Gloria Material Technology Corp.

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Gloria Material Technology Corp.

Opinion

We have audited the accompanying financial statements of Gloria Material Technology Corp. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter identified in the Company’s financial statements for the year ended December 31, 2023 is as follows:

Occurrence of Sales Revenue

The sales revenue of the Company mainly comes from the production and sale of special steel products such as high-functional materials, alloy steel and stainless steel. The products are utilized in various industries such as energy, aerospace, oil and gas, water, biomedicine, machine tools, molds and shipping. The revenue coming from products for specific industries is material to the financial statements as a whole and is significant to the Company’s business performance. Since sales to specific industries are the primary risk, we considered the occurrence of revenue as a key audit matter.

The audit procedures we performed included the following:

1. We obtained an understanding of and evaluated the accounting policies for the recognition of sales revenue.

2. We obtained an understanding of and tested the operating effectiveness of the internal controls in relation to the occurrence of sales revenue.

3. We selected samples and performed tests on sales revenue transactions for the year ended December 31, 2023. We checked the relevant internal and external documents and confirmed that the products have been delivered. We also checked for discrepancies between the counterparty of the transaction and the counterparty of payment and for any abnormalities in the amounts collected after the reporting period.

Other Matter

We did not audit the financial statements of some investees accounted for using the equity method. The financial statements of the aforementioned investees accounted for using the equity method were audited by other auditors; our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors. The total amount of investments in these investees accounted for using the equity method was NT$361,966 thousand and NT$290,931 thousand, representing 1.3% and 1.2%, of the Company’s total assets as of December 31, 2023 and 2022, respectively, and the amount of the Company’s total share of comprehensive income of such associates was NT$57,771 thousand and NT$40,153 thousand, representing 2.3% and 2.0%, of the Company’s total comprehensive income for the year ended December 31, 2023 and 2022, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 29, 2024

<u>Notice to Readers</u>

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

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

GLORIA MATERIAL TECHNOLOGY CORP.

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

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 5,374,279	19	$ 1,949,371	8
Financial assets at fair value through profit or loss - current (Note 7)	17,202	-	52,879	-
Notes receivable (Note 9)	28,997	-	49,546	-
Trade receivables (Notes 9 and 27)	2,066,087	7	1,847,206	8
Other receivables (Note 27)	86,982	-	102,444	1
Inventories (Note 10)	5,395,650	19	5,189,508	22
Other current assets (Notes 15, 27 and 28)	488,431	2	50,645	-
Total current assets	13,457,628	47	9,241,599	39
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	399,587	1	-	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	8,151	-	18,571	-
Investments accounted for using the equity method (Note 11)	2,432,826	9	2,303,709	10
Property, plant and equipment (Notes 12 and 28)	8,058,454	28	7,897,662	33
Right-of-use assets (Notes 13 and 27)	37,531	-	30,885	-
Investment properties (Notes 14 and 28)	400,195	1	613,930	3
Deferred tax assets (Note 22)	115,533	-	124,481	-
Prepayments for equipment (Note 27)	3,700,552	13	3,318,830	14
Other non-current assets (Notes 15 and 28)	128,152	1	177,528	1
Total non-current assets	15,280,981	53	14,485,596	61
TOTAL	$ 28,738,609	100	$ 23,727,195	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 950,628	3	$ 1,310,481	5
Short-term bills payable (Note 16)	-	-	20,000	-
Notes payable	283	-	391	-
Trade payables (Note 27)	434,212	2	702,399	3
Other payables (Notes 18 and 27)	697,972	2	662,589	3
Current tax liabilities	465,155	2	425,765	2
Lease liabilities - current (Notes 13 and 27)	4,475	-	1,430	-
Current portion of long-term bank borrowings (Notes 16 and 28)	13,350	-	1,211,877	5
Other current liabilities	223,670	1	133,889	1
Total current liabilities	2,789,745	10	4,468,821	19
NON-CURRENT LIABILITIES				
Bonds payable (Notes 17 and 28)	6,251,817	22	4,337,043	18
Long-term borrowings (Notes 16 and 28)	4,822,405	17	4,034,901	17
Deferred tax liabilities (Note 22)	142,712	-	137,652	1
Lease liabilities - non-current (Notes 13 and 27)	34,467	-	30,616	-
Net defined benefit liabilities - non-current (Note 19)	20,405	-	121,082	1
Other non-current liabilities	35,101	-	62,533	-
Total non-current liabilities	11,306,907	39	8,723,827	37
Total liabilities	14,096,652	49	13,192,648	56
EQUITY (Note 20)				
Share capital				
Ordinary shares	5,395,512	19	4,571,224	19
Capital surplus	4,438,857	15	2,178,236	9
Retained earnings				
Legal reserve	1,116,835	4	914,627	4
Special reserve	43,415	-	103,107	-
Unappropriated earnings	3,986,056	14	3,032,679	13
Total retained earnings	5,146,306	18	4,050,413	17
Other equity	(67,788)	-	(43,415)	-
Treasury shares	(270,930)	(1)	(221,911)	(1)
Total equity	14,641,957	51	10,534,547	44
TOTAL	$ 28,738,609	100	$ 23,727,195	100

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

GLORIA MATERIAL TECHNOLOGY CORP.

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales (Note 27)	$ 12,439,123	100	$ 11,265,158	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 21 and 27)	(9,338,104)	(75)	(7,969,055)	(71)
GROSS PROFIT	3,101,019	25	3,296,103	29
UNREALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	(57,140)	(1)	(91,031)	(1)
REALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	91,031	1	78,075	1
REALIZED GROSS PROFIT	3,134,910	25	3,283,147	29
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	(567,127)	(5)	(887,418)	(8)
General and administrative expenses	(419,420)	(3)	(339,388)	(3)
Research and development expenses	(26,296)	-	(39,940)	-
Expected credit loss reversed (recognized)	1,516	-	(1,615)	-
Total operating expenses	(1,011,327)	(8)	(1,268,361)	(11)
PROFIT FROM OPERATIONS	2,123,583	17	2,014,786	18
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Other income	119,066	1	107,941	1
Other gains and losses	341,171	3	152,317	1
Finance costs	(186,399)	(2)	(160,958)	(1)
Interest income	28,711	-	3,743	-
Share of profit of subsidiaries and associates	340,858	3	313,439	3
Total non-operating income and expenses	643,407	5	416,482	4
PROFIT BEFORE INCOME TAX	2,766,990	22	2,431,268	22
INCOME TAX EXPENSE (Note 22)	(427,427)	(3)	(412,499)	(4)
NET PROFIT FOR THE YEAR	2,339,563	19	2,018,769	18

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GLORIA MATERIAL TECHNOLOGY CORP.

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	$ 3,845	-	$ 876	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	3,051	-	(2,110)	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	11,635	-	(8,063)	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - remeasurement of defined benefit plans	(41)	-	394	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	(769)	-	(175)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	(36,110)	-	38,375	-
Other comprehensive (loss)/income for the year, net of income tax	(18,389)	-	29,297	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,321,174	19	$ 2,048,066	18
EARNINGS PER SHARE (Note 23)				
Basic	$ 4.66		$ 4.52	
Diluted	$ 4.18		$ 4.22	

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

(With Deloitte & Touche auditors' report dated February 29, 2024) (Concluded)

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		Capital Surplus							Retained Earnings			Other Equity			
	Ordinary Shares	Additional Paid-in Capital	Additional Paid-in Capital - Bond Conversion	Treasury Share Transactions	Donated Assets	Employee Share Options	Adjustment from Changes in Equity of Subsidiaries and Associates	Changes in Ownership Interests in Subsidiaries	Legal Reserve	Special Reserve	Unappropriated 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	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2022	$ 4,567,360	$ 216,649	$ 1,462,657	$ 309,842	$ 3,502	$ 4,925	$ 794	$ 28,693	$ 843,957	$ 187,212	$ 1,627,728	$ (45,932)	$ (23,463)	$ (233,925)	$ 8,949,999
Appropriation of 2021 earnings															
Legal reserve	-	-	-	-	-	-	-	-	70,670	-	(70,670)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	(84,105)	84,105	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	(630,570)	-	-	-	(630,570)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	2,018,769	-	-	-	2,018,769
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	1,095	38,375	(10,173)	-	29,297
Conversion of corporate bonds to ordinary shares	3,864	-	9,400	-	-	(501)	-	-	-	-	-	-	-	-	12,763
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)
Disposal of the Company's shares held by subsidiaries	-	-	-	7,812	-	-	-	-	-	-	-	-	-	27,014	34,826
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	6,905	-	-	-	-	-	-	-	-	-	-	6,905
Equity component of convertible bonds issued by the Company	-	-	-	-	-	114,739	-	-	-	-	-	-	-	-	114,739
Adjustment from changes in equity of subsidiaries and associates	-	-	-	-	-	-	12,819	-	-	-	-	-	-	-	12,819
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	2,222	-	(2,222)	-	-
BALANCE AT DECEMBER 31, 2022	4,571,224	216,649	1,472,057	324,559	3,502	119,163	13,613	28,693	914,627	103,107	3,032,679	(7,557)	(35,858)	(221,911)	10,534,547
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)
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	2,339,563	-	-	-	2,339,563
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	3,035	(36,110)	14,686	-	(18,389)
Conversion of corporate bonds to ordinary shares	887,578	-	2,152,945	-	-	(114,193)	-	-	-	-	-	-	-	-	2,926,330
Cancellation of treasury shares	(63,290)	(2,731)	(32,378)	(1,336)	-	-	-	-	-	-	-	-	-	99,735	-
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(118,721)	(118,721)
Disposal of the Company's shares held by subsidiaries	-	-	-	5,260	-	-	-	-	-	-	-	-	-	7,032	12,292
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	13,081	-	-	-	-	-	-	-	-	-	-	13,081
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	(4,074)	-	-	-	727	-	(727)	-	(4,074)
Differences between the consideration and the carrying amount of the subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	(10,562)	-	-	-	(10,562)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	(194)	-	-	-	-	-	(37,065)	(37,259)
Equity component of convertible bonds issued by the Company	-	-	-	-	-	244,241	-	-	-	-	-	-	-	-	244,241
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	2,222	-	(2,222)	-	-
BALANCE AT DECEMBER 31, 2023	$ 5,395,512	$ 213,918	$ 3,592,624	$ 341,564	$ 3,502	$ 249,211	$ 9,539	$ 28,499	$ 1,116,835	$ 43,415	$ 3,986,056	$ (43,667)	$ (24,121)	$ (270,930)	$ 14,641,957

