Hsin Kuang Steel Company Limited and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors’ Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Hsin Kuang Steel Company Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Hsin Kuang Steel Company Limited and its subsidiaries (collectively, the "Group") as of March 31, 2024 and 2023, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audits resulting in this independent auditors’ report are Sheng-Hsiung Yao and Shu-Ju Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2024

Notice to Readers

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

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2024		December 31, 2023		March 31, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 1,288,761	4	$ 953,579	3	$ 1,295,514	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,579,905	12	2,987,779	11	1,997,647	8
Financial assets at amortized cost - current (Notes 4, 9 and 30)	171,119	1	151,500	-	86,609	-
Contract assets - current (Note 22)	248,038	1	240,360	1	170,642	1
Notes receivable from unrelated parties (Notes 4, 5, 10 and 30)	1,671,394	6	2,168,059	8	1,252,758	5
Trade receivables from unrelated parties (Notes 4 and 10)	2,647,560	9	3,244,113	11	2,797,648	11
Prepayments	136,131	-	163,210	1	308,306	1
Inventories (Notes 4, 5 and 11)	6,487,058	22	6,157,480	22	5,788,637	23
Other current assets (Notes 16 and 24)	17,640	-	13,988	-	8,136	-
Total current assets	16,247,606	55	16,080,068	57	13,705,897	54
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	318,698	1	297,484	1	283,638	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	3,487,297	12	2,778,841	10	2,619,462	10
Investments accounted for using the equity method (Notes 4, 12 and 30)	945,368	3	938,005	3	577,008	2
Property, plant and equipment (Notes 4, 13 and 30)	4,046,932	14	4,052,985	14	3,946,273	16
Right-of-use assets (Note 4)	1,008	-	1,487	-	2,921	-
Investment properties (Notes 4, 14 and 30)	3,664,677	13	3,680,535	13	3,643,435	15
Intangible assets (Notes 4 and 15)	39,994	-	41,756	-	34,024	-
Deferred tax assets (Notes 4 and 24)	93,250	-	97,968	-	70,447	-
Other non-current assets (Notes 10 and 16)	499,044	2	384,201	2	433,777	2
Total non-current assets	13,096,268	45	12,273,262	43	11,610,985	46
TOTAL	$ 29,343,874	100	$ 28,353,330	100	$ 25,316,882	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 4 and 17)	$ 6,615,151	22	$ 6,679,741	23	$ 7,637,020	30
Short-term bills payable (Notes 4 and 17)	434,779	1	798,599	3	299,581	1
Contract liabilities - current (Note 22)	498,440	2	1,416,282	5	283,052	1
Notes payable to unrelated parties (Notes 4 and 18)	248,420	1	288,156	1	349,980	1
Trade payables to unrelated parties (Notes 4 and 18)	273,304	1	238,449	1	299,750	1
Other payables (Note 19)	1,425,376	5	413,316	1	390,435	2
Current tax liabilities (Notes 4 and 24)	225,719	1	171,819	1	275,085	1
Current portion of long-term liabilities (Notes 4 and 17)	232,814	1	232,814	1	96,814	1
Other current liabilities	11,326	-	11,774	-	9,070	-
Total current liabilities	9,965,329	34	10,250,950	36	9,640,787	38
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 22)	956,684	3	-	-	-	-
Long-term borrowings (Notes 4 and 17)	5,638,714	19	5,847,573	21	4,783,283	19
Provisions - non-current (Note 4)	2,702	-	2,702	-	2,702	-
Deferred tax liabilities (Notes 4 and 24)	114,721	1	117,961	-	138,039	1
Net defined benefit liabilities - non-current (Notes 4 and 20)	21,973	-	33,626	-	32,385	-
Other non-current liabilities	42,479	-	37,165	-	36,588	-
Total non-current liabilities	6,777,273	23	6,039,027	21	4,992,997	20
Total liabilities	16,742,602	57	16,289,977	57	14,633,784	58
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)						
Share capital	3,211,463	11	3,211,463	11	3,211,463	12
Capital surplus	943,445	3	943,445	4	943,451	4
Retained earnings						
Legal reserve	1,456,003	5	1,275,497	4	1,229,590	5
Unappropriated earnings	4,339,706	15	4,741,810	17	3,764,400	15
Total retained earnings	5,795,709	20	6,017,307	21	4,993,990	20
Other equity	1,925,388	7	1,166,350	4	804,487	3
Total equity attributable to owners of the Company	11,876,005	41	11,338,565	40	9,953,391	39
NON-CONTROLLING INTERESTS	725,267	2	724,788	3	729,707	3
Total equity	12,601,272	43	12,063,353	43	10,683,098	42
TOTAL	$ 29,343,874	100	$ 28,353,330	100	$ 25,316,882	100

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 22)				
Sales	$ 3,169,395	91	$ 3,271,988	90
Other operating revenue	296,772	9	361,777	10
Total operating revenue	3,466,167	100	3,633,765	100
OPERATING COSTS				
Cost of goods sold (Notes 4, 11 and 23)	(2,942,796)	(85)	(2,910,116)	(80)
Other operating costs	(164,085)	(5)	(189,866)	(5)
Total operating costs	(3,106,881)	(90)	(3,099,982)	(85)
GROSS PROFIT	359,286	10	533,783	15
OPERATING EXPENSES				
Selling and marketing expenses (Note 23)	(90,522)	(2)	(78,128)	(2)
General and administrative expenses (Notes 23 and 29)	(91,265)	(3)	(59,225)	(2)
Expected credit (loss)/gain (Note 10)	(5,270)	-	123	-
Total operating expenses	(187,057)	(5)	(137,230)	(4)
PROFIT FROM OPERATIONS	172,229	5	396,553	11
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 23)				
Interest income	356	-	251	-
Other income	14,487	-	7,816	-
Other gains and losses	708,989	20	221,523	6
Finance costs	(83,755)	(2)	(93,176)	(2)
Share of profit or loss of associates and joint ventures accounted for using the equity method	1,452	-	(2,832)	-
Total non-operating income and expenses	641,529	18	133,582	4
PROFIT BEFORE INCOME TAX	813,758	23	530,135	15
INCOME TAX EXPENSE (Note 24)	(51,823)	(1)	(71,155)	(2)
NET PROFIT FOR THE PERIOD	761,935	22	458,980	13

(Continued)

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	$ 756,059	22	$ 194,116	5
Share of other comprehensive income/(loss) of associates and joint ventures accounted for using the equity method	-	-	(44,270)	(1)
	756,059	22	149,846	4
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	4,236	-	(885)	-
Other comprehensive income/(loss) for the period, net of income tax	760,295	22	148,961	4
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	$ 1,522,230	44	$ 607,941	17
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 740,592	21	$ 441,706	12
Non-controlling interests	21,343	1	17,274	1
	$ 761,935	22	$ 458,980	13
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 1,500,879	43	$ 590,669	16
Non-controlling interests	21,351	1	17,272	1
	$ 1,522,230	44	$ 607,941	17
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	$ 2.31		$ 1.38	
Diluted	$ 2.30		$ 1.37	

