Hsin Kuang Steel Company Limited and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
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 June 30, 2024 and 2023, and the consolidated statements of comprehensive income, for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 6, 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)

	June 30, 2024		December 31, 2023		June 30, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 992,749	3	$ 953,579	3	$ 1,442,230	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,569,735	15	2,987,779	11	2,551,821	10
Financial assets at amortized cost - current (Notes 4, 9 and 30)	142,873	-	151,500	-	93,049	-
Contract assets - current (Note 22)	249,610	1	240,360	1	181,281	1
Notes receivable from unrelated parties (Notes 4, 5, 10 and 30)	2,096,027	7	2,168,059	8	1,319,232	5
Notes receivable from related parties (Notes 4, 5, 10 and 30)	3,721	-	-	-	-	-
Trade receivables from unrelated parties (Notes 4 and 10)	2,459,816	8	3,244,113	11	2,957,263	11
Trade receivables from related parties (Notes 4 and 10)	1,131	-	-	-	-	-
Prepayments	182,497	1	163,210	1	194,156	1
Inventories (Notes 4, 5 and 11)	6,665,847	21	6,157,480	22	6,017,599	23
Other current assets (Notes 16 and 24)	21,337	-	13,988	-	30,234	-
Total current assets	17,385,343	56	16,080,068	57	14,786,865	56
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	929,668	3	297,484	1	283,638	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	3,375,873	11	2,778,841	10	2,604,604	10
Investments accounted for using the equity method (Notes 4, 12 and 30)	963,298	3	938,005	3	698,320	2
Property, plant and equipment (Notes 4, 13 and 30)	4,182,326	14	4,576,840	16	4,427,053	17
Right-of-use assets (Note 4)	530	-	1,487	-	2,443	-
Investment properties (Notes 4, 14 and 30)	3,512,086	11	3,156,680	11	3,171,263	12
Intangible assets (Notes 4 and 15)	38,948	-	41,756	-	36,828	-
Deferred tax assets (Notes 4 and 24)	100,522	-	97,968	-	119,365	-
Other non-current assets (Notes 10 and 16)	589,756	2	384,201	2	455,884	2
Total non-current assets	13,693,007	44	12,273,262	43	11,799,398	44
TOTAL	$ 31,078,350	100	$ 28,353,330	100	$ 26,586,263	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 4 and 17)	$ 6,961,294	22	$ 6,679,741	23	$ 8,037,756	30
Short-term bills payable (Notes 4 and 17)	429,393	1	798,599	3	379,298	1
Contract liabilities - current (Note 22)	483,213	2	1,416,282	5	766,474	3
Notes payable to unrelated parties (Notes 4 and 18)	270,173	1	288,156	1	331,427	1
Notes payable to related parties (Notes 4 and 18)	2,457	-	-	-	-	-
Trade payables to unrelated parties (Notes 4 and 18)	268,808	1	238,449	1	215,534	1
Other payables (Note 19)	1,571,489	5	413,316	1	758,182	3
Current tax liabilities (Notes 4 and 24)	61,976	-	171,819	1	160,886	1
Current portion of long-term liabilities (Notes 4 and 17)	228,648	1	232,814	1	146,814	-
Other current liabilities	14,014	-	11,774	-	11,591	-
Total current liabilities	10,291,465	33	10,250,950	36	10,807,962	40
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 22)	1,007,809	3	-	-	-	-
Long-term borrowings (Notes 4 and 17)	5,652,734	18	5,847,573	21	4,805,652	18
Provisions - non-current (Note 4)	7,117	-	2,702	-	2,702	-
Deferred tax liabilities (Notes 4 and 24)	116,681	1	117,961	-	123,898	1
Net defined benefit liabilities - non-current (Notes 4 and 20)	21,222	-	33,626	-	31,590	-
Other non-current liabilities	44,339	-	37,165	-	36,393	-
Total non-current liabilities	6,849,902	22	6,039,027	21	5,000,235	19
Total liabilities	17,141,367	55	16,289,977	57	15,808,197	59
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)						
Share capital	3,211,463	10	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	1,275,497	5
Unappropriated earnings	5,800,487	19	4,741,810	17	3,848,034	14
Total retained earnings	7,256,490	24	6,017,307	21	5,123,531	19
Other equity	1,820,504	6	1,166,350	4	816,524	3
Total equity attributable to owners of the Company	13,231,902	43	11,338,565	40	10,094,969	38
NON-CONTROLLING INTERESTS	705,081	2	724,788	3	683,097	3
Total equity	13,936,983	45	12,063,353	43	10,778,066	41
TOTAL	$ 31,078,350	100	$ 28,353,330	100	$ 26,586,263	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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 22)								
Sales	$ 3,412,765	93	$ 3,572,698	92	$ 6,582,160	92	$ 6,844,686	91
Other operating revenue	257,227	7	295,679	8	553,999	8	657,456	9
Total operating revenue	3,669,992	100	3,868,377	100	7,136,159	100	7,502,142	100
OPERATING COSTS								
Cost of goods sold (Notes 4, 11 and 23)	(3,183,715)	(87)	(3,459,967)	(89)	(6,126,511)	(86)	(6,370,083)	(85)
Other operating costs	(197,525)	(5)	(189,732)	(5)	(361,610)	(5)	(379,598)	(5)
Total operating costs	(3,381,240)	(92)	(3,649,699)	(94)	(6,488,121)	(91)	(6,749,681)	(90)
GROSS PROFIT	288,752	8	218,678	6	648,038	9	752,461	10
OPERATING EXPENSES								
Selling and marketing expenses (Note 23)	(101,252)	(3)	(75,859)	(2)	(191,774)	(3)	(153,987)	(2)
General and administrative expenses (Notes 23 and 29)	(112,149)	(3)	(55,977)	(2)	(203,414)	(3)	(115,202)	(2)
Expected credit (loss)/gain (Note 10)	164	-	93	-	(5,106)	-	216	-
Total operating expenses	(213,237)	(6)	(131,743)	(4)	(400,294)	(6)	(268,973)	(4)
PROFIT FROM OPERATIONS	75,515	2	86,935	2	247,744	3	483,488	6
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 23)								
Interest income	2,320	-	1,453	-	2,676	-	1,704	-
Other income	16,848	-	27,603	1	31,335	1	35,419	1
Other gains and losses	1,436,449	39	453,429	12	2,145,438	30	674,952	9
Finance costs	(87,322)	(2)	(98,433)	(3)	(171,077)	(2)	(191,609)	(3)
Share of profit or loss of associates and joint ventures accounted for using the equity method	25,913	1	1,312	-	27,365	-	(1,520)	-
Total non-operating income and expenses	1,394,208	38	385,364	10	2,035,737	29	518,946	7
PROFIT BEFORE INCOME TAX	1,469,723	40	472,299	12	2,283,481	32	1,002,434	13
INCOME TAX EXPENSE (Note 24)	1,481	-	(12,453)	-	(50,342)	-	(83,608)	(1)
NET PROFIT FOR THE PERIOD	1,471,204	40	459,846	12	2,233,139	32	918,826	12

