312                       | 7.2258 (USD:CNY)     | 103,148                    |
| USD                     | 34                          | 25,736 (USD:VND)     | 1,078                      |
| EUR                     | 6,889                       | 33.810 (EUR:NTD)     | 232,934                    |
| AUD                     | 1,254                       | 20.620 (AUD:NTD)     | 25,864                     |
| GBP                     | 8,540                       | 39.380 (GBP:NTD)     | 336,291                    |
| JPY                     | 86,740                      | 0.2150 (JPY:NTD)     | 18,649                     |
| CNY                     | 29,920                      | 4.3096 (CNY:NTD)     | 128,943                    |

Financial liabilities

|                |        |                  |           |
|----------------|--------|------------------|-----------|
| Monetary items |        |                  |           |
| USD            | 32,838 | 31.140 (USD:NTD) | 1,022,584 |
| USD            | 3,411  | 7.2258 (USD:CNY) | 106,230   |
| USD            | 765    | 25,736 (USD:VND) | 23,816    |
| EUR            | 1,236  | 33.810 (EUR:NTD) | 41,789    |
| JPY            | 10,323 | 0.2150 (JPY:NTD) | 2,220     |
| CNY            | 2,081  | 4.3096 (CNY:NTD) | 8,966     |



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

| For the Three Months Ended June 30 |                   |  |                   |  |
|------------------------------------|-------------------|--|-------------------|--|
| Foreign<br>Currency                | 2024              |  | 2023              |  |
|                                    | Exchange Rate     | Net Foreign<br>Exchange Gain<br>(Loss) | Exchange Rate     | Net Foreign<br>Exchange Gain<br>(Loss) |
| USD                                | 32.355 (USD:NTD)  | \$ (108)                               | 30.705 (USD:NTD)  | \$ (137)                               |
| NTD                                | 1 (NTD:NTD)       | 26,300                                 | 1 (NTD:NTD)       | 41,227                                 |
| CNY                                | 4.5532 (CNY:NTD)  | (551)                                  | 4.3811 (CNY:NTD)  | (390)                                  |
| VND                                | 0.00126 (VND:NTD) | <u>(1,024)</u>                         | 0.00129 (VND:NTD) | <u>(322)</u>                           |
|                                    |                   | <u>\$ 24,617</u>                       |                   | <u>\$ 40,378</u>                       |

  

| For the Six Months Ended June 30 |                   |  |                   |  |
|----------------------------------|-------------------|--|-------------------|--|
| Foreign<br>Currency              | 2024              |  | 2023              |  |
|                                  | Exchange Rate     | Net Foreign<br>Exchange Gain<br>(Loss) | Exchange Rate     | Net Foreign<br>Exchange Gain<br>(Loss) |
| USD                              | 31.901 (USD:NTD)  | \$ (2,046)                             | 30.550 (USD:NTD)  | \$ (148)                               |
| NTD                              | 1 (NTD:NTD)       | 83,178                                 | 1 (NTD:NTD)       | 47,236                                 |
| CNY                              | 4.4897 (CNY:NTD)  | (1,218)                                | 4.4114 (CNY:NTD)  | 181                                    |
| VND                              | 0.00126 (VND:NTD) | <u>(1,821)</u>                         | 0.00128 (VND:NTD) | <u>(398)</u>                           |
|                                  |                   | <u>\$ 78,093</u>                       |                   | <u>\$ 46,871</u>                       |

### 36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

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

- 9) Trading in derivative instruments (Note 7)
  - 10) Intercompany relationships and significant intercompany transactions (Table 7)
- b. Information on investees (Table 8)
  - c. Information on investments in mainland China
    - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
    - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
      - 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 the financing of funds.
      - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
  - d. Information of major shareholders: (Table 11)

### 37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

- The Company
- Golden Win Steel Industrial Corp.
- All Win Enterprises Ltd.
- Others

### Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

|  | <u>Operating Segment Revenue</u> |                     | <u>Operating Segment Income</u> |                     |
|--|----------------------------------|---------------------|---------------------------------|---------------------|
|  | <u>For the Six Months Ended</u>  |                     | <u>For the Six Months Ended</u> |                     |
|  | <u>June 30</u>                   |                     | <u>June 30</u>                  |                     |
|  | <u>2024</u>                      | <u>2023</u>         | <u>2024</u>                     | <u>2023</u>         |
| The Company                            | \$ 6,138,611                     | \$ 6,393,052        | \$ 929,492                      | \$ 1,160,012        |
| Golden Win Steel Industrial Corp.      | 583,791                          | 659,240             | 29,487                          | 33,817              |
| All Win Enterprises Ltd.               | 803,079                          | 589,688             | 93,570                          | 41,216              |
| Others                                 | <u>610,904</u>                   | <u>781,997</u>      | <u>18,359</u>                   | <u>63,412</u>       |
| Continuing operations amounts          | 8,136,385                        | 8,423,977           | 1,070,908                       | 1,298,457           |
| Less: Eliminations                     | <u>(1,359,411)</u>               | <u>(1,484,820)</u>  | <u>17,072</u>                   | <u>8,384</u>        |
| Revenue/income from external customers | <u>\$ 6,776,974</u>              | <u>\$ 6,939,157</u> | <u>1,087,980</u>                | <u>1,306,841</u>    |
| Interest income                        |                                  |                     | 39,714                          | 10,977              |
| Other income                           |                                  |                     | 49,151                          | 69,053              |
| Other gains and losses                 |                                  |                     | 428,467                         | 167,008             |
| Finance costs                          |                                  |                     | (114,964)                       | (87,851)            |
| Share of profit of associates          |                                  |                     | <u>131,037</u>                  | <u>16,331</u>       |
| Profit from operations                 |                                  |                     | <u>\$ 1,621,385</u>             | <u>\$ 1,482,359</u> |

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, gains recognized on disposal of interests in former associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, 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.