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company									
	Share Capital			Retained Earnings		Other Equity				
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	321,146	$ 3,211,463	$ 943,451	$ 1,229,590	$ 3,303,800	$ 1,969	$ 672,449	$ 9,362,722	$ 712,638	$ 10,075,360
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	18,894	-	(18,894)	-	-	-
Net profit for the three months ended March 31, 2023	-	-	-	-	441,706	-	-	441,706	17,274	458,980
Other comprehensive income/(loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	(883)	149,846	148,963	(2)	148,961
Total comprehensive income/(loss) for the three months ended March 31, 2023	-	-	-	-	441,706	(883)	149,846	590,669	17,272	607,941
Changes of non-controlling interests	-	-	-	-	-	-	-	-	(203)	(203)
BALANCE AT MARCH 31, 2023	321,146	$ 3,211,463	$ 943,451	$ 1,229,590	$ 3,764,400	$ 1,086	$ 803,401	$ 9,953,391	$ 729,707	$ 10,683,098
BALANCE AT JANUARY 1, 2024	321,146	$ 3,211,463	$ 943,451	$ 1,275,497	$ 4,741,810	$ 1,943	$ 1,164,407	$ 11,338,571	$ 724,788	$ 12,063,359
Appropriation of 2023 earnings										
Legal reserve	-	-	-	180,506	(180,506)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(963,439)	-	-	(963,439)	-	(963,439)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(19,889)	(19,889)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	1,249	-	(1,249)	-	-	-
Net profit for the three months ended March 31, 2024	-	-	-	-	740,592	-	-	740,592	21,343	761,935
Other comprehensive income/(loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	4,228	756,059	760,287	8	760,295
Total comprehensive income/(loss) for the three months ended March 31, 2024	-	-	-	-	740,592	4,228	756,059	1,500,879	21,351	1,522,230
Changes of non-controlling interests	-	-	-	-	-	-	-	-	(983)	(983)
BALANCE AT MARCH 31, 2024	321,146	$ 3,211,463	$ 943,451	$ 1,456,003	$ 4,339,706	$ 6,171	$ 1,919,217	$ 11,876,011	$ 725,267	$ 12,601,278

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 813,758	$ 530,135
Adjustments for:		
Depreciation expense	60,099	57,131
Amortization expense	2,974	2,539
Expected credit loss recognized/(reversed) on trade receivables	5,270	(123)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(719,651)	(87,251)
Finance costs	83,755	93,176
Interest income	(356)	(251)
Dividend income	(10,261)	(3,736)
Share of (profit)/loss of associates and joint ventures	(7,363)	2,832
Reversal of write-downs of inventories	(32,674)	(61,918)
Net loss/(gain) on foreign currency exchange	45,657	(63,624)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	119,167	(160,416)
Contract assets	(7,678)	(142,873)
Notes receivable	496,666	488,059
Trade receivables	593,854	199,305
Other receivables	(689)	21,636
Inventories	(296,905)	(383,194)
Prepayments	(45,145)	(168,020)
Other current assets	(2,961)	(167)
Notes payable	(39,735)	(42,858)
Trade payables	34,855	49,184
Other payables	48,421	53,691
Net defined benefit liabilities	(11,653)	(775)
Provisions	-	440
Contract liabilities	38,843	(28,292)
Other current liabilities	(448)	(2,731)
Cash generated from operations	1,167,800	351,899
Interest received	356	251
Dividends received	10,261	3,736
Income tax refunded/(paid)	2,561	(9,079)
Net cash generated from operating activities	1,180,978	346,807
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(12,857)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	51,488	28,353
Purchase of financial assets at amortized cost	(19,620)	(64,086)

(Continued)

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
Acquisition of associate	$ -	$ (60,000)
Payments for property, plant and equipment	(32,658)	(113,714)
Payments for investment properties	-	(423)
Payments for intangible assets	-	(30,575)
Increase in other non-current assets	(123)	(177)
Increase in prepayments for equipment	(48,754)	(37,696)
Increase in refundable deposits	(4)	(12,633)
Net cash used in investing activities	(62,528)	(290,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	4,650,297	4,259,148
Decrease in short-term borrowings	(4,762,649)	(3,763,962)
Increase in short-term bills payable	(365,000)	(250,000)
Proceeds from long-term borrowings	27,106	4,200,000
Repayments of long-term borrowings	(236,703)	(1,824,204)
Decrease in long-term bills payable	-	(2,400,000)
Increase in guarantee deposits received	5,313	-
Interest paid	(82,103)	(79,460)
Dividends paid to non-controlling interests	(19,889)	-
Change in non-controlling interests	(984)	(203)
Net cash (used in)/generated from financing activities	(784,612)	141,319
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	1,344	(327)
NET INCREASE IN CASH AND CASH EQUIVALENTS	335,182	196,848
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	953,579	1,098,666
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,288,761	$ 1,295,514

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

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

1. GENERAL INFORMATION

Hsin Kuang Steel Company Limited (the "Company") was incorporated in January 1967. The original paid-in-capital was NT$200 thousand, and ordinary shares were issued subsequently for promoting business expansion and a sound financial structure. The Company's share was approved to be listed on the Taipei Exchange (TPEx) in April 1997 and was approved to transfer to the Taiwan Stock Exchange (TWSE) in August 2000. The Company's shares have been listed on the TWSE since September 2000 under the approval of the Financial Supervisory Commission (FSC) of the Republic of China. The Company and its subsidiaries (collectively referred to as the "Group") mainly engages in the cutting, stamping and sale of various steel products, including steel coils, steel plates, round steel bar, stainless steel, alloy steel, special steel and SuperDyma. For the principal operating activities of the Company's subsidiaries, please refer to Note 4.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 7, 2024.

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

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

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

b. The IFRS Accounting Standards 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
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
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 to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

3) IFRS 18 “Presentation and Disclosures in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Entities included in the Group's consolidated financial statements were as follows:

			% of Ownership		
Investor	**Investee**	**Main Businesses**	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**
Hsin Kuang Steel Corporation	Hsin Yuan Investment Co., Ltd.	Investment	100.00	100.00	100.00
Hsin Kuang Steel Corporation	Hsin Ho Fa Metal Co., Ltd.	Sale of metal products for architecture	83.37	83.37	83.37
Hsin Kuang Steel Corporation	Sinpao Investment Co., Ltd.	Investment	99.42	99.42	99.82
Hsin Kuang Steel Corporation	APEX Wind Power Equipment Manufacturing Company Limited	Manufacture of metal structures, architectural components and energy related equipment	66.14	66.14	66.71
Hsin Kuang Steel Corporation	Hsin Ching International Co., Ltd.	Leasing and warehousing	60.00	60.00	60.00
Hsin Kuang Steel Corporation	Hsin Cheng Logistics Development Co., Ltd.	Leasing and warehousing	100.00	100.00	100.00
Hsin Kuang Steel Corporation	Mason Metal Industry Co., Ltd.	Cutting and processing of automobile steel plate	80.00	80.00	80.00
Hsin Yuan Investment Co., Ltd.	APEX Wind Power Equipment Manufacturing Company Limited	Manufacture of metal structures, architectural components and energy related equipment	1.00	1.00	1.00
Hsin Yuan Investment Co., Ltd.	Hsin Hua Steel Industry Co., Ltd.	Process and manufacture of metal structures, architectural components and steel products	100.00	100.00	100.00
Hsin Ho Fa Metal Co., Ltd.	APEX Wind Power Equipment Manufacturing Company Limited	Manufacture of metal structures, architectural components and energy related equipment	2.73	2.73	2.73
Sinpao Investment Co., Ltd.	Mason Metal Industry Co., Ltd.	Cutting and processing of automobile steel plate	1.00	1.00	1.00

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

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

   Current assets include:

   - Assets held primarily for the purpose of trading;

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

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

   Current liabilities include:

   - Liabilities held primarily for the purpose of trading;

   - Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

   - Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

   The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group’s construction-related assets and liabilities.

2) Retirement benefits

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

3) 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.

4) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about 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.