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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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	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	$ (97,570)	(3)	$ 23,045	1	$ 658,489	9	$ 217,161	3
Share of other comprehensive income/(loss) of associates and joint ventures accounted for using the equity method	-	-	1	-	-	-	(44,269)	-
	(97,570)	(3)	23,046	1	658,489	9	172,892	3
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(645)	-	1,339	-	3,591	-	454	-
Other comprehensive income/(loss) for the period, net of income tax	(98,215)	(3)	24,385	1	662,080	9	173,346	3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 1,372,989	37	$ 484,231	13	$ 2,895,219	41	$ 1,092,172	15
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 1,454,117	40	$ 438,344	11	$ 2,194,709	31	$ 880,050	12
Non-controlling interests	17,087	-	21,502	1	38,430	-	38,776	-
	$ 1,471,204	40	$ 459,846	12	$ 2,233,139	31	$ 918,826	12
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 1,355,897	37	$ 462,725	12	$ 2,856,776	40	$ 1,053,394	14
Non-controlling interests	17,092	-	21,506	1	38,443	1	38,778	1
	$ 1,372,989	37	$ 484,231	13	$ 2,895,219	41	$ 1,092,172	15
EARNINGS PER SHARE (Note 25)								
From continuing operations								
Basic	$ 4.53		$ 1.36		$ 6.83		$ 2.74	
Diluted	$ 4.52		$ 1.36		$ 6.81		$ 2.73	