TABLE 1

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No.<br>(Note 1) | Lender   | Borrower                                      | Financial<br>Statement<br>Account (Note 2) | Related<br>Party | Highest<br>Balance for<br>the Period<br>(Note 3) | Ending<br>Balance | Actual<br>Amount<br>Borrowed | Interest Rate<br>(%) | Nature of<br>Financing<br>(Note 4) | Business<br>Transaction<br>Amount<br>(Note 5) | Reasons for<br>Short-term<br>Financing<br>(Note 6) | Allowance for<br>Impairment<br>Loss | Collateral |       | Financing<br>Limit for<br>Each<br>Borrower | Aggregate<br>Financing<br>Limit | Note   |
|-----------------|--|---|--|------------------|--|-------------------|------------------------------|----------------------|------------------------------------|---|--|-------------------------------------|------------|-------|--|---------------------------------|--------|
|                 |  |   |  |                  |  |                   |                              |                      |                                    |   |  |                                     | Item       | Value |  |                                 |        |
| 1               | Guangzhou Goldway<br>Special Material<br>Co., Ltd. | Xian Goldway<br>Special Material<br>Co., Ltd. | Other receivables                          | Yes              | \$ 45,797  | \$ 45,532         | \$ 25,043                    | 3.5                  | 2                                  | \$ -  | For working<br>capital                             | \$ -                                | -          | \$ -  | \$ 79,642<br>(Note 7)                      | \$ 79,642<br>(Note 7)           | Note 1 |

Note 1: The numbers denote the following:

- a. 0 represents the issuer.
- b. Investees are numbered starting from 1.

Note 2: Receivables from related parties, current account with shareholders, prepayments, temporary payments, etc.

Note 3: The limit on financing provided to others for the current year.

Note 4: Nature of financing is numbered as follows:

- a. For companies with business relationships: 1.
- b. For companies with short-term financing needs: 2.

Note 5: If the loan is made due to business relationships, the amount of the business transactions should be disclosed. The amount of business transactions refers to the amount of business transactions between the lender and the borrower in the most recent year.

Note 6: If the loan is made for short-term financing needs, the reason and purpose for the loan should be clearly described. For example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: a. The financing limit for each borrower is 40% of the lender’s net equity. For No. 0: \$199,106 (net worth) × 40% = \$79,642.  
b. The aggregate financing limit is 40% of the lender’s net equity. For No. 0: \$199,106 (net worth) × 40% = \$79,642.

TABLE 2

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)

| No. | Endorser/Guarantor                   | Guaranteed Party                                       |              | Limit on<br>Endorsement/<br>Guarantee Given<br>on Behalf of Each<br>Party | Maximum Amount<br>Endorsed/<br>Guaranteed During<br>the Period | Outstanding<br>Endorsement/<br>Guarantee at the<br>End of the Period | Actual Amount<br>Borrowed | Amount Endorsed/<br>Guaranteed by<br>Collateral | Ratio of<br>Accumulated<br>Endorsement/<br>Guarantee to Net<br>Equity in Latest<br>Financial<br>Statements (%) | Aggregate<br>Endorsement/<br>Guarantee Limit | Endorsement/<br>Guarantee Given<br>by Parent on<br>Behalf of<br>Subsidiaries | Endorsement/<br>Guarantee Given<br>by Subsidiaries on<br>Behalf of Parent | Endorsement/<br>Guarantee Given<br>on Behalf of<br>Companies in<br>Mainland China |
|-----|--------------------------------------|--|--------------|---|--|--|---------------------------|---|--|--|--|---|---|
|     |                                      | Name   | Relationship |   |  |  |                           |   |  |  |  |   |   |
| 0   | Gloria Material<br>Technology Corp.  | Alloy Tool Steel Inc.                                  | b            | \$ 3,012,356<br>(Note 3)  | \$ 26,036  | \$ 25,960  | \$ 25,960                 | \$ -  |  |  | Y  | N   | N   |
|     |                                      | Tianjin Goldway Special<br>Material Co., Ltd.          | c            | 3,012,356<br>(Note 3)   | 44,870   | 44,450   | -                         | -   |  |  | Y  | N   | Y   |
|     |                                      | All Win Enterprises Ltd.                               | b            | 3,012,356<br>(Note 3)   | 225,270  | 62,450   | -                         | -   |  |  | Y  | N   | N   |
|     |                                      | Xian Goldway Special<br>Material Co., Ltd.             | c            | 3,012,356<br>(Note 3)   | 191,323  | 158,025  | 68,783                    | -   |  |  | Y  | N   | Y   |
|     |                                      | Faith Easy Enterprises Ltd.                            | b            | 3,012,356<br>(Note 3)   | 65,090   | 32,450   | -                         | -   |  |  | Y  | N   | N   |
|     |                                      | Guangzhou Goldway Special<br>Material Co., Ltd.        | c            | 3,012,356<br>(Note 3)   | 162,725  | 162,250  | -                         | -   |  |  | Y  | N   | Y   |
|     |                                      | Zhejiang Jiaxing Goldway<br>Special Material Co., Ltd. | c            | 3,012,356<br>(Note 3)   | 67,305   | -  | -                         | -   |  |  | Y  | N   | Y   |
|     |                                      |  |              |   |  | <u>\$ 485,585</u>  | <u>\$ 94,743</u>          |   | 3  | \$ 6,024,712<br>(Note 3)                     |  |   |   |
| 1   | Golden Win Steel<br>Industrial Corp. | Vietnam Goldway Special<br>Material Co., Ltd.          | c            | 405,976<br>(Note 4)   | 19,527   | <u>\$ 19,470</u>   | <u>\$ 6,443</u>           | -   | 2  | 608,964<br>(Note 4)                          | N  | N   | N   |

Note 1: The numbers denote the following:

- a. 0 represents the issuer.
- b. Investees are numbered starting from 1.