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

Key Sources of Estimation Uncertainty

Write-down of inventories

The net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$ 1,363	$ 1,260	$ 1,118
Checking accounts and demand deposits	1,287,398	952,319	1,294,396
	$ 1,288,761	$ 953,579	$ 1,295,514

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

	March 31, 2024	December 31, 2023	March 31, 2023
Bank balance	0.001%-1.45%	0.001%-1.45%	0.001%-1.25%

As of March 31, 2024, December 31, 2023 and March 31, 2023, pledged time deposits and restricted demand deposits were NT$171,119 thousand, NT$151,500 thousand and NT$86,609 thousand, respectively, and were classified as financial assets at amortized cost (refer to Note 9).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	$ 3,376,544	$ 2,896,943	$ 1,795,384
Mutual funds	180,920	75,752	120,632
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts*	22,441	15,084	81,631
	$ 3,579,905	$ 2,987,779	$ 1,997,647
Financial assets - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic unlisted shares	$ 318,698	$ 297,484	$ 283,638

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

	Currency	Maturity Date	Notional Amounts (In Thousands)
March 31, 2024			
Buy	NTD/USD	2024.11-2025.01	NTD447,724/USD15,000
Sell	USD/NTD	2025.03	NTD61,007/USD1,984
December 31, 2023			
Buy	NTD/USD	2024.01-2024.12	NTD1,051,715/USD35,616
Sell	USD/NTD	2024.03	NTD60,579/USD1,984
March 31, 2023			
Buy	NTD/USD	2023.04-2024.03	NTD4,396,096/USD149,144
Sell	USD/NTD	2023.07	NTD63,063/USD2,021

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current			
Investments in equity instruments	$ 3,487,297	$ 2,778,841	$ 2,619,462

Investments in equity instruments at FVTOCI

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - China Steel Corporation	$ 862,811	$ 1,031,422	$ 1,396,706
Ordinary shares - Century Wind Power Co., Ltd.	2,262,627	1,350,623	879,496
Unlisted shares			
Ordinary shares - Envirolink Corporation	56,525	56,525	51,800
Ordinary shares - Linkou Entertainment Corporation	4,518	4,518	4,491
Ordinary shares - Shin Ji Technology Corporation	4,761	4,761	4,899
Ordinary shares - Hua Mian Corporation	1,073	1,073	1,075
	3,192,315	2,448,922	2,338,467
Foreign investments			
Unlisted shares			
Ordinary shares - China Steel and Nippon Steel Vietnam Stock Company	251,239	290,061	233,914
Ordinary shares - Century International Co., Ltd.	43,743	39,858	47,081
	294,982	329,919	280,995
	$ 3,487,297	$ 2,778,841	$ 2,619,462

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Domestic investments			
Pledged time deposits	$ 58,370	$ 58,357	$ 43,336
Restricted demand deposits	112,749	93,143	43,273
	$ 171,119	$ 151,500	$ 86,609

a. The ranges of interest rates for pledged time deposits were 0.2%-1.31%, 0.2%-1.31% and 0.2%-1.185% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable			
Operating - unrelated parties	$ 1,689,071	$ 2,185,736	$ 1,252,758
Less: Allowance for impairment loss	(17,677)	(17,677)	-
	$ 1,671,394	$ 2,168,059	$ 1,252,758
Trade receivables			
At amortized cost - unrelated parties	$ 2,673,720	$ 3,263,011	$ 2,803,287
Less: Allowance for impairment loss	(26,160)	(18,898)	(5,639)
	$ 2,647,560	$ 3,244,113	$ 2,797,648
Overdue receivables (presented under other non-current assets)			
Overdue receivables	$ 1,272	$ 7,903	$ 41,526
Less: Allowance for impairment loss	(1,272)	(7,903)	(38,526)
	$ -	$ -	$ 3,000

a. Notes receivable and trade receivables

The average credit period for sales of goods is 90-150 days. No interest was charged on trade receivables. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from other publicly available financial source or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix considering the past default records of the debtor, an analysis of the debtor's current financial position, any credit insurance and recoverable amount as well as the GDP forecasts and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

March 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 Days to 1 Year Past Due	1 to 2 Years Past Due	Over 2 Years Past Due	Total
Expected credit loss rate	0.02%	13.26%	100.00%	0.00%	0.00%	
Gross carrying amount	$ 4,261,835	$ 66,762	$ 34,194	$ -	$ -	$ 4,362,791
Loss allowance (Lifetime ECL)	(788)	(8,855)	(34,194)	-	-	(43,837)
Amortized cost	$ 4,261,047	$ 57,907	$ -	$ -	$ -	$ 4,318,954

December 31, 2023

	Not Past Due	1 to 30 Days Past Due	31 Days to 1 Year Past Due	1 to 2 Years Past Due	Over 2 Years Past Due	Total
Expected credit loss rate	0.63%	0.00%	100.00%	0.00%	0.00%	
Gross carrying amount	$ 5,446,678	$ -	$ 2,069	$ -	$ -	$ 5,448,747
Loss allowance (Lifetime ECL)	(34,506)	-	(2,069)	-	-	(36,575)
Amortized cost	$ 5,412,172	$ -	$ -	$ -	$ -	$ 5,412,172

March 31, 2023

	Not Past Due	1 to 30 Days Past Due	31 Days to 1 Year Past Due	1 to 2 Years Past Due	Over 2 Years Past Due	Total
Expected credit loss rate	0.12%	0.00%	100.00%	0.00%	0.00%	
Gross carrying amount	$ 4,055,331	$ -	$ 714	$ -	$ -	$ 4,056,045
Loss allowance (Lifetime ECL)	(4,925)	-	(714)	-	-	(5,639)
Amortized cost	$ 4,050,406	$ -	$ -	$ -	$ -	$ 4,050,406

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 36,575	$ 5,639
Add: Net remeasurement of loss allowance	7,262	-
Balance at March 31	$ 43,837	$ 5,639

Compared to January 1, 2024 and 2023, the increase in loss allowance of NT$7,262 thousand and decrease of NT$0 thousand at March 31, 2024 and 2023, respectively, resulted from the changes in the gross carrying amounts of notes receivables and trade receivables, which decreased by NT$1,085,906 thousand and NT$687,778 thousand, respectively, but the gross carrying amounts of trade receivables with longer overdue days increased.

Refer to Note 30 for information relating to notes receivable pledged as security for borrowings.

b. Overdue receivables

Overdue receivable balances that were past due but for which no allowance for impairment loss was recognized were NT$0 thousand, NT$0 thousand and NT$3,000 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, which are disclosed in the aging analysis below. The Group did not recognize an allowance for impairment loss, because there was no significant change in the credit quality and the amounts were still considered recoverable. The Group holds collateral or other credit enhancements for these balances. In addition, the Group did not have the legal right to off-set the overdue receivables with trade payables from the same counterparty.

The aging of overdue receivables that were past due but not impaired was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Over 1 year	$ -	$ -	$ 3,000

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

The movements of the loss allowance of overdue receivables were as follows:

	For the Three Months Ended March 31	
	2024	**2023**
Balance at January 1	$ 7,903	$ 38,649
Less: Net remeasurement of loss allowance	(1,992)	-
Less: Amounts written off	(4,639)	(123)
Balance at March 31	$ 1,272	$ 38,526

The Group recognized an impairment loss on overdue receivables amounting to NT$1,272 thousand, NT$7,903 thousand and NT$38,526 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively. These amounts were mainly related to customers for whom the Group was pursuing legal claims. The net remeasurement amount was calculated as the difference between the overdue receivables' carrying amount and the present value of expected recoverable amount. During the three months ended March 31, 2024, the Group wrote off trade receivables of NT$4,639 thousand as the Group received the debt certificate and the customer discontinued business and was dissolved.

11. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	$ 5,251,671	$ 5,233,372	$ 4,769,202
Finished goods	604,538	573,294	535,077
Work in process	317,766	195,592	138,831
Raw materials in transit	313,083	155,222	345,527
	$ 6,487,058	$ 6,157,480	$ 5,788,637

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

	For the Three Months Ended March 31	
	2024	2023
Cost of inventories sold	$ 2,975,470	$ 2,972,034
(Reversal of) inventory write-downs	(32,674)	(61,918)
	$ 2,942,796	$ 2,910,116

As of March 31, 2024, December 31, 2023 and March 31, 2023, the allowance for inventory write-downs were NT$70,798 thousand, NT$103,472 thousand and NT$58,383 thousand, respectively.