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
Appropriation of 2022 earnings										
Legal reserve	-	-	-	45,907	(45,907)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(321,147)	-	-	(321,147)	-	(321,147)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(67,911)	(67,911)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	31,238	-	(31,238)	-	-	-
Net profit for the six months ended June 30, 2023	-	-	-	-	880,050	-	-	880,050	38,776	918,826
Other comprehensive income for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	452	172,892	173,344	2	173,346
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	880,050	452	172,892	1,053,394	38,778	1,092,172
Changes of non-controlling interests	-	-	-	-	-	-	-	-	(408)	(408)
BALANCE AT JUNE 30, 2023	321,146	$ 3,211,463	$ 943,451	$ 1,275,497	$ 3,848,034	$ 2,421	$ 814,103	$ 10,094,969	$ 683,097	$ 10,778,066
BALANCE AT JANUARY 1, 2024	321,146	$ 3,211,463	$ 943,445	$ 1,275,497	$ 4,741,810	$ 1,943	$ 1,164,407	$ 11,338,565	$ 724,788	$ 12,063,353
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	-	-	-	-	-	-	-	-	(56,776)	(56,776)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	7,913	-	(7,913)	-	38,430	38,430
Net profit for the six months ended June 30, 2024	-	-	-	-	2,194,709	-	-	2,194,709	-	2,194,709
Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	3,578	658,489	662,067	13	662,080
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	2,194,709	3,578	658,489	2,856,776	13	2,856,789
Changes of non-controlling interests	-	-	-	-	-	-	-	-	(1,374)	(1,374)
BALANCE AT JUNE 30, 2024	321,146	$ 3,211,463	$ 943,445	$ 1,456,003	$ 5,800,487	$ 5,521	$ 1,814,983	$ 13,231,902	$ 705,081	$ 13,936,983

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 Six Months Ended June 30	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,283,481	$ 1,002,434
Adjustments for:		
Depreciation expense	121,744	113,895
Amortization expense	5,918	5,383
Expected credit loss recognized/(reversed) on trade receivables	5,106	(216)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(2,186,298)	(481,050)
Finance costs	171,077	191,609
Interest income	(2,676)	(1,704)
Dividend income	(23,589)	(23,549)
Loss on disposal of property, plant and equipment	-	285
Share of (profit)/loss of associates and joint ventures	(27,365)	1,520
(Reversal of) write-downs of inventories	(33,117)	41,959
Net loss on foreign currency exchange	71,249	34,367
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	66,127	(320,792)
Contract assets	(9,250)	(153,512)
Notes receivable	68,311	421,585
Trade receivables	717,152	41,155
Other receivables	350	1,857
Inventories	(475,250)	(716,033)
Prepayments	(112,277)	(53,870)
Other current assets	(8,587)	(2,486)
Notes payable	(15,525)	(61,411)
Trade payables	30,359	(35,032)
Other payables	175,138	108,013
Provisions	4,416	440
Contract liabilities	74,740	455,130
Other current liabilities	2,239	(210)
Net defined benefit liabilities	(12,405)	(1,570)
Cash generated from operations	891,068	568,197
Interest received	2,676	1,704
Dividends received	18,568	23,549
Income tax paid	(164,853)	(199,125)
Net cash generated from operating activities	747,459	394,325
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(93,969)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	63,722	67,322

(Continued)

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	**2023**
Purchase of financial assets at amortized cost	$ -	$ (70,525)
Proceeds from sale of financial assets at amortized cost	8,627	-
Acquisition of associate	-	(180,000)
Payments for property, plant and equipment	(66,614)	(159,861)
Payments for investment properties	-	(423)
Payments for intangible assets	-	(35,317)
Increase in other non-current assets	(753)	(939)
Increase in prepayments for equipment	(68,834)	(78,983)
Dividends received from investees	7,982	-
Decrease/(increase) in refundable deposits	3,213	(12,631)
Net cash used in investing activities	(146,626)	(471,357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	9,919,873	10,276,774
Decrease in short-term borrowings	(9,712,167)	(9,480,215)
Decrease in short-term bills payable	(370,000)	(170,000)
Proceeds from long-term borrowings	98,070	4,300,000
Repayments of long-term borrowings	(298,554)	(1,852,574)
Decrease in long-term bills payable	-	(2,400,000)
Increase in guarantee deposits received	7,173	290
Interest paid	(150,069)	(185,644)
Dividends paid to non-controlling interests	(56,776)	(67,911)
Change in non-controlling interests	(1,374)	(408)
Net cash (used in)/generated from financing activities	(563,824)	420,312
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	2,161	284
NET INCREASE IN CASH AND CASH EQUIVALENTS	39,170	343,564
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	$ 992,749	$ 1,442,230

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

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

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 August 6, 2024.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

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

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.