Note 2: The relationship between the endorser/guarantor and endorsee/guarantee are categorized as follows:

- a. Business partner.
- b. Subsidiary whose ordinary shares are more than 50% owned by the endorser/guarantor.
- c. An investee over which the Company and its subsidiary has a combined shareholding of more than fifty percent (50%).
- d. Parent company that directly or indirectly through its subsidiary, owns more than fifty percent (50%) of the investee.
- e. Guaranteed by the Company according to the construction contract.
- f. An investee company of which the guarantees were provided based on the Company’s proportionate share in the investee company.

Note 3: The limit on endorsements/guarantees is calculated as follows:

- a. The limit on endorsements or guarantees provided for each borrower is NT\$6,024,712 (paid-in capital) × 50% = NT\$3,012,356.
- b. The aggregate endorsement/guarantee limit is NT\$6,024,712 (paid-in capital) × 100% = NT\$6,024,712.
- c. Endorsements/guarantees provided for subsidiaries are not subject to the above restrictions.

Note 4: The limit on endorsements/guarantees is calculated as follows:

- a. The limit on endorsements or guarantees provided for each borrower is NT\$405,976 (paid-in capital) × 100% = NT\$405,976.
- b. The aggregate endorsement/guarantee limit is NT\$405,976 (paid-in capital) × 150% = NT\$608,964.
- c. Endorsements/guarantees provided for subsidiaries are not subject to the above restrictions.

Note 5: All intercompany gains and losses from investment have been eliminated from consolidation.

**TABLE 3**

**GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**  
**JUNE 30, 2024**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Holding Company Name              | Type and Name of Marketable Securities<br>(Note 1)                       | Relationship with the Holding<br>Company (Note 2) | Financial Statement Account   | June 30, 2024                         |                                |                            |            | Note |
|-----------------------------------|--|---|---|---------------------------------------|--------------------------------|----------------------------|------------|------|
|                                   |  |   |   | Number of<br>Shares<br>(In Thousands) | Carrying<br>Amount<br>(Note 3) | Percentage of<br>Ownership | Fair Value |      |
| Gloria Material Technology Corp.  | Ordinary shares  |   |   |                                       |                                |                            |            |      |
|                                   | Taiwan Styrene Monomer Corporation                                       | -   | Financial assets at fair value through other comprehensive income - non-current | 88                                    | \$ 1,170                       | -                          | \$ 1,170   |      |
|                                   | CJW International Co., Ltd.  | -   | Financial assets at fair value through other comprehensive income - non-current | 251                                   | 2,513                          | -                          | 2,513      |      |
|                                   | OFCO Industrial Corporation  | Related party in substance                        | Financial assets at fair value through other comprehensive income - non-current | 103                                   | 2,466                          | -                          | 2,466      |      |
|                                   | Zung-Fu Co., Ltd.  | Related party in substance                        | Financial assets at fair value through other comprehensive income - non-current | 42                                    | 1,455                          | -                          | 1,455      |      |
|                                   | Taiwan Styrene Monomer Corporation                                       | -   | Financial assets at fair value through profit or loss - current                 | 41                                    | 546                            | -                          | 546        |      |
|                                   | D-Link Corporation   | -   | Financial assets at fair value through profit or loss - current                 | 323                                   | 5,916                          | -                          | 5,916      |      |
|                                   | Huang Jia International Gourmet Co., Ltd.<br>(Ensure Global Corp., Ltd.) | -   | Financial assets at fair value through profit or loss - non-current             | 5,000                                 | 232,150                        | 3                          | 232,150    |      |
| Golden Win Steel Industrial Corp. | Gloria Material Technology Corp.   | The Company                                       | Financial assets at fair value through other comprehensive income - non-current | 175                                   | 8,470                          | -                          | 8,470      |      |
|                                   | Taiwan Styrene Monomer Corporation                                       | -   | Financial assets at fair value through other comprehensive income - non-current | 1,781                                 | 23,687                         | -                          | 23,687     |      |
|                                   | TMP Steel Corporation  | -   | Financial assets at fair value through other comprehensive income - non-current | 853                                   | 25,877                         | 1                          | 25,877     |      |
|                                   | Chun Yu Works & Co., Ltd.  | Related party in substance                        | Financial assets at fair value through other comprehensive income - non-current | 484                                   | 11,854                         | -                          | 11,854     |      |
|                                   | Taidoc Technology Corporation  | -   | Financial assets at fair value through other comprehensive income - non-current | 269                                   | 45,461                         | -                          | 45,461     |      |
|                                   | OFCO Industrial Corporation  | Related party in substance                        | Financial assets at fair value through other comprehensive income - non-current | 969                                   | 23,208                         | 1                          | 23,208     |      |
|                                   | Formosa Plastics Corporation   | -   | Financial assets at fair value through other comprehensive income - non-current | 267                                   | 15,353                         | -                          | 15,353     |      |
|                                   | United Microelectronics Corporation                                      | -   | Financial assets at fair value through other comprehensive income - non-current | 390                                   | 21,723                         | -                          | 21,723     |      |
|                                   | Ruentex Industries Ltd.  | -   | Financial assets at fair value through other comprehensive income - non-current | 185                                   | 12,617                         |                            | 12,617     |      |
|                                   | General Plastic Industrial Co., Ltd                                      | -   | Financial assets at fair value through other comprehensive income - non-current | 403                                   | 15,274                         | -                          | 15,274     |      |