Inventory write-downs were reversed as a result of the fluctuation in the market price of the steel market.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in associates	$ 945,368	$ 938,005	$ 577,008

a. Investments in associates

	March 31, 2024	December 31, 2023	March 31, 2023
Material associate	$ 834,024	$ 827,386	$ 468,400
Associates that are not individually material	111,344	110,619	108,608
	$ 945,368	$ 938,005	$ 577,008

1) Material associate

		Proportion of Ownership and Voting Rights		
Name of Associate	Nature of Business	March 31, 2024	December 31, 2023	March 31, 2023
SunnyRich Multifunction Solar Power Co., Ltd.	Renewable energy private power generation equipment	20.00%	20.00%	20.00%

In 2023, the Group acquired 42,000 thousand ordinary shares of SunnyRich Multifunction Solar Power Co., Ltd. in cash for a total amount of NT$420,000 thousand. The proportion of the Group’s ownership after the acquisition was 20.00%.

The Company pledged 86,000 thousand shares of SunnyRich Multifunction Solar Power Co., Ltd. as collateral for bank borrowings (refer to Note 30 and Table 1).

SunnyRich Multifunction Solar Power Corporation

	March 31	
	2024	2023
Current assets	$ 1,153,222	$ 749,471
Non-current assets	11,373,745	6,150,878
Current liabilities	(1,052,794)	(663,625)
Non-current liabilities	(7,272,029)	(3,904,100)
Equity	$ 4,202,144	$ 2,332,624
Proportion of the Group's ownership	20%	20%
Equity attributable to the Group	$ 840,429	$ 466,525
Carrying amount	$ 834,024	$ 468,400

	For the Three Months Ended March 31	
	2024	2023
Operating revenue	$ 233,379	$ 24,730
Net income/(loss)	$ 66,603	$ (21,131)
Total comprehensive income/(loss)	$ 66,603	$ (21,131)

2) Aggregate information of associates that are not individually material is as follows:

	For the Three Months Ended March 31	
	2024	2023
The Group's share of:		
Net income	$ 725	$ 1,444
Total comprehensive income	$ 725	$ 1,444

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2024	December 31, 2023	March 31, 2023
Assets used by the Group	$ 4,046,932	$ 4,052,985	$ 3,946,273
Carrying amount per category			
Freehold land	$ 2,184,887	$ 2,184,887	$ 2,184,887
Buildings	810,598	820,063	841,815
Equipment	609,752	632,957	575,097
Transportation equipment	70,424	72,010	68,416
Miscellaneous equipment	60,415	63,994	54,545
Leasehold improvements	34,297	34,778	31,007
Property under construction and equipment awaiting inspection	276,559	244,296	190,506
	$ 4,046,932	$ 4,052,985	$ 3,946,273

Except for depreciation recognized, the Group did not have significant addition, disposal, or impairment of property, plant and equipment during the three months ended March 31, 2024 and 2023. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
Main buildings	10-55 years
Building construction	3-20 years
Equipment	
Main equipment	5-20 years
Equipment maintenance	3-8 years
Transportation equipment	
Truck and automotive	5-8 years
Stacker	5-9 years
Automotive accessories	3-5 years
Miscellaneous equipment	
Computer equipment	3-10 years
Office equipment and construction	3-10 years
Leasehold improvements	3-15 years

The Group purchased land located in Guanyin for operational use from 2005 to 2020. As of March 31, 2024, the total land space purchased was 50,004.07 square meters, with a carrying amount of NT$227,268 thousand. The law stipulates that an entity may not have ownership of land which is registered for agricultural purposes. Therefore, the Group held the land through the signing of the real estate trust agreement with an individual. As a protective measure, the Group signed a contract with the landowner who held the land ownership certificate and registered the ownership certificate, which stated that all the rights and obligations of the land belong to the Group.

Property, plant and equipment pledged as collateral for bank borrowings is set out in Note 30.

14. INVESTMENT PROPERTIES

	March 31, 2024	December 31, 2023	March 31, 2023
Completed investment properties	$ 3,664,677	$ 3,680,535	$ 3,643,435

The investment properties were leased out for 2 to 10 years, without an option to extend. The lease contracts contain market review clauses to adjust the lease expense in the event that the lessees exercise their options to renew the lease. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

In addition to the fixed lease payments, the lease contracts also indicate that the lease payments should be adjusted every 2 or 3 years on the basis of the increase in Price Index.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	$ 358,965	$ 327,562	$ 317,399
Year 2	363,130	328,870	300,697
Year 3	312,345	292,389	292,715
Year 4	294,174	265,016	242,539
Year 5	255,849	231,153	243,471
Year 6 onwards	407,067	459,559	625,702
	$ 1,991,530	$ 1,904,549	$ 2,022,523

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	25-55 years
Building construction	6-15 years
Leasehold improvements	5-15 years

The determination of fair value was performed by independent qualified professional appraisers at the end of each reporting period. The fair value was measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value	$ 7,658,323	$ 7,659,005	$ 7,389,532

The investment properties pledged as collateral for bank borrowings are set out in Note 30.

15. OTHER INTANGIBLE ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Computer software	$ 39,994	$ 41,756	$ 34,024

The additions in other intangible assets of the Group for the three months ended March 31, 2024 and 2023 were mainly due to the external purchase of information systems. Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years

16. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Other receivables	$ 8,712	$ 8,023	$ 7,338
Prepaid income tax	-	-	57
Tax refund receivable (Note 24)	6,461	5,149	-
Payment on behalf of others	2,467	816	741
	$ 17,640	$ 13,988	$ 8,136
Non-current			
Refundable deposits	$ 8,787	$ 8,783	$ 16,683
Prepayments for equipment	410,080	373,707	410,745
Overdue receivables	-	-	3,000
Others	80,177	1,711	3,349
	$ 499,044	$ 384,201	$ 433,777

17. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings (Notes 28 and 30)			
Bank loans	$ 60,000	$ 60,000	$ 10,000
Issuance credit payable	982,085	825,133	1,090,722
	1,042,085	885,133	1,100,722
Unsecured borrowings			
Line of credit borrowings (Note 28)	1,567,000	1,180,000	2,027,454
Issuance credit payable	4,006,066	4,614,608	4,508,844
	5,573,066	5,794,608	6,536,298
	$ 6,615,151	$ 6,679,741	$ 7,637,020

The range of weighted average effective interest rates on bank loans was 1.8%-6.8%, 1.8%-6.8% and 1.50%-6.36% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Short-term bills payable

	March 31, 2024	December 31, 2023	March 31, 2023
Commercial paper (Notes 28 and 30)	$ 435,000	$ 800,000	$ 300,000
Less: Discount on bills payable	(221)	(1,401)	(419)
	$ 434,779	$ 798,599	$ 299,581

Outstanding short-term bills payable were as follows:

March 31, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
A bank	$ 100,000	$ 9	$ 99,991	2.02%	Head office	$ 18,868
B bank	180,000	88	179,912	2.02%-2.04%	-	-
C bank	155,000	124	154,876	2.02%-2.07%	-	-
	$ 435,000	$ 221	$ 434,779			

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
A bank	$ 100,000	$ 166	$ 99,834	2.02%	Head office	$ 19,048
B bank	200,000	254	199,746	2.02%-2.07%	-	-
C bank	150,000	216	149,784	2.02%-2.07%	-	-
E bank	350,000	765	349,235	2.05%	-	-
	$ 800,000	$ 1,401	$ 798,599			