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

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

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

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) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

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

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

3) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if:

   - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

   - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

   The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

   - The entity having no practical ability to withdraw, stop or cancel the payment instruction;

   - The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended 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**	**June 30, 2024**	**December 31, 2023**	**June 30, 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

c. Other material accounting policies

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

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

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, 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.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty are the same as those applied in the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	$ 1,439	$ 1,260	$ 1,171
Checking accounts and demand deposits	991,310	952,319	1,441,059
	$ 992,749	$ 953,579	$ 1,442,230

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

	June 30, 2024	December 31, 2023	June 30, 2023
Bank balance	0.001%-1.45%	0.001%-1.45%	0.001%-1.35%

As of June 30, 2024, December 31, 2023 and June 30, 2023, pledged time deposits and restricted demand deposits were NT$142,873 thousand, NT$151,500 thousand and NT$93,049 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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	$ 4,334,306	$ 2,896,943	$ 2,333,467
Mutual funds	202,768	75,752	145,509
Derivative instruments (not under hedge accounting)			
Foreign exchange forward contracts*	32,661	15,084	72,845
	$ 4,569,735	$ 2,987,779	$ 2,551,821
Financial assets - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic unlisted shares	$ 186,214	$ 297,484	$ 283,638
Domestic emerging market shares	743,454	-	-
	$ 929,668	$ 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)
June 30, 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
June 30, 2023			
Buy	NTD/USD	2023.07-2024.03	NTD2,290,459/USD76,472
Sell	USD/NTD	2023.07	NTD61,902/USD1,984

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

	June 30, 2024	December 31, 2023	June 30, 2023
Non-current			
Investments in equity instruments	$ 3,375,873	$ 2,778,841	$ 2,604,604

Investments in equity instruments at FVTOCI

	June 30, 2024	December 31, 2023	June 30, 2023
Non-current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - China Steel Corporation	$ 829,310	$ 1,031,422	$ 1,299,504
Ordinary shares - Century Wind Power Co., Ltd.	2,191,040	1,350,623	949,778
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
	3,087,227	2,448,922	2,311,547
Foreign investments			
Unlisted shares			
Ordinary shares - China Steel and Nippon Steel Vietnam Stock Company	246,523	290,061	244,909
Ordinary shares - Century International Co., Ltd.	42,123	39,858	48,148
	288,646	329,919	293,057
	$ 3,375,873	$ 2,778,841	$ 2,604,604

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

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Domestic investments			
Pledged time deposits	$ 58,370	$ 58,357	$ 58,336
Restricted demand deposits	84,503	93,143	34,713
	$ 142,873	$ 151,500	$ 93,049

a. The ranges of interest rates for pledged time deposits and restricted demand deposits were 0.2%-1.31%, 0.2%-1.31% and 0.2%-1.25% per annum as of June 30, 2024, December 31, 2023 and June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable			
Operating - unrelated parties	$ 2,096,027	$ 2,185,736	$ 1,319,232
Operating - related parties	3,721	-	-
Less: Allowance for impairment loss	-	(17,677)	-
	$ 2,099,748	$ 2,168,059	$ 1,319,232
Trade receivables			
At amortized cost - unrelated parties	$ 2,465,964	$ 3,263,011	$ 2,962,902
At amortized cost - related parties	1,131	-	-
Less: Allowance for impairment loss	(6,148)	(18,898)	(5,639)
	$ 2,460,947	$ 3,244,113	$ 2,957,263
Overdue receivables (presented under other non-current assets)			
Overdue receivables	$ 103,055	$ 7,903	$ 41,433
Less: Allowance for impairment loss	(38,690)	(7,903)	(38,433)
	$ 64,365	$ -	$ 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.

June 30, 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%	0.00%	100.00%	0.00%	0.00%	
Gross carrying amount	$ 4,538,585	$ 22,864	$ 5,394	$ -	$ -	$ 4,566,843
Loss allowance (Lifetime ECL)	(754)	-	(5,394)	-	-	(6,148)
Amortized cost	$ 4,537,831	$ 22,864	$ -	$ -	$ -	$ 4,560,695

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

June 30, 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	$ 4,281,420	$ -	$ 714	$ -	$ -	$ 4,282,134
Loss allowance (Lifetime ECL)	(4,925)	-	(714)	-	-	(5,639)
Amortized cost	$ 4,276,495	$ -	$ -	$ -	$ -	$ 4,276,495

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

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	$ 36,575	$ 5,639
Add: Net remeasurement of loss allowance	7,262	-
Less: Net remeasurement of loss allowance	(154)	-
Less: Reclassification	(37,535)	-
Balance at June 30	$ 6,148	$ 5,639

Compared to January 1, 2024 and 2023, the increase in loss allowance of NT$360 and NT$216 at June 30, 2024 and 2023, respectively, resulted from the changes in the gross carrying amounts of notes receivables and trade receivables, which decreased by NT$881,904 thousand and increased by NT$461,689 thousand, respectively, The collection performance of accounts receivable was continuously favorable.