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

GLORIA MATERIAL TECHNOLOGY CORP.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,766,990	$ 2,431,268
Adjustments for:		
Depreciation expense	435,010	390,555
Amortization expense	925	579
Expected credit loss (reversed) recognized on trade receivables	(1,516)	1,615
Net (gain)/loss on fair value changes of financial assets at fair value through profit or loss	(251,282)	14,556
Finance costs	186,399	160,958
Interest income	(28,711)	(3,743)
Dividend income	(573)	(1,220)
Share of profit of subsidiaries and associates	(340,858)	(313,439)
Loss/(gain) on disposal of property, plant and equipment	2,985	(5,796)
Expenses arising from property, plant and equipment	131,976	82,617
Gain on disposal of investments accounted for using equity method	(139,746)	(160,573)
Write-down of inventories	94,940	23,589
Unrealized gain on transactions with subsidiaries	57,140	91,031
Realized gain on transactions with subsidiaries	(91,031)	(78,075)
Net loss on foreign currency exchange	48,369	84,011
Others	(38)	(719)
Changes in operating assets and liabilities		
Notes receivable	20,716	(8,034)
Trade receivables	(264,444)	(405,232)
Other receivables	15,462	93,446
Inventory	(301,082)	(876,105)
Other current assets	(94,880)	6,890
Notes payable	(108)	204
Trade payables	(266,880)	105,740
Other payables	(24,214)	144,904
Other current liabilities	89,781	79,161
Net defined benefit liabilities	(96,832)	(13,961)
Cash generated from operations	1,948,498	1,844,227
Interest received	28,711	3,743
Dividends received	70,886	110,450
Interest paid	(106,643)	(118,103)
Income tax paid	(374,746)	(51,284)
Net cash generated from operating activities	1,566,706	1,789,033
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(176)	(3,547)
Proceeds from sale of financial assets at fair value through other comprehensive income	13,647	1,486
Purchase of financial assets at amortized cost	(342,906)	-

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GLORIA MATERIAL TECHNOLOGY CORP.

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

	2023	2022
Proceeds from sale of financial assets at amortized cost	$ -	$ 37,452
Purchase of financial assets at fair value through profit or loss	(184,897)	-
Proceeds from sale of financial assets at fair value through profit or loss	72,269	5,063
Acquisition of associates	(97,898)	(51,964)
Proceeds from disposal of associates	251,180	349,427
Proceeds from capital reduction of investments accounted for using equity method	248,560	-
Payments for property, plant and equipment	(1,397,203)	(912,355)
Proceeds from disposal of property, plant and equipment	355,110	5,908
Payments for investment properties	(2,095)	-
Proceeds from disposal of investment properties	207,438	-
Decrease in other non-current assets	48,449	155,845
Net cash used in investing activities	(828,522)	(412,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	23,613
Repayments of short-term borrowings	(362,615)	-
Repayments of short-term bills payable	(20,000)	(250,000)
Proceeds from issuance of convertible bonds	5,019,630	3,024,680
Repayments of bonds payable	(1,300)	-
Proceeds from long-term borrowings	4,750,280	1,153,400
Repayments of long-term borrowings	(5,172,690)	(3,489,816)
Repayments of principal portion of lease liabilities	(3,521)	(6,474)
Decrease in other non-current liabilities	(25,554)	(88)
Dividends paid to owners of the Company	(1,239,092)	(630,570)
Acquisition of additional interests in subsidiaries	(258,414)	(74,182)
Net cash generated from (used in) financing activities	2,686,724	(249,437)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,424,908	1,126,911
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,949,371	822,460
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 5,374,279	$ 1,949,371

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

(With Deloitte & Touche auditors' report dated February 29, 2024) (Concluded)

GLORIA MATERIAL TECHNOLOGY CORP.

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

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.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on February 29, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’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

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The 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.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

3) Liabilities for which the Company does not have an unconditional right 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.

d. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the parent company only financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates and branches in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

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

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and is adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

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

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

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

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

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

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

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

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

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

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

j. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 26.

ii. Financial assets at amortized cost

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

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

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

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

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

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

ii) Breach of contract, such as a default;

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

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

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition and repurchase agreements collateralized by bills, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

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

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) and contract assets.

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

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

Revenue from sale of goods

Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location or when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

n. Leasing

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

1) The Company as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

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

2) The Company as lessee

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

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

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

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

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

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

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

r. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, if revisions to accounting estimates affect only the current period, they will be recognized in the period of the revision. If revisions affect both current and future periods, they will be recognized in the period of the revision and future periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 370	$ 355
Checking accounts and demand deposits	2,170,244	1,260,934
Cash equivalents		
Time deposits	1,500,000	100,000
Repurchase agreements collateralized by bills	1,703,665	588,082
	$ 5,374,279	$ 1,949,371

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2023	2022
Bank deposits	0.001%-1.46%	0.001%-1.05%
Repurchase agreements collateralized by bills	1.08%-1.40%	0.90%-0.92%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets at FVTPL - current		
Financial assets at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 7,091	$ 52,879
Mutual funds	10,111	-
	$ 17,202	$ 52,879
Financial assets at FVTPL - non-current		
Financial assets at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 394,587	$ -
Film investment agreements	5,000	-
	$ 399,587	$ -

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - EQUITY INSTRUMENTS

	December 31	
	2023	2022
Non-current		
Domestic investments		
Listed shares	$ 6,696	$ 17,116
Unlisted shares	1,455	1,455
	$ 8,151	$ 18,571

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 Company's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31 2023	December 31 2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 29,290	$ 50,046
Less: Allowance for impairment loss	(293)	(500)
	$ 28,997	$ 49,546
Trade receivables		
At amortized cost		
Gross carrying amount	$ 1,113,605	$ 1,023,911
Less: Allowance for impairment loss	(2,275)	(3,584)
	1,111,330	1,020,327
At FVTOCI	954,757	826,879
	$ 2,066,087	$ 1,847,206

Trade Receivables

a. At amortized cost

In order to minimize credit risk, the management of the Company 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 Company 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 Company's credit risk was significantly reduced.

The Company 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 and industry outlook. The not past due trade receivables were provided with an allowance of 0% to 0.1% and 0% to 0.1% and past due trade receivables were provided with an allowance of 0.1% to 100% and 0.1% to 100%, as of December 31, 2023 and 2022, respectively.

The Company 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 Company 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 Company's aging analysis:

	December 31	
	2023	2022
Not past due	$ 910,083	$ 901,581
Past due		
Past due within 60 days	194,741	114,782
Past due 61-120 days	-	3,934
Past due over 120 days	8,781	3,614
	$ 1,113,605	$ 1,023,911

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 were as follows:

	For the Year Ended December 31	
	2023	2022
Balance, at January 1	$ 3,584	$ 2,078
Add: Net remeasurement of loss allowance	-	1,535
Less: Net remeasurement of loss allowance	(1,309)	-
Less: Amounts written off	-	(29)
Balance, at December 31	$ 2,275	$ 3,584

b. At FVTOCI

The Company 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 Company's aging analysis:

	December 31	
	2023	2022
Not past due	$ 710,415	$ 616,088
Past due		
Past due within 60 days	196,213	204,216
Past due 61-120 days	45,178	6,575
Past due over 120 days	2,951	-
	$ 954,757	$ 826,879

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

	December 31	
	2023	2022
Balance, at January 1	$ -	$ -
Add: Recognition	-	-
Less: Reversal	-	-
Balance, at December 31	$ -	$ -

Notes Receivable

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

	December 31	
	2023	2022
Not past due	$ 7,532	$ 16,293
Past due	21,758	33,753
	$ 29,290	$ 50,046

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:

	For the Year Ended December 31	
	2023	2022
Balance, at January 1	$ 500	$ 420
Add: Recognition	-	80
Less: Reversal	(207)	-
Balance, at December 31	$ 293	$ 500

10. INVENTORIES

	December 31	
	2023	2022
Raw materials	$ 1,547,622	$ 1,066,605
Supplies	461,040	177,506
Work in progress	2,062,633	2,294,155
Finished goods	985,204	1,148,642
Merchandise	7	7
Inventory in transit	339,144	502,593
	$ 5,395,650	$ 5,189,508

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

	December 31 2023	December 31 2022
Cost of inventories sold	$ 9,189,638	$ 7,897,565
Unamortized manufacturing expense	53,526	47,901
Inventory write-downs	94,940	23,589
	$ 9,338,104	$ 7,969,055

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2023	December 31 2022
Investments in subsidiaries	$ 2,070,860	$ 1,968,623
Investments in associates	361,966	335,086
	$ 2,432,826	$ 2,303,709

a. Investments in subsidiaries

	December 31 2023	December 31 2022
Unlisted companies		
Faith Easy Enterprises Ltd.	$ 754,353	$ 669,381
Golden Win Steel Industrial Corp.	472,342	449,218
Alloy Tool Steel Inc.	242,227	184,132
Ho Yang Investment Corp.	93,338	(1,878)
All Win Enterprises Ltd.	450,643	619,298
Rong Yang Investment Corp.	45,262	45,242
Gloria Material Technology Japan Co., Ltd.	12,695	1,352
	2,070,860	1,966,745
Add: Credit balance of investments accounted for using the equity method	-	1,878
	$ 2,070,860	$ 1,968,623

The share of comprehensive income of subsidiaries and associates is recognized using the financial statements audited by the accountants for the years ended December 31, 2023 and 2022.