(Continued)

| Holding Company Name       | Type and Name of Marketable Securities<br>(Note 1)                      | Relationship with the Holding<br>Company (Note 2) | Financial Statement Account   | June 30, 2024                         |                                |                            |            | Note |
|----------------------------|---|---|---|---------------------------------------|--------------------------------|----------------------------|------------|------|
|                            |   |   |   | Number of<br>Shares<br>(In Thousands) | Carrying<br>Amount<br>(Note 3) | Percentage of<br>Ownership | Fair Value |      |
| Ho Yang Investment Corp.   | Ampire CO., LTD.  | -   | Financial assets at fair value through other comprehensive income - non-current | 609                                   | \$ 23,660                      | -                          | \$ 23,660  |      |
|                            | Te Chang Construction CO., LTD.   | -   | Financial assets at fair value through other comprehensive income - non-current | 249                                   | 17,679                         | -                          | 17,679     |      |
|                            | Yuanta US 20+ Year BBB Corporate Bond ETF                               | -   | Financial assets at fair value through profit or loss - current                 | 627                                   | 22,334                         | -                          | 22,334     |      |
|                            | Gloria Material Technology Corp.  | The Company                                       | Financial assets at fair value through other comprehensive income - non-current | 15,501                                | 750,251                        | 3                          | 750,251    |      |
|                            | Taiwan Styrene Monomer Corporation                                      | -   | Financial assets at fair value through other comprehensive income - non-current | 5,067                                 | 67,391                         | 1                          | 67,391     |      |
|                            | D-Link Corporation  | -   | Financial assets at fair value through other comprehensive income - non-current | 377                                   | 6,903                          | -                          | 6,903      |      |
|                            | Cameo Communications, Inc.  | -   | Financial assets at fair value through other comprehensive income - non-current | 1,820                                 | 19,110                         | -                          | 19,110     |      |
|                            | Fosun Taiwan Technology High Dividend Fund A No Dividend Matching (NTD) | -   | Financial assets at fair value through profit or loss - current                 | 1,000                                 | 10,390                         | -                          | 10,390     |      |
|                            | FSITC Global Utilities and Infrastructure Fund (NTD)                    | -   | Financial assets at fair value through profit or loss - current                 | 528                                   | 7,981                          | -                          | 7,981      |      |
| Rong Yang Investment Corp. | TMP Steel Corporation   | -   | Financial assets at fair value through other comprehensive income - non-current | 501                                   | 15,205                         | 1                          | 15,205     |      |
|                            | Fosun Taiwan Technology High Dividend Fund A No Dividend Matching (NTD) | -   | Financial assets at fair value through profit or loss - current                 | 1,000                                 | 10,390                         | -                          | 10,390     |      |
|                            | FSITC Global Utilities and Infrastructure Fund (NTD)                    | -   | Financial assets at fair value through profit or loss - current                 | 528                                   | 7,981                          | -                          | 7,981      |      |

Note 1: Marketable securities in the table above refer to shares, bonds, beneficiary certificates and other related derivative securities that fall within the scope in accordance with IFRS 9 “Financial Instruments”.

Note 2: If the securities issuer is not a related party, the column is left blank.

Note 3: For securities measured at fair value, the carrying amount after fair value adjustments and deduction of accumulated impairment is indicated. For securities not measured at fair value, the carrying amount indicated is the original acquisition cost or amortized cost less accumulated impairment loss.

Note 4: For information on investments in subsidiaries, please see Tables 8 and 9.

Note 5: All intercompany gains and losses from investment have been eliminated from consolidation.

(Concluded)

TABLE 4

GLORIA MATERIAL TECHNOLOGY CORP. 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 SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Company Name                     | Type and Name of Marketable Securities (Note 1)        | Financial Statement Account                       | Counterparty (Note 2)                | Relationship (Note 2) | Beginning Balance |        | Acquisition (Note 3) |              | Disposal (Note 3) |        |                 |                         | Ending Balance (Note 5) |              |
|----------------------------------|--|---|--------------------------------------|-----------------------|-------------------|--------|----------------------|--------------|-------------------|--------|-----------------|-------------------------|-------------------------|--------------|
|                                  |  |   |                                      |                       | Number of Shares  | Amount | Number of Shares     | Amount       | Number of Shares  | Amount | Carrying Amount | Gain (Loss) on Disposal | Number of Shares        | Amount       |
| Gloria Material Technology Corp. | Ordinary share<br>Soft-World International Corporation | Investments accounted for using the equity method | Soft-World International Corporation | -                     | -                 | \$ -   | 28,600,000           | \$ 2,994,992 | -                 | \$ -   | \$ -            | \$ -                    | 28,600,000              | \$ 2,994,992 |

- Note 1: Marketable securities in this table include shares, bonds, beneficiary certificates and securities derived from these items.
- Note 2: The two columns should be filled in if marketable securities are accounted for using the equity method.
- Note 3: The accumulated buying and selling amount should be calculated separately at the market price, whether it reaches \$300 million or 20% of the paid-in capital.
- Note 4: Paid-in capital is the paid-in capital of the Company. If the shares of the issuers have no par value, or NT\$10 per share, the transaction amounts of 20% of paid-in capital shall be calculated according to 10% of the total equity attributable to the owners of the Company on the balance sheet.
- Note 5: Original cost.