March 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
A bank	$ 50,000	$ 52	$ 49,948	1.97%	Head office	$ 19,588
B bank	100,000	126	99,874	1.98%	-	
C bank	150,000	241	149,759	1.98%-2.08%	-	
	$ 300,000	$ 419	$ 299,581			

c. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings (Note 30)			
Syndicated bank loans - Mega Bank (1)	$ 5,200,000	$ 5,400,000	$ 4,200,000
Bank loans - Banking Division of Mega Bank (2)	84,211	86,842	94,737
Bank loans - Chang Hwa Bank Sanchungpu Branch (3)	213,542	218,750	234,375
Bank loans - Land Bank of Taiwan (4)	86,000	86,000	86,000

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Bank loans - Mega International Commercial Bank (5)	$ 212,727	$ 229,091	$ 278,182
Bank loans - Banking Division of Far Eastern International Bank (6)	58,333	70,833	-
Bank loans - First Commercial Bank (7)	27,106	-	-
	5,881,919	6,091,516	4,893,294
Less: Current portions	(232,814)	(232,814)	(96,814)
Syndicated loan fees	(10,391)	(11,129)	(13,197)
	(243,205)	(243,943)	(110,011)
Long-term borrowings	$ 5,638,714	$ 5,847,573	$ 4,783,283

(Concluded)

1) The Company signed a joint credit line contract with Mega Bank, and such syndicated loan was collateralized by the Company's freehold land and plant (refer to Note 30). The credit line of loan item A-1 is NT$3,500,000 thousand, A-2 is NT$4,500,000 thousand, B is NT$5,000,000 thousand and the total credit line of loan items A and B is not more than NT$8,000,000 thousand, which is a revolving credit line within 5 years from the date of first use. When the credit line of the loan is used for the first time, the entire outstanding balance of the syndicated bank loan - Yushan Bank, which was signed in 2018, will be paid off in advance. The first period is 36 months after the date of first use. Hereafter, every 12 months is considered a period, and the total credit line will decrease within 3 periods. The first period is 36 months after the date of first use, and then every 12 months thereafter per period. The revolving credit line will be reduced by 10% at the first period, reduced by 20% at the second period, and the remaining credit line will be totally cancelled upon the expiry of the credit period.

   During the loan period, the current ratio, debt ratio and interest earned ratio, which are calculated based on the annual consolidated financial audit report, should comply with the criteria in the credit line contract. If the financial ratios do not comply with the criteria in the contract, the Group should remedy it from the date of submission of the annual consolidated financial statements to the next review date. It will not be considered a breach of the contract if the financial ratios are remedied and comply with the contract within the remediation period. The weighted average effective interest rates were 2.01%-2.06%, 2.04%-2.09% and 1.90%-1.95 per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

2) In January 2017, the Company acquired NT$150,000 thousand of bank loans from the Banking Division of Mega Bank, secured by the Company's freehold land (refer to Note 30), which will mature in January 2032. Starting from January 2018, the repayment of principal is divided into 56 installments of every 3 months, with NT$2,632 thousand per installment. The weighted average effective interest rates were 2.23%, 2.23% and 2.10% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

3) In April 2019, Hsin Ho Fa Metal Co., Ltd. acquired NT$250,000 thousand of bank loans from Chang Hwa Bank Sanchungpu Branch, secured by the freehold land (refer to Note 30), which mature in April 2034. The grace period is 3 years, during which interest shall be paid by 26th of each month. Starting from April 26, 2022, the repayment of principal is divided into 48 equal installments of every 3 months, and each repayment principal as well as interest calculated on the outstanding balance shall be paid by 26th of each month. The weighted average effective interest rates were 2.06%, 2.06% and 1.94% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

4) In September 2021, APEX Wind Power Equipment Manufacturing Company Limited acquired NT$86,000 thousand of bank loans from the Land Bank of Taiwan, secured by machinery and equipment (refer to Note 30), which will mature in September 2024. Starting from the borrowing date, interest will be paid once a month, and the principal should be repaid on the maturity date or when the midterm loan for land purchase (collateralized) is acquired. The weighted average effective interest rates were 2.15%, 2.15% and 2.03% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

5) In June 2022, Mason Metal Industry Co., Ltd. acquired NT$300,000 thousand of bank loans from Mega International Commercial Bank, secured by the freehold land and buildings (refer to Note 30), which will mature in June 2027. Starting from the borrowing date, interest will be paid once a month, and the principal will be paid in installments. The weighted average effective interest rates were 2.36%, 2.23% and 2.10% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

6) In May 2023, Hsin Ching International Co., Ltd. acquired NT$100,000 thousand of unsecured bank loans from Far Eastern International Bank, which will mature in May 2025. The principal shall be repaid in 24 equal installments on the 5th of each month, and interest is calculated on the outstanding balance which shall be paid on the 5th of each month. The weighted average effective interest rate was 2.28% per annum as of March 31, 2024 and December 31, 2023.

7) Xinhua Steel Company entered into an unsecured medium-term loan agreement with First Commercial Bank, and borrowed NT$27,106 thousand in installments through January to March 2024. The maturity dates for these loans are between January and March 2026. According to the contract, 80% of the receivables from specific projects shall be used to repay the loans. The weighted average effective interest rate was 2.1% as of March 31, 2024.

18. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Notes payable			
Operating - unrelated parties	$ 248,420	$ 288,156	$ 349,980
Trade payables			
Operating - unrelated parties	$ 273,304	$ 238,449	$ 299,750

19. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Payables for salaries and bonuses	$ 240,171	$ 236,557	$ 132,520
Interest payable	26,164	25,965	48,543
Other accrued expenses	87,106	60,331	79,520
Dividends payable	983,328	-	-
Other payables	88,607	90,463	129,852
	$ 1,425,376	$ 413,316	$ 390,435

20. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, the pension expenses of defined benefit plans were NT$183 thousand and NT$223 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

21. EQUITY

a. Share capital

Ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	360,000	360,000	360,000
Shares authorized	$ 3,600,000	$ 3,600,000	$ 3,600,000
Number of shares issued and fully paid (in thousands)	321,146	321,146	321,146
Shares issued	$ 3,211,463	$ 3,211,463	$ 3,211,463

The shares issued had a par value of NT$10. Each share entitles the rights to dividends and to vote.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Share premiums	$ 906,797	$ 906,797	$ 906,797
May only be used to offset a deficit (2)			
Changes in percentage of ownership interests in subsidiaries	-	-	6
May not be used for any purpose (3)			
Employee share options	36,648	36,648	36,648
	$ 943,445	$ 943,445	$ 943,451

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

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from changes in capital surplus of subsidiaries accounted for using the equity method.

3) Such capital surplus is used primarily for subsequent matters related to the transaction and may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. If the aforementioned dividends, legal reserve and capital surplus are to be distributed in cash, the board of directors may be authorized to pass the resolution with more than two-thirds of the directors' attendance and more than half of the votes of attending directors, which shall be reported in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 23-g.

To ensure the interests of shareholders and the Company's sustainable development, the Company adopts a balanced dividends policy. The dividends payment principle shall be determined on the basis of the current and forthcoming development plan, considering the investing environment, demanding for funds, domestic and foreign competition, and shareholders' interests. The Company shall, in accordance with the capital budget plan for the following year, determine the most appropriate dividend policy. After the board of directors resolve the distribution plan, such plan will be subject to the resolution in the shareholders' meeting.