Refer to Note 33 for details of the subsidiaries indirectly held by the Company.

b. Investments in associates

Aggregate information of associates that are not individually material

	December 31 2023	December 31 2022
The Company's share of:		
Profit for the year	$ 54,821	$ 39,609
Other comprehensive income	2,950	8,998
Total comprehensive income for the year	$ 57,771	$ 48,607

12. PROPERTY, PLANT AND EQUIPMENT

	December 31 2023	December 31 2022
Carrying amount		
Land	$ 2,654,422	$ 2,654,422
Buildings	1,460,726	1,511,455
Equipment	2,322,489	2,471,033
Transportation equipment	49,202	36,755
Machinery	1,669	2,430
Other equipment	145,932	152,769
Construction in progress	1,424,014	1,068,798
	$ 8,058,454	$ 7,897,662

	Land	Buildings	Machinery	Transportation Equipment	Tools and Equipment	Other Equipment	Construction in Progress	Total
Cost								
Balance at January 1, 2022	$ 2,722,017	$ 3,269,317	$ 10,805,233	$ 302,592	$ 159,249	$ 122,364	$ 826,227	$ 18,206,999
Additions	-	4,342	183,228	13,883	809	64,286	337,361	603,909
Disposals	-	(305)	(95,478)	(3,232)	(46,866)	(13,390)	-	(159,271)
Reclassified	(67,595)	(251,771)	(98,342)	-	-	90,141	(94,790)	(422,357)
Balance at December 31, 2022	$ 2,654,422	$ 3,021,583	$ 10,794,641	$ 313,243	$ 113,192	$ 263,401	$ 1,068,798	$ 18,229,280
Accumulated depreciation								
Balance at January 1, 2022	$ -	$ 1,494,074	$ 8,127,727	$ 270,501	$ 156,142	$ 112,101	$ -	$ 10,160,545
Disposals	-	(305)	(95,366)	(3,232)	(46,866)	(13,390)	-	(159,159)
Reclassified	-	(43,743)	-	-	-	-	-	(43,743)
Depreciation expense	-	60,102	291,247	9,219	1,486	11,921	-	373,975
Balance at December 31, 2022	$ -	$ 1,510,128	$ 8,323,608	$ 276,488	$ 110,762	$ 110,632	$ -	$ 10,331,618
Carrying amount at December 31, 2022	$ 2,654,422	$ 1,511,455	$ 2,471,033	$ 36,755	$ 2,430	$ 152,769	$ 1,068,798	$ 7,897,662
Cost								
Balance at January 1, 2023	$ 2,654,422	$ 3,021,583	$ 10,794,641	$ 313,243	$ 113,192	$ 263,401	$ 1,068,798	$ 18,229,280
Additions	-	11,803	633,572	24,845	578	11,088	363,527	1,045,413
Disposals	-	(3,568)	(2,002,686)	(6,655)	(2,533)	(7,052)	-	(2,022,494)
Reclassified	-	(3,410)	(94,701)	-	-	-	(8,311)	(106,422)
Balance at December 31, 2023	$ 2,654,422	$ 3,026,408	$ 9,330,826	$ 331,433	$ 111,237	$ 267,437	$ 1,424,014	$ 17,145,777

(Continued)

	Land	Buildings	Machinery	Transportation Equipment	Tools and Equipment	Other Equipment	Construction in Progress	Total
Accumulated depreciation								
Balance at January 1, 2023	$ -	$ 1,510,128	$ 8,323,608	$ 276,488	$ 110,762	$ 110,632	$ -	$ 10,331,618
Disposals	-	(3,569)	(1,645,428)	(5,896)	(2,533)	(6,973)	-	(1,664,399)
Reclassified	-	(1,541)	-	-	-	-	-	(1,541)
Depreciation expense	-	60,664	330,157	11,639	1,339	17,846	-	421,645
Balance at December 31, 2023	$ -	$ 1,565,682	$ 7,008,337	$ 282,231	$ 109,568	$ 121,505	$ -	$ 9,087,323
Carrying amount at December 31, 2023	$ 2,654,422	$ 1,460,726	$ 2,322,489	$ 49,202	$ 1,669	$ 145,932	$ 1,424,014	$ 8,058,454

(Concluded)

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

Buildings	
Houses and buildings (structure)	40-55 years
Mechanical and electrical facilities	2-10 years
Engineering system	2-15 years
Equipment	
Production line for forging	10-20 years
Process equipment	5-10 years
Mechanical system	3-5 years
Molds	1-3 years
Transportation equipment	
Stackers	5-10 years
Cranes	2-8 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 28.

13. LEASE ARRANGEMENTS

a. Right-of-use assets - 2023

	Land	Transportation Equipment	Total
Cost			
Balance, at January 1	$ 39,183	$ 6,215	$ 45,398
Add	-	9,750	9,750
Less	-	-	-
Balance, at December 31	$ 39,183	$ 15,965	$ 55,148

(Continued)

	Land	Transportation Equipment	Total
Accumulated depreciation			
Balance, at January 1	$ 8,590	$ 5,923	$ 14,513
Depreciation expense	1,474	1,630	3,104
Balance, at December 31	$ 10,064	$ 7,553	$ 17,617
Carrying amount at December 31, 2023	$ 29,119	$ 8,412	$ 37,531

(Concluded)

Right-of-use assets - 2022

	Land	Transportation Equipment	Total
Cost			
Balance, at January 1	$ 65,488	$ 6,215	$ 71,703
Add	-	-	-
Less	(26,305)	-	(26,305)
Balance, at December 31	$ 39,183	$ 6,215	$ 45,398
Accumulated depreciation			
Balance, at January 1	$ 6,908	$ 5,712	$ 12,620
Depreciation expense	1,682	211	1,893
Balance, at December 31	$ 8,590	$ 5,923	$ 14,513
Carrying amount at December 31, 2022	$ 30,593	$ 292	$ 30,885

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 4,475	$ 1,430
Non-current	$ 34,467	$ 30,616

Details of lease liabilities were as follows:

December 31, 2023

	Due Date	Discount Rate	Balance, End of Period
Land	2043.09.30	1.85%	$ 30,488
Transportation equipment	2024.09.30-2026.10.31	1.79%-2.02%	8,454
			$ 38,942

December 31, 2022

	Due Date	Discount Rate	Balance, End of Period
Land	2043.09.30	1.85%	$ 31,750
Transportation equipment	2024.09.30	1.79%	296
			$ 32,046

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	$ 3,502	$ 3,018
Total cash outflow for leases	$ (6,356)	$ (8,747)

The Company's leases of certain assets qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2023	$ 189,518	$ 632,885	$ 822,403
Additions	-	2,095	2,095
Disposals	-	(256,120)	(256,120)
Reclassification	-	3,410	3,410
Balance at December 31, 2023	$ 189,518	$ 382,270	$ 571,788

(Continued)

	Land	Buildings	Total
Accumulated depreciation and impairment			
Balance at January 1, 2023	$ -	$ 208,473	$ 208,473
Disposals	-	(48,682)	(48,682)
Reclassification	-	1,541	1,541
Depreciation expenses	-	10,261	10,261
Balance at December 31, 2023	$ -	$ 171,593	$ 171,593
Carrying amount at December 31, 2023	$ 189,518	$ 210,677	$ 400,195
Cost			
Balance at January 1, 2022	$ 121,923	$ 376,465	$ 498,388
Reclassification	67,595	256,420	324,015
Balance at December 31, 2022	$ 189,518	$ 632,885	$ 822,403
Accumulated depreciation and impairment			
Balance at January 1, 2022	$ -	$ 150,043	$ 150,043
Reclassification	-	43,743	43,743
Depreciation expenses	-	14,687	14,687
Balance at December 31, 2022	$ -	$ 208,473	$ 208,473
Carrying amount at December 31, 2022	$ 189,518	$ 424,412	$ 613,930

(Concluded)

Refer to Note 27, the Company sold the investment property to S-Tech Corp. with the price of $207,438 thousand for the year ended December 31, 2023.

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:

	December 31	
	2023	2022
Fair value	$ 1,464,213	$ 1,681,139

The Company leased 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 28.