**TABLE 5**

**GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Seller   | Property                      | Event Date | Original Acquisition Date | Carrying Amount | Transaction Amount | Collection                  | Gain (Loss) on Disposal | Counterparty               | Relationship | Purpose of Disposal  | Price Reference  | Other Terms |
|--|-------------------------------|------------|---------------------------|-----------------|--------------------|-----------------------------|-------------------------|----------------------------|--------------|--|--|-------------|
| Gloria Material Technology Corp.                                 | Property, plant and equipment | 2024.4.15  | (Note 4)                  | \$ 486,653      | \$ 1,462,097       | Received \$146,210 thousand | \$ 975,444 (Note 5)     | S-Tech Corp.               | Associate    | Effective utilization of resources in the light of the Group’s overall business planning | Professional valuation report (appraised value of approximately \$1,466,727 thousand and \$1,457,470 thousand, respectively)   | -           |
| Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | Land use rights and buildings | 2022.6.30  | (Note 6)                  | CNY 47,903      | CNY 132,500        | Completed                   | CNY 81,370 (Note 7)     | Zhejiang Xinghui Co., Ltd. | -            | In response to the local government’s urban planning                                     | Appraisal report (with an appraised value of approximately CNY106,740,000) issued by a professional valuation organization and the bargaining decision of both parties | -           |

Note 1: If the disposal assets are subject to appraisal which should be stated in the column of “Reference basis for price determination”.

Note 2: Paid-in capital refers to the parent company’s paid-in capital. If the issuer's stock has no par value or the par value per share is not NT\$10, the 20% of paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company in the balance sheet.

Note 3: The term “event date” refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of boards of directors’ resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

Note 4: Land: Acquired from the Ministry of Economic Affairs in June 2018 for approximately \$153,252 thousand.

Buildings: Self-constructed, with completion dates in July 2011 and July 2015; at acquisition amounts of approximately \$174,441 thousand and \$115,477 thousand, respectively.

Machinery and equipment:

a. From a related party, S-Tech Corp, acquired between June 2015 and January 2016, for approximately \$13,896 thousand.

b. From a non-related party, acquired between July 2011 and January 2022, for approximately \$517,034 thousand.

Note 5: Partially recognized as deferred revenue.

Note 6: Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. obtained the land use rights in 2012 and gradually constructed the factory buildings.

Note 7: Net of demolition costs and other related expenses.

TABLE 6

GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)

| Buyer/Seller   | Related Party  | Relationship       | Transaction Details |            |               |  | Abnormal Transaction      |                           | Note/Trade Receivables (Payables) |                   |               | Note |
|--|--|--------------------|---------------------|------------|---------------|--|---------------------------|---------------------------|-----------------------------------|-------------------|---------------|------|
|  |  |                    | Purchase/<br>Sale   | Amount     | % of<br>Total | Payment Terms  | Unit Price                | Payment Terms             | Account                           | Ending<br>Balance | % of<br>Total |      |
| Gloria Material Technology Corp.                                 | Golden Win Steel Industrial Corp.                                | Subsidiary         | Sale                | \$ 298,032 | 5             | Net 30 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade receivables                 | \$ 62,195         | 3             |      |
| Golden Win Steel Industrial Corp.                                | Gloria Material Technology Corp.                                 | Parent company     | Purchase            | 298,032    | 65            | Net 30 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade payables                    | 62,195            | 75            |      |
| Gloria Material Technology Corp.                                 | Alloy Tool Steel Inc.  | Subsidiary         | Sale                | 180,748    | 3             | Net 60 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade receivables                 | 72,561            | 3             |      |
| Alloy Tool Steel Inc.  | Gloria Material Technology Corp.                                 | Parent company     | Purchase            | 180,748    | 92            | Net 60 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade payables                    | 72,561            | 98            |      |
| Gloria Material Technology Corp.                                 | All Win Enterprises Ltd.   | Subsidiary         | Sale                | 355,294    | 6             | Net 60 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade receivables                 | 14,674            | 1             |      |
| All Win Enterprises Ltd.   | Gloria Material Technology Corp.                                 | Parent company     | Purchase            | 355,294    | 78            | Net 60 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade payables                    | 14,674            | 88            |      |
|  | Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | Affiliated company | Sale                | 144,185    | 28            | Net 90 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade receivables                 | 34,894            | 21            |      |
| Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | All Win Enterprises Ltd.   | Affiliated company | Purchase            | 144,185    | 62            | Net 90 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade payables                    | 34,894            | 48            |      |
| All Win Enterprises Ltd.   | Xian Goldway Special Material Co., Ltd.                          | Affiliated company | Sale                | 160,168    | 32            | Net 90 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade receivables                 | 82,827            | 50            |      |
| Xian Goldway Special Material Co., Ltd.                          | All Win Enterprises Ltd.   | Affiliated company | Purchase            | 160,168    | 100           | Net 90 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade payables                    | 82,827            | -             |      |
| Gloria Material Technology Corp.                                 | S-Tech Corp.   | Associate          | Purchase            | 103,763    | 2             | Net 30 days from the end of the month of when invoice is issued, T/T | No significant difference | No significant difference | Trade payables                    | 18,396            | 3             |      |

Note 1: If the related party transaction terms are different from the general transaction terms, the description of the terms of the transaction and the reasons for the difference should be stated in the columns of unit price and payment terms.

Note 2: If there are any prepayments, the reason, contractual terms, amount, and differences from general transactions should be stated in the Note column.

Note 3: All intercompany gains and losses from investment, except for associates, have been eliminated from consolidation.