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$64,365 thousand, NT$0 thousand and NT$3,000 thousand as of June 30, 2024, December 31, 2023 and June 30, 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. In addition, the Group did not have the legal right to offset 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Over 1 year	$ 64,365	$ -	$ 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 Six Months Ended June 30	
	2024	2023
Balance at January 1	$ 7,903	$ 38,649
Add: Reclassification	37,535	-
Less: Net remeasurement of loss allowance	(2,001)	-
Less: Amounts written off	(4,747)	(216)
Balance at June 30	$ 38,690	$ 38,433

The Group recognized an impairment loss on overdue receivables amounting to NT$38,690 thousand, NT$7,903 thousand and NT$38,433 thousand as of June 30, 2024, December 31, 2023 and June 30, 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.

11. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	$ 5,534,248	$ 5,233,372	$ 5,038,772
Finished goods	591,760	573,294	489,744
Work in process	422,889	195,592	137,667
Raw materials in transit	116,950	155,222	351,416
	$ 6,665,847	$ 6,157,480	$ 6,017,599

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

	For the Six Months Ended June 30	
	2024	2023
Cost of inventories sold	$ 6,159,628	$ 6,328,124
(Reversal of) inventory write-downs	(33,117)	41,959
	$ 6,126,511	$ 6,370,083

As of June 30, 2024, December 31, 2023 and June 30, 2023, the allowance for inventory write-downs were NT$70,355 thousand, NT$103,472 thousand and NT$162,260 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

	June 30, 2024	December 31, 2023	June 30, 2023
Investments in associates	$ 963,298	$ 938,005	$ 698,320

* Investments in associates

	June 30, 2024	December 31, 2023	June 30, 2023
Material associate	$ 857,080	$ 827,386	$ 586,482
Associates that are not individually material	106,218	110,619	111,838
	$ 963,298	$ 938,005	$ 698,320

a. Material associate

Name of Associate	Nature of Business	Proportion of Ownership and Voting Rights June 30, 2024	December 31, 2023	June 30, 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% (refer to Note 30).

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

	June 30 2024	June 30 2023
Current assets	$ 1,427,593	$ 1,084,902
Non-current assets	12,017,225	7,386,296
Current liabilities	(1,068,493)	(523,612)
Non-current liabilities	(8,079,799)	(5,017,455)
Equity	$ 4,296,526	$ 2,930,131
Proportion of the Company's ownership	20%	20%
Equity attributable to the Company	$ 859,305	$ 586,026
Carrying amount	$ 857,080	$ 586,482

	For the Six Months Ended June 30 2024	For the Six Months Ended June 30 2023
Operating revenue	$ 512,573	$ 115,588
Net income/(loss)	$ 160,984	$ (32,999)
Total comprehensive income/(loss)	$ 160,984	$ (32,999)

b. Aggregate information of associates that are not individually material is as follows:

	For the Six Months Ended June 30 2024	For the Six Months Ended June 30 2023
The Group's share of:		
Net income	$ 3,581	$ 4,674
Total comprehensive income	$ 3,581	$ 4,674

13. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2024	December 31, 2023	June 30, 2023
Assets used by the Group	$ 4,182,326	$ 4,576,840	$ 4,427,053
Carrying amount per category			
Freehold land	$ 2,503,072	$ 2,544,389	$ 2,544,388
Buildings	921,873	950,578	904,286
Equipment	584,010	666,795	581,540
Transportation equipment	67,868	72,010	72,579
Miscellaneous equipment	57,798	63,994	55,855
Leasehold improvements	34,186	34,778	30,732
Property under construction and equipment awaiting inspection	13,519	244,296	237,673
	$ 4,182,326	$ 4,576,840	$ 4,427,053

Except for depreciation recognized, the Group did not have significant addition, disposal, or impairment of property, plant and equipment during the six months ended June 30, 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 June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Completed investment properties	$ 3,512,086	$ 3,156,680	$ 3,171,263

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	$ 373,813	$ 327,562	$ 317,280
Year 2	363,760	328,870	294,578
Year 3	318,260	292,389	283,728
Year 4	298,866	265,016	238,462
Year 5	248,448	231,153	244,641
Year 6 onwards	364,088	459,559	564,541
	$ 1,967,235	$ 1,904,549	$ 1,943,230

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.