15. OTHER ASSETS

	December 31	
	2023	2022
Prepayments	$ 130,344	$ 30,867
Refundable deposits (Note 28)	126,568	176,638
Restricted deposits (Note 28)	58,007	15,101
Other financial assets	300,000	-
Others	1,664	5,567
	$ 616,583	$ 228,173
Current	$ 488,431	$ 50,645
Non-current	128,152	177,528
	$ 616,583	$ 228,173

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Unsecured borrowings		
Letters of credit	$ 4,598	$ 23,325
Line of credit borrowings	946,030	1,287,156
Bank loans	$ 950,628	$ 1,310,481
Range of interest rates per annum	4.78%-6.98%	2.37%-6.41%

b. Short-term bills payable

Outstanding short-term bills payable (unsecured) were as follows:

	December 31	
	2023	2022
Commercial paper	$ -	$ 20,000
Less: Unamortized discount on bills payable	-	-
	$ -	$ 20,000

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Due Date
Commercial paper					
Dah Chung Bills Finance Corp.	$ 20,000	$ -	$ 20,000	1.66%	January 13, 2023

c. Current portion of long-term borrowing

	December 31	
	2023	2022
Current portion of long-term borrowing	$ 13,350	$ 1,211,877

d. Long-term borrowings

	December 31	
	2023	2022
Secured borrowings (Note 28)		
Bank loans	$ 4,835,755	$ 5,246,778
Less: Current portion	(13,350)	(1,211,877)
Long-term borrowings	$ 4,822,405	$ 4,034,901
Range of interest rates per annum	2.0105%-2.19%	1.3367%-1.94%

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 Company 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 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 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 Company 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 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 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 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 financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

17. BONDS PAYABLE

	December 31	
	2023	**2022**
Secured domestic bonds (Note 28)	$ 1,500,000	$ 1,500,000
Less: Discount on bonds payable	(64,316)	(76,810)
	1,435,684	1,423,190
Unsecured domestic convertible bonds	5,075,398	3,031,928
Less: Discount on bonds payable	(259,265)	(118,075)
	4,816,133	2,913,853
	$ 6,251,817	$ 4,337,043

a Secured domestic bonds

On November 29, 2021, the Company 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 Company 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 ordinary shares or the Company repurchases and cancels the bonds from securities dealers, the Company 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 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) 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 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 August 15, 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)	(114,739)
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%	16,634
Convertible bonds converted into ordinary shares	(12,763)
Liability components as of December 31, 2022	2,913,853
Interest calculated at an effective rate of 1.5258%	13,669

(Continued)

Convertible bonds converted into ordinary shares	$ (2,926,234)
Redeemed convertible bonds	(1,288)
Liability components as of December 31, 2023	$ -

(Concluded)

c. The 7th unsecured domestic convertible bonds

On July 31, 2023, the Company 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 Company repurchases and cancels the bonds from securities dealers, the Company 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)	(244,291)
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	(96)
Liability components as of December 31, 2023	$ 4,816,133

18. OTHER PAYABLES

	December 31 2023	December 31 2022
Other payables		
Payable for salaries and bonuses	$ 261,555	$ 271,158
Payable for annual leave	46,313	46,303
Payable for purchase of equipment	110,864	51,968
Payable for fuel	24,982	35,822
Payable for export fees	70,934	80,955
Payable for utility bill	32,922	46,066
Payable for repair costs	19,522	11,230
Others	130,880	119,087
	$ 697,972	$ 662,589

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and the average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2.93% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31 2023	December 31 2022
Present value of defined benefit obligation	$ 314,644	$ 364,892
Fair value of plan assets	(294,239)	(243,810)
Net defined benefit liabilities	$ 20,405	$ 121,082

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 376,134	$ (240,215)	$ 135,919
Service cost			
Current service cost	1,335	-	1,335
Net interest expense (income)	2,593	(1,661)	932
Recognized in profit or loss	3,928	(1,661)	2,267
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(19,570)	(19,570)
Actuarial loss - experience adjustments	35,993	-	35,993
Actuarial loss - changes in demographic assumptions	1	-	1
Actuarial loss - changes in financial assumptions	(17,300)	-	(17,300)
Recognized in other comprehensive income	18,694	(19,570)	(876)
Contributions from the employer	-	(16,228)	(16,228)
Benefits paid	(33,864)	33,864	-
Balance at December 31, 2022	$ 364,892	$ (243,810)	$ 121,082
Balance at January 1, 2023	$ 364,892	$ (243,810)	$ 121,082
Service cost			
Current service cost	851	-	851
Past service cost	16	-	16
Net interest expense (income)	4,488	(3,010)	1,478
Recognized in profit or loss	5,355	(3,010)	2,345
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,639)	(2,639)
Actuarial loss - experience adjustments	(2,480)	-	(2,480)
Actuarial loss - changes in demographic assumptions	(2)	-	(2)
Actuarial loss - changes in financial assumptions	1,276	-	1,276
Recognized in other comprehensive income	(1,206)	(2,639)	(3,845)
Contributions from the employer	-	(97,842)	(97,842)
Benefits paid	(53,062)	53,062	-
Liabilities extinguished on settlement	(1,335)	-	(1,335)
Balance at December 31, 2023	$ 314,644	$ (294,239)	$ 20,405

Through the defined benefit plan under the Labor Standards Act, the Company is exposed to the following risks:

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

2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

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

	December 31	
	2023	**2022**
Discount rate(s)	1.20%	1.25%
Expected rate(s) of salary increase	1.00%	1.00%

Mortality rate for the years ended December 31, 2023 and 2022 was based on the sixth life experience table of the life insurance industry in Taiwan. The mortality rate is 10% of the disability rate.

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

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% increase	$ (6,276)	$ (7,483)
0.25% decrease	$ 6,468	$ 7,717
Expected rate(s) of salary increase		
0.25% increase	$ 6,465	$ 7,717
0.25% decrease	$ (6,304)	$ (7,519)

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

	December 31	
	2023	**2022**
Expected contributions to the plan for the next year	$ 5,216	$ 5,789
Average duration of the defined benefit obligation	8 years	8 years

20. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	800,000	800,000
Shares authorized	$ 8,000,000	$ 8,000,000
Number of shares issued and fully paid (in thousands)	539,551	457,122
Shares issued	$ 5,395,512	$ 4,571,224

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 and December 31, 2022, the holders of the Company's 6th unsecured domestic convertible bonds had applied for conversion into the cumulative amount of 89,142 thousand shares and 386 thousand shares of the Company's ordinary shares, respectively. The company has redeemed the bonds payable on December 12, 2023.

As of December 31, 2023, 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.

As of December 31, 2023, the holders of the bonds have transferred 9,728 thousand shares, which the Company has issued but has not yet complete the registration of the change. The Company has applied to the Ministry of Economic Affairs for the registration of the change prior to the date of the financial statement authorized for the issue, but the application has not been approved.

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. The Company has applied to the Ministry of Economic Affairs for the registration of the change prior to the date of the financial statement authorized for the issue, but the application has not been approved.

b. Capital surplus

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 2022 and 2021, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 202,208	$ 70,670
Special reserve	$ (59,692)	$ (84,105)
Cash dividends	$ 1,239,092	$ 630,570
Cash dividends per share (NT$)	$ 2.3694	$ 1.4

Cash dividends were approved by board of directors on April 13, 2023 and February 24, 2022, respectively. Other appropriations of earnings were approved by the shareholders in the shareholders' meetings on May 25, 2023 and May 26, 2022, respectively.

The board of directors proposed the following distribution of earnings for 2023 on February 29, 2024:

	2023
Legal reserve	$ 233,498
Special reserve	$ 24,378
Cash dividends	$ 1,506,178
Cash dividends per share (NT$)	$ 2.5

The above cash dividends have been resolved by the board of directors. Other appropriations of earnings for 2023 are subject to the resolution in the shareholders' meeting to be held in May 2024.

d. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)	Shares Transferred to Employees (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2023	9,527	6,329	15,856
Increase during the year	4,255	-	4,255
Decrease during the year	(404)	(6,329)	(6,733)
Number of shares at December 31, 2023	13,378	-	13,378
Carrying amount of shares at December 31, 2023	$ 270,930	$ -	$ 270,930
Number of shares at January 1, 2022	10,666	6,329	16,995
Increase during the year	1,355	-	1,355
Decrease during the year	(2,494)	-	(2,494)
Number of shares at December 31, 2022	9,527	6,329	15,856
Carrying amount of shares at December 31, 2022	$ 122,176	$ 99,735	$ 221,911

For the years ended December 31, 2023 and 2022, subsidiaries sold 404 thousand and 2,494 thousand shares of the Company, respectively, for $22,119 thousand and $75,507 thousand, respectively.

The Company's Board of Directors resolved to retire the treasury shares on April 13, 2023, and the base date of capital reduction was on May 22, 2023. The Company cancelled 6,329 thousand shares of treasury shares, and the share capital and additional paid-in capital decreased by $63,290 thousand and $36,445 thousand, respectively.

For information on the shares of the Company held by its subsidiaries, please refer to the financial reports' 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.

21. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations included the following items:

a. Other income

	For the Year Ended December 31	
	2023	2022
Dividends income	$ 573	$ 1,220
Rental income	57,626	63,645
Sale of electricity	13,380	13,042
Others	47,487	30,034
	$ 119,066	$ 107,941

b. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 173,497	$ 164,298
Amortization of long-term borrowing costs	11,387	6,888
Interest on lease liabilities	667	745
Interest on bonds payable	76,751	38,685
Less: Amount included in the cost of qualifying assets	(75,903)	(49,658)
	$ 186,399	$ 160,958

Information on capitalized interest was as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest	$ 75,903	$ 49,658
Capitalization rate	1.34%-2.61%	1.14%-1.68%

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Fair value changes of financial assets designated as at FVTPL	$ 251,282	$ (14,556)
Gain on disposal of associates	139,746	160,573
Loss/(gain) on disposal of property, plant and equipment	(2,985)	5,796
Net foreign currency exchange gains	468,284	566,701
Net foreign currency exchange losses	(400,614)	(463,385)
Others	(114,542)	(102,812)
	$ 341,171	$ 152,317

d. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 344,144	$ 298,852
Operating expenses	25,025	22,188
Other losses	65,841	69,515
	$ 435,010	$ 390,555
An analysis of amortization by function		
Operating costs	$ 366	$ 251
Operating expenses	559	328
	$ 925	$ 579

e. Employee benefits expense

	For the Year Ended December 31					
	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Salaries	$ 795,558	$ 242,922	$ 1,038,480	$ 739,053	$ 252,591	$ 991,644
Labor and health insurance	65,530	16,253	81,783	58,601	12,045	70,646
Defined contribution plan	30,167	5,607	35,774	25,703	5,781	31,484
Defined benefit plan	2,071	274	2,345	2,006	261	2,267
Remuneration of directors	-	36,251	36,251	-	33,445	33,445
Other employee benefits	44,392	17,757	62,149	34,200	9,916	44,116
	$ 937,718	$ 319,064	$ 1,256,782	$ 859,563	$ 314,039	$ 1,173,602

As of December 31, 2023 and 2022, the number of employees of the Company was 981 and 934, respectively. Of the total employees, the total number of directors who were not concurrently serving as employees was 8 for both years.

1) Average labor costs for the years ended December 31, 2023 and 2022 were $1,254 thousand and $1,231 thousand, respectively.

2) Average salary and bonus for the years ended December 31, 2023 and 2022 were $1,067 thousand and $1,071 thousand, respectively.

3) The average salary and bonus increased by (0.37%) year over year.

4) An audit committee was set up as a replacement of supervisors.

5) The Company evaluates the performance achievement rate of individual directors and managers and their contribution to the Company’s performance and provides a reasonable level of remuneration in accordance with the Company’s Articles and its related regulations. The performance evaluation and reasonableness of remuneration are reviewed by the committee, the compensation committee and the board of directors. In addition, the Company conducts employee performance appraisals every year as the basis for promotion, salary adjustments and bonus payments.

f. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. On February 29, 2024 and February 23, 2023, the employees' compensation and the remuneration of directors and supervisors were as follows:

Amount

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

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

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.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 443,909	$ 404,516
Adjustments for prior year	(29,773)	(10,209)
	414,136	394,307
Deferred tax		
In respect of the current year	13,291	18,192
Income tax expense recognized in profit or loss	$ 427,427	$ 412,499

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

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	$ 2,766,990	$ 2,431,268
Income tax expense calculated at the statutory rate	$ 553,398	$ 486,254
Nondeductible expenses in determining taxable income	(57,915)	(19,696)
Tax-exempt income	(38,283)	(32,511)
Current investment credit	-	(11,339)
Adjustments for prior years' tax	(29,773)	(10,209)
Income tax expense recognized in profit or loss	$ 427,427	$ 412,499

b. Deferred tax assets and liabilities

The movements of deferred tax assets were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Recognized in Equity	Closing Balance
Deferred tax assets					
Temporary differences					
Unrealized foreign exchange loss	$ -	$ 9,244	$ -	$ -	$ 9,244
Defined benefit obligation	23,942	(19,371)	(769)	-	3,802
Payable for annual leave	9,260	2	-	-	9,262
Allowance for impairment loss	21,041	10,808	-	-	31,849
Property, plant and equipment	35,153	-	-	-	35,153
Others	35,085	(8,914)	-	52	26,223
	$ 124,481	$ (8,231)	$ (769)	$ 52	$ 115,533
Deferred tax liabilities					
Temporary differences					
Unrealized foreign exchange gains	$ 1,942	$ 1,960	$ -	$ -	$ 3,902
Investment gain on foreign operations	135,710	3,016	-	-	138,726
Others	-	84	-	-	84
	$ 137,652	$ 5,060	$ -	$ -	$ 142,712

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Recognized in Equity	Closing Balance
Deferred tax assets					
Temporary differences					
Unrealized foreign exchange loss	$ 908	$ (908)	$ -	$ -	$ -
Defined benefit obligation	26,937	(2,820)	(175)	-	23,942
Payable for annual leave	8,775	485	-	-	9,260
Allowance for impairment loss	17,905	3,136	-	-	21,041
Property, plant and equipment	35,153	-	-	-	35,153
Others	20,006	15,038	-	41	35,085
	$ 109,684	$ 14,931	$ (175)	$ 41	$ 124,481
Deferred tax liabilities					
Temporary differences					
Unrealized foreign exchange gains	$ 1,281	$ 661	$ -	$ -	$ 1,942
Investment gain on foreign operations	103,248	32,462	-	-	135,710
	$ 104,529	$ 33,123	$ -	$ -	$ 137,652

c. Income tax assessments

The Company's tax returns through 2021 have been assessed by the tax authorities, and the Company agrees with the assessment.

23. 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 Year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	$ 2,339,563	$ 2,018,769
Effect of dilutive potential ordinary shares:		
Employees' compensation	-	-
Interest on convertible bonds (after tax)	43,606	13,307
Earnings used in the computation of diluted earnings per share from continuing operations	$ 2,383,169	$ 2,032,076

Number of Shares (In Thousands)

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings per share	502,590	446,847
Effect of dilutive potential ordinary shares:		
Employees' compensation	1,198	1,474
Convertible bonds	66,985	33,701
Weighted average number of ordinary shares used in the computation of diluted earnings per share	570,773	482,022

The Company may settle the compensation paid to employees in cash or shares; therefore, the Company 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.

24. PARTIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

In February 2023, the Company acquired additional shares of Ho Yang Investment Corp. in the amount of $57,954 thousand, increasing its continuing interest from 34% to 47%.

In October 2023, the Company did not acquire additional shares issued by Ho Yang Investment Corp. based on shareholdings, increasing its continuing interest from 47% to 49%.

25. CAPITAL MANAGEMENT

The Company manages its capital to ensure that Company 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 Company's overall strategy remains unchanged in the predictable future.

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

The Company 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 Company's optimal capital structure.

The management of the Company re-examines the capital structure quarterly, and the inspection includes consideration of the cost of various types of capital and related risks. The Company 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.

26. FINANCIAL INSTRUMENTS

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

In addition to the following table, the Company's management believes that the carrying amounts of the financial assets and financial instruments that are not measured at fair value approximate their fair value in the financial statements.

December 31, 2023

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 4,816,133	$ 5,332,393	$ -	$ -	$ 5,332,393

December 31, 2022

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 2,913,853	$3,270,656	$ -	$ -	$3,270,656

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 6,696	$ -	$ -	$ 6,696
Unlisted shares	$ -	$ -	$ 1,455	$ 1,455
Investments in debt instruments				
Trade receivables	$ -	$ -	$ 954,757	$ 954,757
Financial assets at FVTPL				
Listed shares and emerging market shares	$ 7,091	$ -	$ 394,587	$ 401,678
Mutual funds	$ 10,111	$ -	$ -	$ 10,111
Film investment agreements	$ -	$ -	$ 5,000	$ 5,000

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 17,116	$ -	$ -	$ 17,116
Unlisted shares	$ -	$ -	$ 1,455	$ 1,455
Investments in debt instruments				
Trade receivables	$ -	$ -	$ 826,879	$ 826,879
Financial assets at FVTPL				
Listed shares and emerging market shares	$ 52,879	$ -	$ -	$ 52,879

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

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at	
	FVTPL	FVTOCI
Balance at January 1, 2023	$ -	$ 828,334
Recognized in profit or loss (included in other losses)	224,690	-
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	-
Net changes in trade receivables	-	127,878
Purchases	179,897	-
Balance at December 31, 2023	$ 404,587	$ 956,212

For the year ended December 31, 2022

Financial Assets	Financial Assets at	
	FVTPL	FVTOCI
Balance at January 1, 2022	$ -	$ 451,779
Recognized in profit or loss (included in other losses)	-	-
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	-
Net changes in trade receivables	-	-
Purchases	-	376,555
Balance at December 31, 2022	$ -	$ 828,334

3) 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

	December 31	
	2023	**2022**
<u>Financial assets</u>		
Financial assets at amortized cost (Remark 1)	$ 7,025,787	$ 3,251,909
FVTPL	416,789	52,879
Financial assets at FVTOCI		
Equity instruments	8,151	18,571
Debt instruments	954,757	826,879
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Remark 2)	12,857,504	12,602,737

Remark 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and restricted deposits.

Remark 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 Company’s major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, bonds payable, borrowings and lease liabilities. The Company’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 Company 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 Company 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 Company’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 Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company'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).

There were no changes to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency exchange risk

The Company had foreign currency denominated sales and purchases, which exposed the Company to foreign currency exchange risk. Approximately over 50% of the Company's sales is denominated in currencies other than the functional currency of the Company, whilst the cost of raw materials imported from abroad is denominated in currencies other than the functional currency of the Company. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Company'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 32. The carrying amounts of the Company's derivative financial instruments exposed to foreign currency risk is immaterial.

Sensitivity analysis

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

The following table details the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. A sensitivity rate of 5% is 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 their adjusted translation at the end of the year for a 5% change in foreign currency rates. The sensitivity analysis also included borrowings denominated in non-functional currencies. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 5% against the relevant currency. For a 5% strengthening of the 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.