Dividends may be distributed in cash or shares. Among the dividends payment, no less than 30% shall be distributed in cash.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset 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 appropriation of earnings for the year ended December 31, which was proposed by the Company's board of directors on March 12, 2024 and approved in shareholder's meeting on June 15, 2023, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	**2022**
Legal reserve	$ 180,506	$ 45,906
Cash dividends	$ 963,439	$ 321,147
Cash dividends per share (NT$)	$ 3.00	$ 1.0

The appropriation of earnings for the year ended December 31, 2023 is subject to the resolution in the shareholders' meeting to be held on June 14, 2024.

d. Other equity items

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 1,943	$ 1,969
Exchange differences on translating the financial statements of foreign operations	4,228	(883)
Balance at March 31	$ 6,171	$ 1,086

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 1,164,407	$ 672,449
Recognized for the period		
Unrealized gain/(loss) - equity instruments	756,059	194,116
Share of other comprehensive income/(loss) of associates accounted for using equity method	-	(44,270)
Reclassification adjustments		
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	(1,249)	(18,894)
Balance at March 31	$ 1,919,217	$ 803,401

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 724,788	$ 712,638
Share of profit for the period	21,343	17,274
Dividends distributed by subsidiaries	(19,889)	-
Other comprehensive income/(loss) for the period		
Exchange difference on translation of the financial statements of foreign operations	8	(2)
Non-controlling interests	(983)	(203)
Balance at March 31	$ 725,267	$ 729,707

22. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sales of goods	$ 3,169,395	$ 3,271,988
Revenue from processing	71,317	71,706
Construction contract revenue	146,646	213,240
Rental income	78,809	76,831
	$ 3,466,167	$ 3,633,765

a. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivables (Note 10)	$ 2,647,560	$ 3,244,113	$ 2,797,648
Contract asset - current			
Construction of properties	$ 248,038	$ 240,360	$ 170,642
Contract liabilities - current			
Sales of goods	$ 490,517	$ 1,409,193	$ 279,211
Construction of properties	7,923	7,089	3,841
	$ 498,440	$ 1,416,282	$ 283,052
Contract liabilities - non-current			
Sales of goods	$ 956,684	$ -	$ -

b. Refer to Note 34 for details of revenue.

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Other income

	For the Three Months Ended March 31	
	2024	2023
Dividend income		
Financial assets at FVTPL	$ 10,261	$ 3,736
Others	4,226	4,080
	$ 14,487	$ 7,816

b. Other gains/(losses)

	For the Three Months Ended March 31	
	2024	2023
Loss on disposal of property, plant and equipment	$ -	$ (123)
Net (losses)/gains on financial assets and financial liabilities Mandatorily classified as at FVTPL	719,651	87,251
Net foreign exchange (losses)/gains	(10,662)	134,395
	$ 708,989	$ 221,523

c. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on bank loans	$ 85,377	$ 93,919
Interest on lease liabilities	5	-
Less: Amounts included in the cost of qualifying assets	(1,627)	(743)
	$ 83,755	$ 93,176

Information about capitalized interest was as follows:

	For the Three Months Ended March 31	
	2024	2023
Capitalized interest	$ 1,627	$ 743
Capitalization rate	2.5%	2.5%

d. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2024	2023
Direct operating expenses of investment properties generating rental income	$ 22,559	$ 21,465

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
Property, plant and equipment	$ 43,368	$ 40,932
Investment properties	16,253	15,721
Right-of-use assets	478	478
Intangible assets	2,333	1,581
Long-term prepayments	641	958
	$ 63,073	$ 59,670
An analysis of depreciation by function		
Operating costs	$ 53,917	$ 52,238
Operating expenses	6,182	4,893
	$ 60,099	$ 57,131
An analysis of amortization by function		
Operating costs	$ 1,634	$ 1,702
Operating expenses	1,340	837
	$ 2,974	$ 2,539

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	$ 178,571	$ 160,043
Post-employment benefits (Note 20)		
Defined contribution plans	3,332	3,107
Defined benefit plans	183	223
	$ 182,086	$ 163,373
An analysis of employee benefits expense by function		
Operating costs	$ 69,227	$ 75,066
Operating expenses	112,859	88,307
	$ 182,086	$ 163,373

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The compensation of employees and remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	**2023**
Compensation of employees	3%	3%
Remuneration of directors	3%	3%

Amount

	For the Three Months Ended March 31	
	2024	**2023**
Compensation of employees	$ 25,022	$ 15,801
Remuneration of directors	$ 25,022	$ 15,801

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

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 12, 2024 and March 17, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	**2022**
	Cash	**Cash**
Compensation of employees	$ 55,254	$ 18,388
Remuneration of directors	$ 55,254	$ 18,388

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

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2024	2023
Foreign exchange gains	$ 40,331	$ 180,925
Foreign exchange losses	(50,993)	(46,530)
Net (losses)/gains	$ (10,662)	$ 134,395

24. INCOME TAXES

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

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	$ 20,807	$ 86,147
Income tax on unappropriated earnings	33,156	-
Adjustments for prior years	(2,584)	-
	51,379	86,147
Deferred tax		
In respect of the current period	444	(14,992)
Income tax expense recognized in profit or loss	$ 51,823	$ 71,155

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
Deferred tax		
In respect of the current period:		
Translation of foreign operations	$ 1,057	$ (221)
Total income tax expense/(benefit) recognized in other comprehensive income	$ 1,057	$ (221)

c. Income tax assessments

The income tax returns through 2022 and income tax returns on unappropriated earnings through 2021 of the Company and its subsidiaries have been assessed by the tax authorities.

25. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share		
From continuing operations	$ 2.31	$ 1.38
Diluted earnings per share		
From continuing operations	$ 2.30	$ 1.37

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

Net profit for the period

	For the Three Months Ended March 31	
	2024	2023
Earnings used in the computation of basic earnings per share	$ 740,592	$ 441,706
Earnings used in the computation of diluted earnings per share	$ 740,592	$ 441,706

Weighted average number of ordinary shares outstanding (in thousand shares)

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	321,146	321,146
Effect of potentially dilutive ordinary shares:		
Compensation of employees	407	330
Weighted average number of ordinary shares used in the computation of diluted earnings per share	321,553	321,476

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses 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.

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group’s proportion of ownership in APEX Wind Power Equipment Manufacturing Company Limited and Sinpao Investment Co., Ltd., decreased from 70.44% to 69.87% and from 99.82% to 99.42%, respectively, due to the change in the Group’s proportion of ownership in the fourth quarter of 2023.

The above transactions were accounted for as equity transactions since there was no impact on the Group’s control over the subsidiary.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged over the past 5 years.

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

The Group is not subject to any externally imposed capital requirements.

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

28. FINANCIAL INSTRUMENTS

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

The management believes that the carrying amounts of financial assets and liabilities that are not measured at fair value approximate their fair values:

March 31, 2024

	Carrying Amount	Fair Value
Financial assets		
Financial assets measured at amortized cost:		
Pledged time deposits	$ 58,370	$ 58,370
Restricted demand deposits	112,749	112,749
Notes receivable (including related parties)	1,671,394	1,671,394
Trade receivables (including related parties)	2,647,560	2,647,560
Cash and cash equivalents	1,288,761	1,288,761
Refundable deposits	8,787	8,787
Financial liabilities		
Financial liabilities measured at amortized cost:		
Bank borrowings	12,486,679	12,486,679
Short-term bills payable	434,779	434,779
Notes payable, trade payables and other payables (including related parties)	1,947,100	1,947,100

December 31, 2023

	Carrying Amount	Fair Value
Financial assets		
Financial assets measured at amortized cost:		
Pledged time deposits	$ 58,357	$ 58,357
Restricted demand deposits	93,143	93,143
Notes receivable (including related parties)	2,168,059	2,168,059
Trade receivables (including related parties)	3,244,113	3,244,113
Cash and cash equivalents	953,579	953,579
Refundable deposits	8,783	8,783
Financial liabilities		
Financial liabilities measured at amortized cost:		
Bank borrowings	12,760,128	12,760,128
Short-term bills payable	798,599	798,599
Notes payable, trade payables and other payables (including related parties)	939,921	939,921

March 31, 2023

	Carrying Amount	Fair Value
Financial assets		
Financial assets measured at amortized cost:		
Pledged time deposits	$ 43,336	$ 43,336
Restricted demand deposits	43,273	43,273
Notes receivable (including related parties)	1,252,758	1,252,758
Trade receivables (including related parties)	2,797,648	2,797,648
Overdue receivables	3,000	3,000
Cash and cash equivalents	1,295,514	1,295,514
Refundable deposits	16,683	16,683
Financial liabilities		
Financial liabilities measured at amortized cost:		
Bank borrowings	12,517,117	12,517,117
Short-term bills payable	299,581	299,581
Notes payable, trade payables and other payables (including related parties)	1,040,164	1,467,327

The methods and assumptions used by the Group for estimating financial instruments not measured at fair value are as follows:

1) The fair value of financial instruments, including cash and cash equivalents, trade receivables, overdue receivables, trade payables, pledged time deposits, restricted demand deposits, refundable deposits, short-term bank borrowings and short-term bills payable, is estimated as the carrying amount at the end of the reporting period, because the maturity date is close or the payment amount is close to its carrying amount.