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value	$ 7,167,507	$ 6,786,131	$ 6,563,638

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

15. OTHER INTANGIBLE ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
Computer software	$ 38,948	$ 41,756	$ 36,828

The additions in other intangible assets of the Group for the six months ended June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Other receivables	$ 12,694	$ 8,023	$ 26,962
Prepaid income tax	37	-	147
Tax refund receivable (Note 24)	6,918	5,149	9
Payment on behalf of others	1,688	816	3,116
	$ 21,337	$ 13,988	$ 30,234
Non-current			
Refundable deposits	$ 5,571	$ 8,783	$ 16,681
Prepayments for equipment	426,146	373,707	432,999
Overdue receivables	64,365	-	3,000
Others	93,674	1,711	3,204
	$ 589,756	$ 384,201	$ 455,884

17. BORROWINGS

a. Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings (Notes 28 and 30)			
Bank loans	$ 60,000	$ 60,000	$ 45,000
Issuance credit payable	957,903	825,133	980,250
	1,017,903	885,133	1,025,250
Unsecured borrowings			
Line of credit borrowings (Note 28)	1,547,000	1,180,000	2,440,444
Issuance credit payable	4,396,391	4,614,608	4,572,062
	5,943,391	5,794,608	7,012,506
	$ 6,961,294	$ 6,679,741	$ 8,037,756

The range of weighted average effective interest rates on bank loans was 1.78%-6.7%, 1.8%-6.8% and 1.63%-6.41% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

b. Short-term bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper (Notes 28 and 30)	$ 430,000	$ 800,000	$ 380,000
Less: Discount on bills payable	(607)	(1,401)	(702)
	$ 429,393	$ 798,599	$ 379,298

Outstanding short-term bills payable were as follows:

June 30, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
A bank	$ 100,000	$ 142	$ 99,858	2.14%	Head office	$ 18,688
B bank	180,000	277	179,723	2.16%-2.20%	-	-
C bank	150,000	188	149,812	2.14%-2.19%	-	-
	$ 430,000	$ 607	$ 429,393			

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			

June 30, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
A bank	$ 100,000	$ 224	$ 99,776	2.04%	Head office	$ 19,408
B bank	130,000	191	129,809	1.47%-2.06%	-	-
C bank	150,000	287	149,713	2.05%-2.07%	-	-
	$ 380,000	$ 702	$ 379,298			

c. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 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)	81,579	86,842	92,106
Bank loans - Chang Hwa Bank Sanchungpu Branch (3)	208,333	218,750	229,166
Bank loans - Land Bank of Taiwan (4)	86,000	86,000	86,000
Bank loans - Mega International Commercial Bank (5)	196,364	229,091	261,819
Bank loans - Banking Division of Far Eastern International Bank (6)	45,833	70,833	95,833
Bank loans - First Commercial Bank (7)	72,923	-	-
	5,891,032	6,091,516	4,964,924
Less: Current portions	(228,648)	(232,814)	(146,814)
Syndicated loan fees	(9,650)	(11,129)	(12,458)
	(238,298)	(243,943)	(159,272)
Long-term borrowings	$ 5,652,734	$ 5,847,573	$ 4,805,652

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 June 30, 2024, December 31, 2023 and June 30, 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 2.36%, 2.23% and 2.23% per annum as of June 30, 2024, December 31, 2023 and June 30, 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 2.06% per annum as of June 30, 2024, December 31, 2023 and June 30, 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 2.15% per annum as of June 30, 2024, December 31, 2023 and June 30, 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 2.23% per annum as of June 30, 2024, December 31, 2023 and June 30, 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 were 2.42%, 2.28% and 2.28% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

7) Xinhua Steel Company entered into an unsecured medium-term loan agreement with First Commercial Bank, and borrowed in installments through January to June 2024. The maturity dates for these loans are between January and June 2026. The loan contract stipulates that the loan principal shall be repaid upon maturity. The weighted average effective interest rate was 2.23% as of June 30, 2024.

18. NOTES PAYABLE AND TRADE PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Notes payable			
Operating - unrelated parties	$ 270,173	$ 288,156	$ 331,427
Operating - related parties	$ 2,457	$ -	$ -
Trade payables			
Operating - unrelated parties	$ 268,808	$ 238,449	$ 215,534

19. OTHER PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Payables for salaries and bonuses	$ 359,328	$ 236,557	$ 189,383
Interest payable	45,561	25,965	40,336
Other accrued expenses	70,942	60,331	107,243
Dividends payable	1,001,328	-	328,829
Other payables	94,330	90,463	92,391
	$ 1,571,489	$ 413,316	$ 758,182

20. RETIREMENT BENEFIT PLANS

For the six months ended June 30, 2024 and 2023, the pension expenses of defined benefit plans were NT$365 thousand and NT$445 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

	June 30, 2024	December 31, 2023	June 30, 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