	For the Year Ended December 31	
	2023	**2022**
CNY impact	$ 950	$ 2,605
USD impact	$ 29,466	$ 8,373
EUR impact	$ 6,162	$ 7,042
GBP impact	$ 9,036	$ 6,257

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

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

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 3,516,561	$ 700,980
Financial liabilities	6,290,759	4,389,089
Cash flow interest rate risk		
Financial assets	1,206,552	364,437
Financial liabilities	5,786,383	6,557,259

Sensitivity analysis

The sensitivity analyses below were determined based on the Company’s exposure to interest rates for non-derivative instruments at the end of the 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 or lower and all other variables were held constant, the Company’s pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased by $4,580 thousand and $6,193 thousand, respectively, which was mainly attributable to the Company’s exposure to interest rates on its variable-rate bank deposits.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and mutual funds and does not actively trade these investments. The Company’s equity price risk is mainly concentrated in equity instruments in Taiwan.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices and mutual funds prices had been 10% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $815 thousand and $1,857 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI, and the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $41,179 thousand and $5,288 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 a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company'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 Company, 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 Company.

The policy adopted by the Company is to engage in transactions with creditworthy counterparties, 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 counterparties of the transactions for liquid funds are banks with good credit ratings.

The counterparties of accounts receivable are spread across many customers from different industries and geographic regions. The Company evaluates the financial status of the counterparties of accounts receivable continuously.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized bank loan facilities of $6,504,622 thousand and $4,624,671 thousand, respectively.

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

The following table details the Company'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 Company 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.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 511,861	$ 113,123	$ 507,483	$ -	$ -
Lease liabilities	434	868	3,862	12,704	27,210
Debt instruments	236,491	377,565	453,310	11,477,147	-
	$ 748,786	$ 491,556	$ 964,655	$ 11,489,851	$ 27,210

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	$ 5,164	$ 12,704	$ 9,193	$ 17,927

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 722,937	$ 111,560	$ 530,882	$ -	$ -
Lease liabilities	167	335	1,508	7,483	28,959
Debt instruments	197,018	823,162	1,652,236	7,059,091	1,622,583
	$ 920,122	$ 935,057	$ 2,184,626	$ 7,066,574	$ 1,651,542

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	$ 2,010	$ 7,483	$ 9,193	$ 19,766

e. Transfers of financial assets

Factored trade receivables at the end of the year were as follows:

December 31, 2023

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Financial institution	$ 52,323	$ 10,465	$ 41,858	7

December 31, 2022

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Financial institution	$ 126,326	$ 25,265	$ 101,061	5

The Company has factoring agreements with financial institutions. The credit limit is US$10,000 thousand for both 2023 and 2022 and the credit can be recycled.

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

27. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and their relationships with the Company

Related Party	Relationship
Faith Easy Enterprises Ltd.	Subsidiary
Golden Win Steel Industrial Corp.	Subsidiary
Alloy Tool Steel Inc.	Subsidiary
Ho Yang Investment Corp.	Subsidiary
Rong Yang Investment Corp.	Subsidiary
Guangzhou Goldway Special Material Co., Ltd.	Subsidiary
Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Subsidiary
Tianjin Goldway Special Material Co., Ltd.	Subsidiary
Xian Goldway Special Material Co., Ltd.	Subsidiary
G-Yao Enterprises Ltd.	Subsidiary
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Subsidiary
Vietnam Goldway Special Material Co., Ltd.	Subsidiary
All Win Enterprises Ltd.	Subsidiary
Rainbow Shines Limited	Subsidiary
Gloria Material Technology Japan 株式會社	Subsidiary
S-Tech Corp.	Associate
Forcera Materials Co., Ltd.	Associate (Remark 1)
Chun Yu Works & Co., Ltd.	Related party in substance
Chun Zu Machinery Industry Co., Ltd.	Related party in substance
Chun Yu Bio-Tech Corp.	Related party in substance
Tsg Transport Corp.	Related party in substance
Tsg Environmental Technology Corp.	Related party in substance
Tsg Power Corp.	Related party in substance
Taiwan Steel Group Aerospace Technology Corporation	Related party in substance
Zung-Fu Co., Ltd.	Related party in substance
Tsg Sports Marketing Co., Ltd.	Related party in substance
TSG Hawks Baseball Co., Ltd.	Related party in substance
Dong-Ying Management Consulting Co., Ltd.	Related party in substance

Remark 1: The Company sold all the shares and dismissed the directors of Forcera Materials Co., Ltd. in January 2023. The Company is no longer a related party to Forcera Materials Co., Ltd.

b. Sales of goods

Account Items	Related Party Category	For the Year Ended December 31 2023	2022
Sales of goods	Golden Win Steel Industrial Corp.	$ 592,717	$ 938,123
	All Win Enterprises Ltd.	681,605	717,578
	Subsidiary	386,717	373,528
	Associate	275,671	373,097
	Related party in substance	10,495	260
		$ 1,947,205	$ 2,402,586

The terms of the transactions with All Win Enterprises Ltd. and Vietnam Goldway Special Material Co., Ltd. is 60 days T/T. The terms of the transactions with Alloy Tool Steel, Inc. (export) is 120-210 days T/T from the boarding date. The terms of the transactions with S-Tech Corp. is 30-60 days (offsetting trade receivables and trade payables). The terms of the transactions with other domestic parties is 30 days T/T. The terms of the transactions with related parties and that of non-related parties were not significantly different.

c. Purchases of goods

Related Party Category	For the Year Ended December 31 2023	2022
Subsidiary	$ 64,672	$ 58,477
Related party in substance	25,886	125,167
Associate	312,656	382,160
	$ 403,214	$ 565,804

The terms of the transactions with All Win Enterprises Ltd is 60 days. The terms of the transactions with domestic parties is 30 days. The terms of the transactions with related parties and that of non-related parties were not significantly different.

d. Operating expenses and non-operating income and expenses

Account Item	Related Party Category	For the Year Ended December 31 2023	2022
Manufacturing expenses	Associate	$ 1,229	$ 14,738
	Related party in substance	76,169	23,275
		$ 77,398	$ 38,013
Operating expenses	Subsidiary	$ 3,571	$ 1,976
	Associate	2,412	771
	Tsg Transport Corp.	90,888	679,128
	Related party in substance	63,921	15,565
		$ 160,792	$ 697,440

(Continued)

Account Item	Related Party Category	For the Year Ended December 31 2023	2022
Non-operating income and expenses	Subsidiary	$ 11,905	$ 9,905
	S-Tech Corp.	60,559	59,347
	Associate	-	95
	Related party in substance	14,380	7,060
		$ 86,844	$ 76,407
Other losses	Related party in substance	$ 727	$ -

(Concluded)

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

Account Items	Related Party Category	December 31 2023	2022
Trade receivables from related parties	Golden Win Steel Industrial Corp.	$ 67,623	$ 54,770
	Subsidiary	114,822	147,373
	Related party in substance	6,196	-
	Associate	43,072	81,763
		$ 231,713	$ 283,906
Other receivables	Subsidiary	$ 2,868	2,089
	Associate	7,486	8,224
	Related party in substance	1,485	1,115
		$ 11,839	$ 11,428

The outstanding trade receivables from related parties are unsecured.

f. Payables to related parties (excluding loans from related parties)

Account Items	Related Party Category	December 31 2023	2022
Payables to related parties	Subsidiary	$ -	$ 9,605
	Related party in substance	9,081	19,058
	Associate	51,012	22,275
		$ 60,093	$ 50,938
Other payables	Subsidiary	$ 3,102	$ -
	Related party in substance	13,386	18,563
	Associate	86	-
		$ 16,574	$ 18,563

The outstanding trade payables to related parties are unsecured.

g. Other assets

Account Items	Related Party Category	December 31 2023	December 31 2022
Other current assets	Related party in substance	$ -	$ 1,740
Prepayments for equipment	Related party in substance	$ 3,819	$ 494
Refundable deposits	Subsidiary	$ 6,035	$ 6,035
Other current liabilities	Subsidiary	$ 61,397	$ 33,525

h. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2023	Purchase Price For the Year Ended December 31 2022
Tsg Power Corp.	$ 385	$ 570

i. Disposals of property, plant and equipment

Related Party Category/Name	Proceeds For the Year Ended December 31 2023	Proceeds For the Year Ended December 31 2022	Gain (Loss) on Disposal For the Year Ended December 31 2023	Gain (Loss) on Disposal For the Year Ended December 31 2022
S-Tech Corp.	$ 340,729	$ -	$ 277	$ -
Related party in substance	97	3,798	18	3,798
	$ 340,826	$ 3,798	$ 295	$ 3,798

j. Lease arrangements

Account Item	Related Party Category	December 31 2023	December 31 2022
Lease liabilities	S-Tech Corp.	$ -	$ -

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest expense		
S-Tech Corp.	$ -	$ 125

k. Acquisition of investment property

Related Party Category/Name	Proceeds 2023	Proceeds 2022
Related party in substance	$ 2,095	$ -

l. Disposals of investment property

	Proceeds		Gain (Loss) on Disposal	
Related Party Category/Name	**2023**	**2022**	**2023**	**2022**
S-Tech Corp.	$ 207,438	$ -	$ -	$ -

m. Acquisition of financial assets

For the year ended December 31, 2023

Related Party Category	Line Item	Number of Shares (In Thousands)	Underlying Assets	Purchase Prices
S-Tech Corp.	Investment accounted for using the equity method	3,900	Ho Yang Investment Corp.	$ 57,954

n. Endorsements and guarantees provided by the Company (Refer to Note 1)

	December 31	
Related Party Category	**2023**	**2022**
Subsidiary	$ 604,609	$ 569,050
Associate	-	10,000
	$ 604,609	$ 579,050

o. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	**2022**
Short-term benefits	$ 106,452	$ 92,095
Post-employment benefits	907	1,214
	$ 107,359	$ 93,309