2) The fair value of long-term bank borrowings is determined using the discounted cash flow approach. Future cash flows are discounted at a long-term borrowing rate of the Group. The Group estimated the carrying amount of the long-term loans at the end of the reporting period as their fair values.

b. Financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 3,376,544	$ -	$ -	$ 3,376,544
Domestic unlisted shares	-	-	318,698	318,698
Mutual funds	180,920	-	-	180,920
Derivative instruments	-	22,441	-	22,441
	$ 3,557,464	$ 22,441	$ 318,698	$ 3,898,603
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 3,125,438	$ -	$ -	$ 3,125,438
Domestic unlisted shares	-	-	66,877	66,877
Foreign unlisted shares	-	-	294,982	294,982
	$ 3,125,438	$ -	$ 361,859	$ 3,487,297

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 2,896,943	$ -	$ -	$ 2,896,943
Domestic unlisted shares	-	-	297,484	297,484
Mutual funds	75,752	-	-	75,752
Derivative instruments	-	15,084	-	15,084
	$ 2,972,695	$ 15,084	$ 297,484	$ 3,285,263
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 2,382,045	$ -	$ -	$ 2,382,045
Domestic unlisted shares	-	-	66,877	66,877
Foreign unlisted shares	-	-	329,919	329,919
	$ 2,382,045	$ -	$ 396,796	$ 2,778,841

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 1,795,384	$ -	$ -	$ 1,795,384
Domestic unlisted shares	-	-	283,638	283,638
Mutual funds	120,632	-	-	120,632
Derivative instruments	-	81,631	-	81,631
	$ 1,916,016	$ 81,631	$ 283,638	$ 2,281,285
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 2,276,202	$ -	$ -	$ 2,276,202
Domestic unlisted shares	-	-	62,265	62,265
Foreign unlisted shares	-	-	280,995	280,995
	$ 2,276,202	$ -	$ 343,260	$ 2,619,462

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

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

For the three months ended March 31, 2024

Financial Assets	At FVTPL Equity Instruments	At FVTOCI Equity Instruments	Total
Balance at January 1	$ 297,484	$ 396,796	$ 694,280
Recognized in profit or loss (included in gain/(loss) on financial assets at FVTOCI)	8,357	-	8,357
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	(38,822)	(38,822)
Recognized in other comprehensive income (exchange differences on translation of the financial statements of foreign operations)	-	3,885	3,885
Purchases	12,857	-	12,857
Balance at March 31	$ 318,698	$ 361,859	$ 680,557

For the three months ended March 31, 2023

Financial Assets	At FVTPL Equity Instruments	At FVTOCI Equity Instruments	Total
Balance at January 1	$ 272,687	$ 400,418	$ 673,105
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	(56,378)	(56,378)
Recognized in other comprehensive income (exchange differences on translation of the financial statements of foreign operations)	-	(780)	(780)
Recognized in profit or loss (included in unrealized gain/(loss) on financial assets at FVTPL)	10,951	-	10,951
Balance at March 31	$ 283,638	$ 343,260	$ 626,898

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

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

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

The fair values of domestic unlisted equity instruments were determined using the market approach. In this approach, the fair value is appraised based on the market selling price of similar items, such as assets, liabilities, or the groups of assets and liabilities. The significant unobservable factors used are described below, an increase in long-term revenue growth rates, long-term pre-tax operating margin, a decrease in the weighted average cost of capital, or the discount for lack of marketability used in isolation would result in increases in the fair values.

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ 3,898,603	$ 3,285,263	$ 2,281,285
Financial assets at amortized cost (1)	5,787,621	6,526,034	5,465,265
Financial assets at FVTOCI - equity instruments	3,487,297	2,778,841	2,619,462
Financial liabilities			
Financial liabilities at amortized cost (2)	14,868,558	14,498,648	13,856,862

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, overdue receivables, refundable deposits, pledged time deposits and restricted demand deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes payable, trade payables and other payables.

d. Financial risk management objectives and policies

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

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

1) Market risk

The Group's activities exposed them primarily to the financial risks of changes in foreign currency exchange rates (see "a. foreign currency risk" below) and interest rates (see "b. interest rate risk" below). The Group entered into a variety of derivative financial instruments to manage their exposure to foreign currency risk and interest rate risk, including:

a) Foreign exchange forward contracts to hedge the exchange rate risk arising on the import and export of steel plates;

b) Interest rate swaps to mitigate the risk of rising interest rates.

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets, monetary liabilities (including those eliminated on consolidation) and the derivatives exposed to foreign currency risk at the end of reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to USD, RMB, and EUR.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit below would be negative.

	USD Impact	
	For the Three Months Ended March 31	
	2024	**2023**
Profit or loss	$ 15,828 (i)	$ 32,315 (i)

	JPY Impact	
	For the Three Months Ended March 31	
	2024	**2023**
Profit or loss	$ (25) (ii)	$ 69 (ii)

	EUR Impact	
	For the Three Months Ended March 31	
	2024	2023
Profit or loss	$ (88) (iii)	$ (98) (iii)

i. This was mainly attributable to the exposure on outstanding USD letters of credit, trade receivables, trade payables, other payables and bank deposits, which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding JPY bank deposits, which were not hedged at the end of the reporting period.

iii. This was mainly attributable to the exposure on outstanding EUR bank deposits, which were not hedged at the end of the reporting period.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities of the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and the defined risk appetite, ensuring that the most cost-effective hedging strategies are applied.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Cash flow interest rate risk			
Financial assets	$ 1,123,482	$ 771,318	$ 729,052
Financial liabilities	12,921,459	13,558,727	12,816,698

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100-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 100-basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2024 and 2023 would decrease/increase by NT$30,098 thousand and NT$29,010 thousand, respectively, which was mainly a result of the changes in the variable interest rate bank deposits and loans.

c) Other price risk

The Group was exposed to equity price risk through their investments in listed equity securities. The Group have appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2024 and 2023 would have increased/decreased by NT$38,865 thousand and NT$11,027 thousand, respectively, as a result of the changes in held-for-trading investments and the fair value of financial assets at FVTPL, respectively, and the pre-tax other comprehensive income for the three months ended March 31, 2024 and 2023 would have increased/decreased by NT$34,976 thousand and NT$26,304 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

The Group's sensitivity to investments in equity securities has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which may cause a financial loss to the Group due to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

The Group's trade receivables are from a large number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The concentration of credit risk to any other counterparty did not exceed 10% of the gross monetary assets of the Group at any time for the three months ended March 31, 2024 and 2023.

The Group's concentration of credit risk by geographical locations was mainly in Taiwan, which accounted for 99%, 98% and 99% of the total trade receivables as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

The credit risk on derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized bank loan facilities set out in (b) below.