	June 30, 2024	December 31, 2023	June 30, 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 board of directors. 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 years ended December 31, 2023 and 2022, which was approved in shareholder's meeting on June 14, 2024 and June 15, 2023, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	**2022**
Legal reserve	$ 180,506	$ 45,907
Cash dividends	$ 963,439	$ 321,147
Cash dividends per share (NT$)	$ 3.0	$ 1.0

d. Other equity items

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

	For the Six Months Ended June 30	
	2024	**2023**
Balance at January 1	$ 1,943	$ 1,969
Exchange differences on translating the financial statements of foreign operations	3,578	452
Balance at June 30	$ 5,521	$ 2,421

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

	For the Six Months Ended June 30	
	2024	**2023**
Balance at January 1	$ 1,164,407	$ 672,449
Recognized for the period		
Unrealized gain/(loss) - equity instruments	658,489	217,161
Share of other comprehensive income/(loss) of associates accounted for using equity method	-	(44,269)
Reclassification adjustments		
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	(7,913)	(31,238)
Balance at June 30	$ 1,814,983	$ 814,103

e. Non-controlling interests

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	$ 724,788	$ 712,638
Share of profit for the period	38,430	38,776
Dividends distributed by subsidiaries	(56,776)	(67,911)
Other comprehensive income/(loss) for the period		
Exchange difference on translation of the financial statements of foreign operations	13	2
Non-controlling interests	(1,374)	(408)
Balance at June 30	$ 705,081	$ 683,097

22. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from sales of goods	$ 3,412,765	$ 3,572,698	$ 6,582,160	$ 6,844,686
Revenue from processing	22,877	72,197	94,194	143,903
Construction contract revenue	149,284	146,391	295,930	359,631
Rental income	85,066	77,091	163,875	153,922
	$ 3,669,992	$ 3,868,377	$ 7,136,159	$ 7,502,142

a. Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Trade receivables (Note 10)	$ 2,460,947	$ 3,244,113	$ 2,957,263
Contract asset - current			
Construction of properties	$ 249,610	$ 240,360	$ 181,281
Contract liabilities - current			
Sales of goods	$ 454,570	$ 1,409,193	$ 766,236
Construction of properties	28,643	7,089	238
	$ 483,213	$ 1,416,282	$ 766,474
Contract liabilities - non-current			
Sales of goods	$ 1,007,809	$ -	$ -

b. Refer to Note 36 for details of revenue.

23. NET PROFIT FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Dividend income				
Financial assets at FVTPL	$ 10,996	$ 15,438	$ 21,257	$ 19,174
Financial assets at FVTOCI	2,332	4,375	2,332	4,375
Others	3,520	7,790	7,746	11,870
	$ 16,848	$ 27,603	$ 31,335	$ 35,419

b. Other gains/(losses)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Loss on disposal of property, plant and equipment	$ -	$ (285)	$ -	$ (285)
Net (losses)/gains on financial assets and financial liabilities				
Mandatorily classified as at FVTPL	1,466,647	393,799	2,186,298	481,050
Net foreign exchange (losses)/ gains	(30,198)	59,915	(40,860)	194,310
Other losses	-	-	-	(123)
	$ 1,436,449	$ 453,429	$ 2,145,438	$ 674,952

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Interest on bank loans	$ 87,882	$ 100,425	$ 173,259	$ 194,344
Interest on lease liabilities	4	23	9	23
Less: Amounts included in the cost of qualifying assets	(564)	(2,015)	(2,191)	(2,758)
	$ 87,322	$ 98,433	$ 171,077	$ 191,609

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Capitalized interest	$ 564	$ 2,015	$ 2,191	$ 2,758
Capitalization rate	2.5%	2.5%	2.5%	2.5%

d. Operating expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Direct operating expenses of investment properties generating rental income	$ 44,424	$ 41,282	$ 66,983	$ 62,747

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	$ 44,608	$ 42,633	$ 90,331	$ 85,499
Investment properties	16,559	13,653	30,457	27,440
Right-of-use assets	478	478	956	956
Intangible assets	2,255	2,104	4,588	3,685
Long-term prepayments	689	740	1,330	1,698
	$ 64,589	$ 59,608	$ 127,662	$ 119,278
An analysis of depreciation by function				
Operating costs	$ 55,802	$ 51,636	$ 109,719	$ 103,874
Operating expenses	5,843	5,128	12,025	10,021
	$ 61,645	$ 56,764	$ 121,744	$ 113,895
An analysis of amortization by function				
Operating costs	$ 1,573	$ 1,728	$ 3,207	$ 3,430
Operating expenses	1,371	1,116	2,711	1,953
	$ 2,944	$ 2,844	$ 5,918	$ 5,383

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	$ 224,871	$ 150,018	$ 403,442	$ 310,061
Post-employment benefits (Note 20)				
Defined contribution plans	3,360	3,153	6,692	6,260
Defined benefit plans	182	222	365	445
	$ 228,413	$ 153,393	$ 410,499	$ 316,766