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2023	2022
Restricted deposits (classified as other current assets)	$ 58,007	$ 15,101
Pledged foregin currency time deposits (classified as refundable deposits)	12,896	13,166
Pledged time deposits (classified as refundable deposits)	56,200	112,000
Land	1,679,681	2,500,478
Buildings, net	688,594	978,452
Machinery and equipment, net	-	640,730
	$ 2,495,378	$ 4,259,927

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. As of December 31, 2023 and 2022, unused letters of credit for purchases of raw materials and machinery and equipment were as follows:

	December 31	
	2023	2022
USD	$ 656	$ -
EUR	$ 5,875	$ 9,533
JPY	$ 13,463	$ -
CNY	$ -	$ 434

b. As of December 31, 2023 and 2022, unrecognized commitments for the purchase of additional machinery and equipment and plant expansion were as follows:

Total commitment price

	December 31	
	2023	2022
NTD	$ 2,794,669	$ 2,239,587
EUR	$ 46,311	$ 9,507
USD	$ 2,728	$ 6,959
JPY	$ -	$ 193,700
CNY	$ 145,773	$ 83,851
CHF	$ 95	$ 272

Payments made based on progress of commitments

	December 31	
	2023	2022
NTD	$ 2,222,903	$ 1,752,907
EUR	$ 36,569	$ 2,417
USD	$ 795	$ 6,615
JPY	$ -	$ 193,700
CNY	$ 66,968	$ 65,078
CHF	$ 67	$ 156

c. As of December 31, 2023 and 2022, $1,900,750 thousand and $2,277,250 thousand of issued bills were used as refundable deposits of the credit line of the issued bills, which can be cancelled when the guarantee obligations are terminated.

30. SIGNIFICANT LOSSES FROM DISASTERS: NONE

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. The board of directors resolved to distribute earnings for the fourth quarter of 2023 on February 29, 2024.

b. In order to promote sports activities and the development of Taiwan's sports industry, the board of directors resolved to donate amounts of $30,000 thousand to the TSG Hawks of TSG Hawks Baseball Co., Ltd. on February 29, 2024.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 40,745	30.705 (USD:NTD)	$ 1,251,062
EUR	7,987	33.980 (EUR:NTD)	291,408
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	4,382	4.3352 (CNY:NTD)	18,999
Non-monetary items			
USD	33,126	30.705 (USD:NTD)	1,017,134

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 21,552	30.705 (USD:NTD)	$ 661,757
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

(Concluded)

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 43,125	30.710 (USD:NTD)	$ 1,324,367
EUR	10,319	32.720 (EUR:NTD)	337,626
AUD	1,175	20.830 (AUD:NTD)	24,467
GBP	5,474	37.090 (GBP:NTD)	203,047
JPY	35,039	0.2324 (JPY:NTD)	8,143
CNY	11,896	4.4080 (CNY:NTD)	52,436
Non-monetary items			
USD	29,007	30.710 (USD:NTD)	890,805
Financial liabilities			
Monetary items			
USD	37,672	30.710 (USD:NTD)	1,156,905
EUR	6,014	32.720 (EUR:NTD)	196,782
GBP	2,100	37.090 (GBP:NTD)	77,889
JPY	11,162	0.2324 (JPY:NTD)	2,594
CNY	79	4.4080 (CNY:NTD)	346

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

	For the Year Ended December 31			
	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	$ 67,670	1 (NTD:NTD)	$ 103,316

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (Table 3)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

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 (None)

b. Information on investees (Table 5)

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 year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6)

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 7):

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

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

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 year and the purposes

e) The highest balance, the ending 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 year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: (Table 8)

TABLE 1

GLORIA MATERIAL TECHNOLOGY CORP.

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Gloria Material Technology Corp.	Alloy Tool Steel Inc.	b	$ 2,697,756 (Note 3)	$ 48,768	$ 24,564	$ 24,564	$ -			Y	N	N	
		Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	c	2,697,756 (Note 3)	31,140	-	-	-			Y	N	Y	
		All Win Enterprises Ltd.	b	2,697,756 (Note 3)	349,696	122,115	-	-			Y	N	N	
		Xian Goldway Special Material Co., Ltd.	c	2,697,756 (Note 3)	327,494	208,795	64,665	-			Y	N	Y	
		Faith Easy Enterprises Ltd.	b	2,697,756 (Note 3)	61,480	30,705	-	-			Y	N	N	
		Guangzhou Goldway Special Material Co., Ltd.	c	2,697,756 (Note 3)	318,600	153,525	-	-			Y	N	Y	
		Zhejiang Jiaxing Goldway Special Material Co., Ltd.	c	2,697,756 (Note 3)	171,011	64,905	-	-			Y	N	Y	
		S-Tech Corp.	a	2,697,756 (Note 3)	20,000	-	-	-			N	N	N	
						$ 604,609	$ 89,229		4	$ 5,395,512 (Note 3)				

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 is categorized as follows:

a. Business partner.
b. A subsidiary whose ordinary shares are more than 50% owned by the endorser/guarantor.
c. An investee over which the Company and its subsidiary have a combined shareholding of more than fifty percent (50%).
d. A 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$5,395,512 (paid-in capital) × 50% = NT$2,697,756.
b. The aggregate endorsement/guarantee limit is NT$5,395,512 (paid-in capital) × 100% = NT$5,395,512.
c. Endorsements/guarantees provided for subsidiaries are not subject to the above restrictions.

TABLE 2

GLORIA MATERIAL TECHNOLOGY CORP.

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

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount (Note 3)	Percentage of Ownership	Fair Value	
	Ordinary shares							
Gloria Material Technology Corp.	Taiwan Styrene Monomer Corporation	-	Financial assets at fair value through other comprehensive income - non-current	88	$ 1,377	-	$ 1,377	
	CJW International Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	251	2,652	-	2,652	
	Ofco Industrial Corporation	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	103	2,667	-	2,667	
	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	642	-	642	
	Yuanta Japan Leading Enterprises Fund - New Taiwan Dollar Type A	-	Financial assets at fair value through profit or loss - current	1,011	10,111	-	10,111	
	D-link Corporation	-	Financial assets at fair value through profit or loss - current	323	6,449	-	6,449	
	ShengHua Entertainment Communication Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	25,700	267,537	13	267,537	
	Ensure Global Corp., Ltd.	-	Financial assets at fair value through profit or loss - non-current	5,000	127,050	3	127,050	

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 5 and 6.

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 YEAR ENDED DECEMBER 31, 2023
(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.	A batch of movable assets such as forging equipment	2023.4.13	2016.1.15	$ 340,452	$ 340,512	Recovered in full	$ 60	S-Tech Corp.	Associate	Effective utilization of resources in the light of the Company's overall business planning	The movable property valuation report	-

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.

TABLE 4

GLORIA MATERIAL TECHNOLOGY CORP.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note (Note 2)
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Gloria Material Technology Corp.	Golden Win Steel Industrial Corp.	Subsidiary	Sale	$ 592,717	5	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	$ 67,623	3	
Golden Win Steel Industrial Corp.	Gloria Material Technology Corp.	Parent company	Purchase	592,717	63	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	67,623	75	
Gloria Material Technology Corp.	Alloy Tool Steel Inc.	Subsidiary	Sale	379,925	3	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	67,245	3	
Alloy Tool Steel Inc.	Gloria Material Technology Corp.	Parent company	Purchase	379,925	81	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	67,245	98	
Gloria Material Technology Corp.	All Win Enterprises Ltd.	Subsidiary	Sale	681,605	5	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	45,190	2	
All Win Enterprises Ltd.	Gloria Material Technology Corp.	Parent company	Purchase	681,605	95	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	45,190	79	
Gloria Material Technology Corp.	S-Tech Corp.	Associate	Sale	275,671	2	Net 30-60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	43,072	2	
Gloria Material Technology Corp.	S-Tech Corp.	Associate	Purchase	312,656	3	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	21,012	5	

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 remarks column.

TABLE 5

GLORIA MATERIAL TECHNOLOGY CORP.

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

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee (Note 2)	Share of Profit (Loss) (Note 2)	Note
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	Shareholding Percentage	Carrying Amount			
Gloria Material Technology Corp.	Faith Easy Enterprises Ltd.	Samoa	General investment and trading	$ 192,558	$ 192,558	6,000,000	96	$ 754,353	$ 105,031	$ 100,897	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	472,342	98,581	44,874	Subsidiary
	Alloy Tool Steel Inc.	USA	Sale of alloy steel	100,487	100,487	4,300,000	100	242,227	47,313	47,313	Subsidiary
	Ho Yang Investment Corp.	Republic of China	General investment	360,379	115,585	24,385,660	49	93,338	16,497	(2,523)	Subsidiary
	All Win Enterprises Ltd.	Seychelles	General investment	286,604	535,164	10,000,000	100	450,643	96,088	97,104	Subsidiary
	Rong Yang Investment Corp.	Republic of China	General investment	50,000	50,000	5,000,000	100	45,262	20	20	Subsidiary
	Gloria Material Technology Japan	Japan	Sale of alloy steel	15,852	2,232	1,380	100	12,695	(1,648)	(1,648)	Subsidiary
	S-Tech Corp.	Republic of China	Production and sales of titanium alloys	297,435	261,402	19,580,312	10	361,966	506,445	54,821	Associate
	Forcera Materials Co., Ltd.	Republic of China	Material wholesale	-	32,692	-	-	-	-	-	Associate

Note 1: If the public company has a foreign holding company and uses financial 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 6.

GLORIA MATERIAL TECHNOLOGY CORP.