**TABLE 7**

**GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)**

| No.<br>(Note 1) | Company Name   | Counterparty  | Relationship<br>(Note 2) | Transaction Details            |           |                           |   |
|-----------------|--|---|--------------------------|--------------------------------|-----------|---------------------------|---|
|                 |  |   |                          | Financial Statement<br>Account | Amount    | Payment Terms             | % to<br>Total Sales or<br>Assets (Note 3) |
| 0               | Gloria Material Technology Corp.                                 | Alloy Tool Steel Inc.   | a                        | Trade receivables              | \$ 72,561 | No significant difference | -   |
|                 |  | Alloy Tool Steel Inc.   | a                        | Sales revenue                  | 180,748   | No significant difference | 3   |
|                 |  | Golden Win Steel Industrial Corp.                                   | a                        | Trade receivables              | 62,195    | No significant difference | -   |
|                 |  | Golden Win Steel Industrial Corp.                                   | a                        | Sales revenue                  | 298,032   | No significant difference | 4   |
|                 |  | All Win Enterprises Ltd.  | a                        | Sales revenue                  | 355,294   | No significant difference | 5   |
|                 |  | All Win Enterprises Ltd.  | a                        | Trade receivables              | 14,674    | No significant difference | -   |
| 1               | Golden Win Steel Industrial Corp.                                | Vietnam Goldway Special Material Co., Ltd.                          | c                        | Trade receivables              | 46,140    | No significant difference | -   |
|                 |  | Vietnam Goldway Special Material Co., Ltd.                          | c                        | Sales revenue                  | 34,991    | No significant difference | 1   |
|                 |  | Gloria Material Technology Corp.                                    | b                        | Sales revenue                  | 21,904    | No significant difference | -   |
|                 |  | All Win Enterprises Ltd.  | c                        | Sales revenue                  | 5,686     | No significant difference | -   |
| 2               | Xian Goldway Special Material Co., Ltd.                          | Zhejiang Jiaxing Shiang Yang Metal Material<br>Technology Co., Ltd. | c                        | Sales revenue                  | 13,388    | No significant difference | -   |
|                 |  | Zhejiang Jiaxing Shiang Yang Metal Material<br>Technology Co., Ltd. | c                        | Trade receivables              | 6,512     | No significant difference | -   |
| 3               | Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | Zhejiang Jiaxing Goldway Special Material Co., Ltd.                 | c                        | Sales revenue                  | 6,853     | No significant difference | -   |
|                 |  | Guangzhou Goldway Special Material Co., Ltd.                        | c                        | Trade receivables              | 13,613    | No significant difference | -   |
|                 |  | Guangzhou Goldway Special Material Co., Ltd.                        | c                        | Sales revenue                  | 26,636    | No significant difference | -   |
|                 |  | Tianjin Goldway Special Material Co., Ltd.                          | c                        | Sales revenue                  | 6,937     | No significant difference | -   |
| 4               | Zhejiang Jiaxing Goldway Special Material Co., Ltd.              | Zhejiang Jiaxing Shiang Yang Metal Material<br>Technology Co., Ltd. | c                        | Sales revenue                  | 22,281    | No significant difference | -   |
|                 |  | Zhejiang Jiaxing Shiang Yang Metal Material<br>Technology Co., Ltd. | c                        | Trade receivables              | 22,528    | No significant difference | -   |
| 5               | Tianjin Goldway Special Material Co., Ltd.                       | Zhejiang Jiaxing Shiang Yang Metal Material<br>Technology Co., Ltd. | c                        | Sales revenue                  | 5,066     | No significant difference | -   |

(Continued)

| No.<br>(Note 1) | Company Name             | Counterparty   | Relationship<br>(Note 2) | Transaction Details            |            |                           |   |
|-----------------|--------------------------|--|--------------------------|--------------------------------|------------|---------------------------|---|
|                 |                          |  |                          | Financial Statement<br>Account | Amount     | Payment Terms             | % to<br>Total Sales or<br>Assets (Note 3) |
| 6               | All Win Enterprises Ltd. | Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | c                        | Sales revenue                  | \$ 144,185 | No significant difference | -   |
|                 |                          | Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | c                        | Trade receivables              | 34,894     | No significant difference | -   |
|                 |                          | Tianjin Goldway Special Material Co., Ltd.                       | c                        | Trade receivables              | 11,635     | No significant difference | -   |
|                 |                          | Tianjin Goldway Special Material Co., Ltd.                       | c                        | Sales revenue                  | 18,762     | No significant difference | -   |
|                 |                          | Guangzhou Goldway Special Material Co., Ltd.                     | c                        | Trade receivables              | 16,711     | No significant difference | -   |
|                 |                          | Guangzhou Goldway Special Material Co., Ltd.                     | c                        | Sales revenue                  | 26,602     | No significant difference | -   |
|                 |                          | Zhejiang Jiaxing Goldway Special Material Co., Ltd.              | c                        | Trade receivables              | 18,778     | No significant difference | -   |
|                 |                          | Zhejiang Jiaxing Goldway Special Material Co., Ltd.              | c                        | Sales revenue                  | 21,628     | No significant difference | -   |
|                 |                          | Xian Goldway Special Material Co., Ltd.                          | c                        | Trade receivables              | 82,827     | No significant difference | -   |
|                 |                          | Xian Goldway Special Material Co., Ltd.                          | c                        | Sales revenue                  | 160,168    | No significant difference | 2   |
|                 |                          |  |                          |                                |            |                           |   |

Note 1: The information on the business transactions between the parent company and its subsidiaries should be indicated in the serial number column respectively, and the serial number should be filled in as follows:

- a. The Company is numbered 0.
- b. Subsidiaries are numbered sequentially from 1 according to the company type.

Note 2: There are three types of relationship with the trader, just indicate the type:

- a. Company to Subsidiary.
- b. Subsidiary to Company.
- c. Subsidiary to Subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, it is calculated as the cumulative amount at the end of the period accounts for the total consolidated revenue.

Note 4: All intercompany gains and losses from investment have been eliminated from consolidation.