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

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

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

March 31, 2024

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 1,185,828	$ 152,374	$ 595,307	$ 45,510	$ -
Variable interest rate liabilities	1,445,333	2,246,547	3,590,864	5,502,969	135,746
	$ 2,631,161	$ 2,398,921	$ 4,186,171	$ 5,548,479	$ 135,746

December 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 332,772	$ 294,470	$ 304,225	$ 35,050	$ -
Variable interest rate liabilities	1,329,779	2,494,024	3,887,351	5,698,779	148,794
	$ 1,662,551	$ 2,788,494	$ 4,191,576	$ 5,733,829	$ 148,794

March 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 406,457	$ 286,165	$ 307,609	$ 35,254	$ 5,085
Variable interest rate liabilities	915,081	2,577,442	4,540,892	4,624,166	159,117
	$ 1,321,538	$ 2,863,607	$ 4,848,501	$ 4,659,420	$ 164,202

b) Financing facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	$ 5,177,830	$ 5,375,090	$ 5,148,822
Amount unused	198,000	198,000	151,528
	$ 5,375,830	$ 5,573,090	$ 5,300,350
Unsecured bank loan facilities:			
Amount used	$ 9,081,800	$ 9,685,882	$ 9,257,181
Amount unused	11,317,940	10,508,428	11,497,069
	$ 20,399,740	$ 20,194,310	$ 20,754,250

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and their relationship with the Company:

Related Party	Relationship with the Company
Hsin Kuang Steel Tian-Cheng Charity Foundation	The Foundation's Chairman is the representative of the corporate director of the Company
SunnyRich Multifunction Solar Power Co., Ltd.	Associate

b. Endorsements and guarantees

Please refer to Table 1 about the endorsements/guarantees by the Company for SunnyRich Multifunction Solar Power Co., Ltd.

c. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Donations	Hsin Kuang Steel Tian-Cheng Charity Foundation	$ 12,000	$ 4,000

d. Remuneration of key management personnel

The amount of the remuneration of directors and key management personnel were as follows:

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	$ 53,768	$ 40,624

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, collateral for construction contracts and lease guarantee deposits:

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	$ 411,070	$ 424,223	$ 354,624
Restricted demand deposits (classified as financial assets at amortized cost)	112,749	93,143	43,273
Pledged time deposits (classified as financial assets at amortized cost)	58,370	58,357	43,336
Investments accounted for using the equity method	834,024	481,038	412,192
Freehold land	1,366,235	1,366,235	1,354,737
Buildings, net	677,259	684,407	712,040
Investment properties - land	331,487	331,487	342,985
Investment properties - buildings	623,115	627,064	624,377
Machinery and equipment	144,889	150,358	124,698
	$ 4,559,198	$ 4,216,312	$ 4,012,262

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2024 and 2023 were as follows:

Significant Commitments

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

	March 31, 2024	December 31, 2023	March 31, 2023
NTD	$ 571,929	$ 505,409	$ 268,972
USD	28,879	21,460	39,033
JPY	22,264	293	-

b. Unrecognized commitments were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant and equipment	$ 1,451,934	$ 1,450,046	$ 1,490,355

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2024

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 3,811	32.00	(USD:NTD)	$ 121,940
EUR	260	34.45	(EUR:NTD)	8,958
JPY	17,316	0.21	(JPY:NTD)	3,662
				$ 134,560
Financial liabilities				
Monetary items				
USD	53,438	32.00	(USD:NTD)	$ 1,710,033

December 31, 2023

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 4,311	30.71	(USD:NTD)	$ 132,380
EUR	260	33.97	(EUR:NTD)	8,833
JPY	716	0.22	(JPY:NTD)	156
				$ 141,369
Financial liabilities				
Monetary items				
USD	39,404	30.71	(USD:NTD)	$ 1,209,888

March 31, 2023

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 3,859	30.45	(USD:NTD)	$ 117,508
EUR	297	33.11	(EUR:NTD)	9,834
RMB	2	4.00	(RMB:NTD)	8
JPY	57,590	0.23	(JPY:NTD)	13,177
				$ 140,527
Financial liabilities				
Monetary items				
USD	111,754		(USD:NTD)	$ 3,402,921

The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

	For the Three Months Ended March 31			
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.17 (USD:NTD)	$ (10,811)	29.12 (USD:NTD)	$ 134,765

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: (N/A)

2) Endorsements/guarantees provided: (Table 1)

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

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: (N/A)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: (N/A)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: (N/A)

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

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: (Table 3)

9) Trading in derivative instruments: (Note 7)

10) Other: Intercompany relationships and significant intercompany transactions (Table 4)

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 period, repatriations of investment income, and limit on the amount of investment in the mainland China area: (N/A)

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: (N/A)

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: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

34. SEGMENT INFORMATION

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

- Steel:

    - Direct sales
    - Manufacturing sales

- Construction

- Leases

a. Segments revenue and results

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

	Steel - Direct Sales	Steel - Manufacturing Sales	Construction	Leases	Total
For the three months ended March 31, 2024					
Revenue from external customers	$ 1,524,143	$ 1,716,569	$ 146,646	$ 78,809	$ 3,466,167
Inter-segment revenue	43,808	7,312	25,913	17,488	94,521
Segment revenue	1,567,951	1,723,881	172,559	96,297	3,560,688
Eliminations	(43,808)	(7,312)	(25,913)	(17,488)	(94,521)
Consolidated revenue	$ 1,524,143	$ 1,716,569	$ 146,646	$ 78,809	$ 3,466,167
Segment income	$ 143,935	$ 105,836	$ 53,264	$ 56,251	$ 359,286
Share of profits/(losses) of associates accounted for using the equity method					$ 1,452
Interest income					356
Other income					4,226
Net foreign exchange losses					(10,662)
Gain on valuation of financial instruments					719,651
Allocation of central administration costs and directors' remunerations					(187,057)
Finance costs					(83,755)
Dividends					10,261
Profit before tax					$ 813,758
For the three months ended March 31, 2023					
Revenue from external customers	$ 1,726,029	$ 1,617,665	$ 213,240	$ 76,831	$ 3,633,765
Inter-segment revenue	659,398	3,242	81,823	17,353	761,816
Segment revenue	2,385,427	1,620,907	295,063	94,184	4,395,581
Eliminations	(659,398)	(3,242)	(81,823)	(17,353)	(761,816)
Consolidated revenue	$ 1,726,029	$ 1,617,665	$ 213,240	$ 76,831	$ 3,633,765
Segment income	$ 243,729	$ 147,175	$ 87,513	$ 55,366	$ 533,783
Share of profits/(losses) of associates accounted for using the equity method					$ (2,832)
Interest income					251
Other income					4,080
Loss on disposal of property, plant and equipment					(123)
Gain on valuation of financial instruments					87,251
Net foreign exchange gains					134,395
Allocation of central administration costs and directors' remunerations					(137,230)
Finance costs					(93,176)
Dividends					3,736
Profit before tax					$ 530,135

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' remunerations, share of profits/(losses) of associates accounted for using the equity method, gains or losses recognized on disposal of interests in associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of investments, foreign exchange gains/(losses), valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Segment assets			
From continuing operations			
Steel - direct sales	$ 6,760,599	$ 8,710,181	$ 9,310,782
Steel - manufacturing sales	9,083,636	7,664,121	6,130,740
Construction	448,203	612,231	170,642
Leases	3,740,695	3,744,482	3,726,833
Total segment assets	20,033,133	20,731,015	19,338,997
Unallocated	9,310,741	7,622,315	5,977,885
Consolidated total assets	$ 29,343,874	$ 28,353,330	$ 25,316,882
Segment liabilities			
From continuing operations			
Steel - direct sales	$ 3,668,671	$ 4,688,562	$ 4,704,510
Steel - manufacturing sales	5,229,137	4,505,645	3,701,437
Construction	84,879	59,891	281,706
Leases	2,108	97,743	3,944
Total segment liabilities	8,984,795	9,351,841	8,691,597
Unallocated	7,757,807	6,938,136	5,942,187
Consolidated total liabilities	$ 16,742,602	$ 16,289,977	$ 14,633,784