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Guangzhou Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US$3,000 thousand (paid-in capital of CNY24,856 thousand)	b	US$ 2,837 HK$ 700	$ -	$ -	US$ 2,837 HK$ 700	$ 82,874	96	Note 2 (2) $ 80,498	$ 197,972	$ -	
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)	b	- (Note 4)	-	-	- (Note 4)	16,675	96	Note 2 (2) 15,980	142,625	-	
Tianjin Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US$3,300 thousand (paid-in capital of CNY26,719 thousand)	b	US$ 3,300	-	-	US$ 3,300	(1,403)	96	Note 2 (2) (4,550)	152,418	18,007	
Xian Goldway Special Material CoLtd.	Production and sale of alloy steel	Registered capital US$2,000 thousand (paid-in capital of CNY12,660 thousand)	b	- (Note 5)	-	-	- (Note 5)	21,760	96	Note 2 (2) 21,598	124,278	-	
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Production and sale of alloy steel	Registered capital US$10,000 thousand (paid-in capital of CNY63,926 thousand)	b	US$ 18,000	-	US$ 8,000	US$ 10,000	29,830	100	Note 2 (2) 29,830	332,984	24,773	

(Continued)

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
US$ 16,137 HK$ 700	$ 936,503 (US$ 30,500)	$ 9,156,761 (Note 3)

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) Financial statements which were audited by the parent company's accounting firm.
3) Other financial statements which were not audited by the accounting firm.

Note 3: The consolidated net asset value of the Company: $15,261,269 × 60% = $9,156,761.

Note 4: 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 Jiaxing Goldway Special Material Co., Ltd.

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

(Concluded)

TABLE 7

GLORIA MATERIAL TECHNOLOGY CORP.

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

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	$ 25,170	-	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	$ 100	-	$ -	Note 1
Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Sale	45,180	-	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	-	-	84	Note 1
Tianjin Goldway Special Material Co., Ltd.	Sale	63,175	-	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	389	-	1,654	Note 1
Xian Goldway Special Material Co., Ltd.	Sale	178,097	1	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	6,349	-	4,393	Note 1
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Sale	132,946	1	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	7,090	-	8,557	Note 1

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

Note 2: For information of the Company's endorsements and guarantees provided for the above companies, refer to Table 1.

TABLE 8

GLORIA MATERIAL TECHNOLOGY CORP.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Kings Asset Management Corp.	31,292,000	5.79

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.

GLORIA MATERIAL TECHNOLOGY CORP.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

STATEMENT 1

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash on hand		$ 370
Cash in banks		
Checking accounts		1,022,203
Demand deposits		1,034,140
Foreign currency deposits	US$1,838 thousand × 30.705	113,901
	EUR426 thousand × 33.98	
	AUD174 thousand × 20.98	
	GBP422 thousand × 39.15	
	JPY52,916 thousand × 0.2172	
	CNY2,617 thousand × 4.327	
Time deposits		1,500,000
Repurchase agreements collateralized by bills		1,703,665
		$ 5,374,279

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
DAA108	$ 153,048
AAB601	136,325
Others (Remark)	1,778,989
Balance	2,068,362
Less: Allowance for impairment loss	(2,275)
	$ 2,066,087

Remark: The amount of individual client included in others does not exceed 5% of the account balance.

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Raw materials	$ 1,547,622	$ 1,579,701
Supplies	461,040	471,383
Work in process	2,062,633	3,719,788
Finished goods	985,204	1,429,431
Merchandise	7	7
Inventory in transit	339,144	339,144
	$ 5,395,650	$ 7,539,454

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee	Balance, January 1, 2023		Increase during the Year		Decrease during the Year		Increase (Decrease) in Investments Accounted for Using the Equity Method	Balance, December 31, 2023			Market Value or Net Asset Value	Collateral
	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount		Number of Shares (In Thousands)	%	Amount	Total Amount	
FAITH EASY ENTERPRISES LTD. (Note 1)	6,000	$ 669,381	-	$ -	-	$ -	$ 84,972	6,000	96	$ 754,353	$ 754,353	None
Golden Win Steel Industrial Corp. (Note 1)	18,726	449,218	-	-	-	-	23,124	18,726	46	472,342	472,342	None
S-Tech Corp. (Notes 1, 2 and 5)	21,376	290,931	3,263	97,898	(5,059)	(71,354)	44,491	19,580	10	361,966	699,017	None
Alloy Tool Steel Inc. (Note 1)	4,300	184,132	-	-	-	-	58,095	4,300	100	242,227	242,227	None
Ho Yang Investment Corp. (Notes 1 and 3)	10,106	-	14,280	244,794	-	-	(151,456)	24,386	49	93,338	93,338	None
All Win Enterprises Ltd. (Notes 1 and 5)	18,000	619,298	-	-	(8,000)	(248,560)	79,905	10,000	100	450,643	450,643	None
Forcera Materials Co., Ltd. (Note 5)	2,490	44,155	-	-	(2,490)	(44,155)	-	-	-	-	-	None
Rong Yang Investment Corp. (Note 1)	5,000	45,242	-	-	-	-	20	5,000	100	45,262	45,262	None
Gloria Material Technology Japan. (Notes 1 and 4)	-	1,352	1	13,620	-	-	(2,277)	1	100	12,695	12,695	None
		$ 2,303,709		$ 356,312		$ (364,069)	$ 136,874			$ 2,432,826	$ 2,769,877	

Note 1: The increase (decrease) in investments accounted for using the equity method was due to the profit or loss of investment company shares in the amount of $340,858 thousand. Other changes were the adjustment of the carrying amount of the Company's shares held by the subsidiaries, the change of exchange differences on translating the financial statements of foreign operations and the adjustment of related equity transactions.

Note 2: The increase of 3,263 thousand shares in the current year was due to additional investments in the subsidiary in the amount of $97,898 thousand.

Note 3: The increase of 14,280 thousand shares in the current year was due to additional investments in the subsidiary in the amount of $244,794 thousand.

Note 4: The increase of 1 thousand shares in the current year was due to additional investments in the subsidiary in the amount of $13,620 thousand.

Note 5: The decrease in the current year was due to the sale of investment company shares and capital deduction.

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Loan Type	Description	Balance, End of Year	Contract Period	Range of Interest Rates	Financing Amount
Line of credit borrowing	Financial institution borrowing	$ 946,030	1 year	4.78%-6.98%	$ 4,396,672
Letter of credit loan	Financial institution borrowing	4,598	1 year	6.44%-6.58%	386,000
		$ 950,628			$ 4,782,672

STATEMENT 6

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
A	$ 35,523
B	21,791
Other (Remark)	376,898
	$ 434,212

Remark: The amount of individual vendor included in others does not exceed 5% of the account balance.

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Loan Type	Balance, End of Year	Contract Period	Range of Interest Rates	Collateral
Line of credit borrowings				
First Commercial Bank	$ 4,550,280	2023.08.04-2028.08.04	2.0105%	Land and buildings
Sunny Bank, Ltd.	300,000	2023.12.11-2028.12.11	2.19%	Land and buildings
Less: Unamortized discount	(14,525)			
	$ 4,835,755			

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount
Stainless steel	$ 7,524,311
Alloy steel	4,637,016
Others (Remark)	277,796
	$ 12,439,123

Remark: The amount of individual vendor included in others does not exceed 10% of the account balance.

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	$ 1,569,198
Additions:	
Raw material purchased	5,314,298
Others	26
Deductions:	
Others	(53,707)
Raw materials, end of year	(1,886,766)
Raw materials used (1)	4,943,049
Supplies, beginning of year	177,506
Additions:	
Supplies purchased	1,403,339
Deductions:	
Others	(1,116,624)
Supplies, end of year	(461,040)
Supplies used (2)	3,181
Direct labor (3)	677,309
Manufacturing expenses (4)	3,202,021
Manufacturing cost (1) + (2) + (3) + (4)	8,825,560
Additions:	
Work in process, beginning of year	2,294,155
Others	1,100
Deductions:	
Others	(60,570)
Work in process, end of year	(2,062,633)
Cost of finished goods	8,997,612
Additions:	
Finished goods, beginning of year	1,148,642
Deductions:	
Others	(1,760)
Finished goods, end of year	(985,204)
Cost of selling finished goods	9,159,290
Additions:	
Unamortized manufacturing expense	53,526
Cost of selling raw materials and supplies	39,263
Deductions:	
Revenue from sale of scraps	(7,249)
Cost of manufacturing	9,244,830
Cost of selling	93,274
Operating costs	$ 9,338,104

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Manufacturing Expenses
Consumables expense	$ 853,037
Utility expense	556,428
Fuel expense	408,907
Depreciation expense	296,718
Repair and maintenance costs	201,127
Indirect labor	191,470
Waste disposal expense	166,131
Others (Remark)	528,203
	$ 3,202,021

Remark: The amount of each item in others does not exceed 5% of the account balance.

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses
Export expense	$ 380,892
Salary expense	71,192
Commission expenses	59,803
Others (Remark)	55,240
	$ 567,127

Remark: The amount of each item in others does not exceed 5% of the account balance.

GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	General and Administrative Expenses
Salary expense	$ 197,176
Donations	37,162
Depreciation expense	23,413
Professional service fees	21,085
Others (Remark)	140,584
	$ 419,420

Remark: The amount of each item in others does not exceed 5% of the account balance.

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GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Research and Development Expenses
Salary expense	$ 10,804
Commissioned research expense	8,711
Others (Remark)	6,781
	$ 26,296

Remark: The amount of each item in others does not exceed 5% of the account balance.