(Concluded)

**TABLE 8**

**GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2024**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Investor Company                  | Investee Company<br>(Notes 1 and 2)                   | Location          | Main Businesses and Products   | Original Investment Amount |                      | As of June 30, 2024                |     |                 | Net Income (Loss)<br>of the Investee<br>(Note 2) | Share of Profit<br>(Loss) (Note 2) | Note       |
|-----------------------------------|---|-------------------|--|----------------------------|----------------------|------------------------------------|-----|-----------------|--|------------------------------------|------------|
|                                   |   |                   |  | June 30, 2024              | December 31,<br>2023 | Number of Shares<br>(In Thousands) | %   | Carrying Amount |  |                                    |            |
| Gloria Material Technology Corp.  | Faith Easy Enterprises Ltd.                           | Samoa             | General investment and trading   | \$ 192,558                 | \$ 192,558           | 6,000,000                          | 96  | \$ 657,027      | \$ 1,388   | \$ 1,331                           | Subsidiary |
|                                   | Golden Win Steel Industrial Corp                      | Republic of China | Processing and trading of special steel, carbon steel, super alloy material rollers      | 283,933                    | 283,933              | 18,726,481                         | 46  | 454,453         | 31,715   | 14,427                             | Subsidiary |
|                                   | Alloy Tool Steel, Inc.                                | USA               | Sale of alloy steel  | 100,487                    | 100,487              | 4,300,000                          | 100 | 266,284         | 16,885   | 16,885                             | Subsidiary |
|                                   | Ho Yang Investment Corp.                              | Republic of China | General investment   | 360,379                    | 360,379              | 24,385,660                         | 49  | 37,377          | 38,250   | (245)                              | Subsidiary |
|                                   | All Win Enterprises Ltd.                              | Seychelles        | General investment   | 286,604                    | 286,604              | 10,000,000                         | 100 | 898,873         | 418,131  | 418,131                            | Subsidiary |
|                                   | Rong Yang Investment Corp.                            | Republic of China | General investment   | 50,000                     | 50,000               | 5,000,000                          | 100 | 48,313          | 2,358  | 2,358                              | Subsidiary |
|                                   | Gloria Material Technology Japan                      | Japan             | Sale of alloy steel  | 15,852                     | 15,852               | 1,380                              | 100 | 17,991          | 6,436  | 6,436                              | Subsidiary |
| Golden Win Steel Industrial Corp. | Rainbow Shines Limited                                | Samoa             | General investment and trading   | 89,065                     | 89,065               | 3,122,222                          | 97  | 70,006          | (3,712)  | NA                                 | Subsidiary |
|                                   | Ho Yang Investment Corp.                              | Republic of China | General investment   | 180,208                    | 180,208              | 12,947,170                         | 26  | 195,642         | 38,250   | NA                                 | Subsidiary |
| All Win Enterprises Ltd.          | G-Yao Enterprises Ltd.                                | Mauritius         | General investment   | US\$ 10,000                | US\$ 10,000          | 10,000,000                         | 100 | 703,186         | 353,898  | NA                                 | Subsidiary |
| Rainbow Shines Limited            | Vietnam Goldway Special Material Co., Ltd.            | Vietnam           | Processing and trading of special steel, carbon steel, super alloy material rollers      | US\$ 3,000                 | US\$ 3,000           | -                                  | 100 | 82,531          | (2,942)  | NA                                 | Subsidiary |
| Gloria Material Technology Corp.  | S-Tech Corp.  | Republic of China | Production and sales of titanium alloys  | 297,435                    | 297,435              | 19,580,312                         | 10  | 358,176         | 250,865  | 25,521                             | Associate  |
|                                   | Soft-World International Corporation                  | Republic of China | Publishing of game software, publishing and trading of game software magazines and books | 2,994,992                  | -                    | 28,600,000                         | 18  | 2,871,418       | 650,067  | 107,640                            | Associate  |
|                                   | Kuei Tien Cultural & Creative Entertainment Co., Ltd. | Republic of China | TV series production, screenwriting and artist management                                | 273,705                    | -                    | 25,700,000                         | 13  | 270,905         | (26,064)   | (2,800)                            | Associate  |
| Ho Yang Investment Corp.          | Soft-World International Corporation                  | Republic of China | Publishing of game software, publishing and trading of game software magazines and books | 36,571                     | -                    | 267,000                            | -   | 36,951          | 650,067  | 676                                | Associate  |

Note 1: If the public company has a foreign holding company and uses consolidated statements as its main financial statements in accordance with local laws and regulations, the Company may only disclose relevant information of the holding company.

Note 2: For companies that do not belong to the type as described in Note 1, the information is disclosed as follows:

- a. The columns of Investee Company, Location, Main Businesses and Products, Original Investment Amount and Number of Shares are filled out in order of the reinvestment situation of the public company and the reinvestment situation of each investee company that is directly or indirectly controlled. In the remarks column, the relationship between each investee and the public company (subsidiary/second-tier subsidiary) is disclosed.
- b. The profit or loss of the investee company is disclosed in the column of Net Income (Loss) of the Investee.
- c. The Company is only required to list the amount of profit or loss of each of subsidiary that the Company has directly invested in and each investee that is accounted for using the equity method. The rest of the information is exempt from disclosure.

Note 3: For information on investments in mainland China, please see Table 9.

Note 4: All intercompany gains and losses from investment have been eliminated from consolidation.

**TABLE 9**

**GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Investee Company  | Main Businesses and Products       | Paid-in Capital  | Method of Investment<br>(Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023             | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss)<br>(Note 2) | Carrying Amount as of June 30, 2024 | Accumulated Repatriation of Investment Income as of June 30, 2024 | Note |
|---|------------------------------------|--|----------------------------------|---|---------------------|--------|---|-----------------------------------|--|------------------------------------|-------------------------------------|---|------|
|   |                                    |  |                                  |   | Outward             | Inward |   |                                   |  |                                    |                                     |   |      |
| Guangzhou Goldway Special Material Co., Ltd.  | Production and sale of alloy steel | Registered capital US\$3,000 thousand (paid-in capital of CNY24,856 thousand)  | 2                                | US\$ 2,837<br>HK\$ 700  | \$ -                | \$ -   | US\$ 2,837<br>HK\$ 700  | \$ (10,069)                       | 96   | Note 2-2<br>\$ (9,721)             | \$ 197,419                          | \$ 45,771   | -    |
| Zhejiang Jiaxing Goldway Special Material Co., Ltd.   | Production and sale of alloy steel | Registered capital US\$3,000 thousand (paid-in capital of CNY22,124 thousand)  | 2                                | -<br>(Note 4)   | -                   | -      | -<br>(Note 4)   | (378)                             | 96   | Note 2-2<br>(358)                  | 149,359                             | 87,907  | -    |
| Tianjin Goldway Special Material Co., Ltd.  | Production and sale of alloy steel | Registered capital US\$3,300 thousand (paid-in capital of CNY26,719 thousand)  | 2                                | US\$ 3,300  | -                   | -      | US\$ 3,300  | 2,496                             | 96   | Note 2-2<br>2,612                  | 162,881                             | 18,007  | -    |
| Xian Goldway Special Material Co., Ltd.   | Production and sale of alloy steel | Registered capital US\$2,000 thousand (paid-in capital of CNY12,660 thousand)  | 2                                | -<br>(Note 5)   | -                   | -      | -<br>(Note 5)   | 21,509                            | 96   | Note 2-2<br>21,181                 | 153,062                             | -   | -    |
| Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.                            | Production and sale of alloy steel | Registered capital US\$10,000 thousand (paid-in capital of CNY63,926 thousand) | 2                                | US\$ 10,000   | -                   | -      | US\$ 10,000   | 353,763                           | 100  | Note 2-2<br>353,763                | 704,143                             | 24,773  | -    |
| <b>Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2024</b> |                                    | <b>Investment Amount Authorized by the Investment Commission, MOEA</b>         |                                  | <b>Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA</b> |                     |        |   |                                   |  |                                    |                                     |   |      |
| US\$ 16,137<br>HK\$ 700   |                                    | \$ 989,725<br>(US\$ 30,500)  |                                  | \$ 10,798,168<br>(Note 3)   |                     |        |   |                                   |  |                                    |                                     |   |      |

(Continued)

Note 1: Methods of investment are classified as below:

- a. Investments through a holding company registered in a third region.
- b. Reinvestments through a holding company set up in a third region.
- c. Reinvestments through a holding company existing in a third region.
- d. Direct investment.
- e. Others.

Note 2: Investment gain or loss was recognized as a percentage of the shares held:

- a. Companies that are still in the preparatory stage and therefore have no investment gain or loss should be disclosed.
- b. Investment gain or loss recognized based on the following should be disclosed:
  - 1) Financial statements which were audited by an international accounting firm with a cooperative relationship with an accounting firm in the ROC.
  - 2) Other financial statements which were not reviewed by the accounting firm.

Note 3: The upper limit on investments was 60% of the consolidated net asset value of the Group:  $\$17,996,946 \times 60\% = \$10,798,168$

Note 4: The amount represents the retained earnings received by Faith Easy Enterprises Ltd. from Guangzhou Goldway Special Material Co., Ltd., that was transferred to the share capital of Zhejiang Jiaying Goldway Special Material Co., Ltd.

Note 5: The amount represents the retained earnings of Faith Easy Enterprises Ltd. transferred to the share capital of Xian Goldway Special Material Co., Ltd.

(Concluded)

**TABLE 10**

**GLORIA MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES**

**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  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)**

| Investee Company   | Transaction Type | Purchase/Sale |            | Transaction Details |   |                                     | Notes/Accounts Receivable (Payable) |            | Unrealized (Gain) Loss | Note   |
|--|------------------|---------------|------------|---------------------|---|-------------------------------------|-------------------------------------|------------|------------------------|--------|
|  |                  | Amount        | Percentage | Price               | Payment Terms   | Comparison with Normal Transactions | Ending Balance                      | Percentage |                        |        |
| Guangzhou Goldway Special Material Co., Ltd.                     | Sale             | \$ 24,317     | -          | Normal              | Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer | No significant difference           | \$ -                                | -          | \$ 1                   | Note 1 |
| Zhejiang Jiaxing Goldway Special Material Co., Ltd.              | Sale             | 19,096        | -          | Normal              | Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer | No significant difference           | 8,141                               | -          | 546                    | Note 1 |
| Tianjin Goldway Special Material Co., Ltd.                       | Sale             | 14,186        | -          | Normal              | Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer | No significant difference           | 2,601                               | -          | 5,295                  | Note 1 |
| Xian Goldway Special Material Co., Ltd.                          | Sale             | 122,146       | 2          | Normal              | Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer | No significant difference           | 2,666                               | -          | 14,946                 | Note 1 |
| Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd. | Sale             | 124,308       | 2          | Normal              | Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer | No significant difference           | 3,247                               | -          | 5,960                  | Note 1 |

Note 1: The Company transacted with the above companies through All Win Enterprises Ltd. directly or indirectly.

Note 2: For information of the Company’s endorsements and guarantees provided for the above companies, refer to Table 2.



**TABLE 11****GLORIA MATERIAL TECHNOLOGY CORP.****INFORMATION OF MAJOR SHAREHOLDERS****JUNE 30, 2024**

| Name of Major Shareholder            | Shares           |                             |
|--------------------------------------|------------------|-----------------------------|
|                                      | Number of Shares | Percentage of Ownership (%) |
| Soft-World International Corporation | 62,920,000       | 10.44                       |
| Kings Asset Management Corp.         | 31,292,000       | 5.19                        |

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Company 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 financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.