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
An analysis of employee benefits expense by function				
Operating costs	$ 69,274	$ 74,144	$ 138,501	$ 149,210
Operating expenses	159,139	79,249	271,998	167,556
	$ 228,413	$ 153,393	$ 410,499	$ 316,766

(Concluded)

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 six months ended June 30, 2024 and 2023 were as follows:

Accrual rate

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Compensation of employees	3%	3%	3%	3%
Remuneration of directors	3%	3%	3%	3%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Compensation of employees	$ 46,052	$ 14,168	$ 71,074	$ 29,969
Remuneration of directors	$ 46,052	$ 14,168	$ 71,074	$ 29,969

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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Foreign exchange gains	$ 11,010	$ 168,289	$ 51,341	$ 349,214
Foreign exchange losses	(41,208)	(108,374)	(92,201)	(154,904)
Net (losses)/gains	$ (30,198)	$ 59,915	$ (40,860)	$ 194,310

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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	$ 6,130	$ 67,186	$ 26,937	$ 153,333
Income tax on unappropriated earnings	1,615	5,581	34,771	5,581
Adjustments for prior years	(4,116)	3,088	(6,700)	3,088
	3,629	75,855	55,008	162,002
Deferred tax				
In respect of the current period	(5,110)	(63,402)	(4,666)	(78,394)
Income tax (benefit)/expense recognized in profit or loss	$ (1,481)	$ 12,453	$ 50,342	$ 83,608

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Deferred tax				
In respect of the current period:				
Translation of foreign operations	$ (162)	$ 108	$ 895	$ (113)
Total income tax (benefit)/ expense recognized in other comprehensive income	$ (162)	$ 108	$ 895	$ (113)

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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic earnings per share				
From continuing operations	$ 4.53	$ 1.36	$ 6.83	$ 2.74
Diluted earnings per share				
From continuing operations	$ 4.52	$ 1.36	$ 6.81	$ 2.73

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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Earnings used in the computation of basic earnings per share	$ 1,454,117	$ 438,344	$ 2,194,709	$ 880,050
Earnings used in the computation of diluted earnings per share	$ 1,454,117	$ 438,344	$ 2,194,709	$ 880,050

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	321,146	321,146	321,146	321,146
Effect of potentially dilutive ordinary shares:				
Compensation of employees	724	306	1,111	647
Weighted average number of ordinary shares used in the computation of diluted earnings per share	321,850	321,452	322,257	321,793

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:

June 30, 2024

	Carrying Amount	Fair Value
Financial assets		
Financial assets measured at amortized cost:		
Pledged time deposits	$ 58,370	$ 58,370
Restricted demand deposits	84,503	84,503
Notes receivable (including related parties)	2,099,748	2,09,9748
Trade receivables (including related parties)	2,460,947	2,460,947
Overdue receivables	64,365	64,365
Cash and cash equivalents	992,749	992,749
Refundable deposits	5,571	5,571

(Continued)

	Carrying Amount	Fair Value
Financial liabilities		
Financial liabilities measured at amortized cost:		
Bank borrowings	$ 12,842,676	$ 12,842,676
Short-term bills payable	429,393	429,393
Notes payable, trade payables and other payables (including related parties)	2,112,927	2,112,927

(Concluded)

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

June 30, 2023

	Carrying Amount	Fair Value
Financial assets		
Financial assets measured at amortized cost:		
Pledged time deposits	$ 58,336	$ 58,336
Restricted demand deposits	34,713	34,713
Notes receivable (including related parties)	1,319,232	1,319,232
Trade receivables (including related parties)	2,957,263	2,957,263
Overdue receivables	3,000	3,000
Cash and cash equivalents	1,442,230	1,442,230
Refundable deposits	29,734	29,734

(Continued)

	Carrying Amount	Fair Value
Financial liabilities		
Financial liabilities measured at amortized cost:		
Bank borrowings	$ 12,990,222	$ 12,990,222
Short-term bills payable	379,298	379,298
Notes payable, trade payables and other payables (including related parties)	1,305,143	1,305,143

(Concluded)

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, short-term bills payable and long-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

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 4,334,306	$ -	$ -	$ 4,334,306
Domestic unlisted shares	-	-	186,214	186,214
Domestic emerging market shares	743,454	-	-	743,454
Mutual funds	202,768	-	-	202,768
Derivative instruments	-	32,661	-	32,661
	$ 5,280,528	$ 32,661	$ 186,214	$ 5,499,403
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 3,020,350	$ -	$ -	$ 3,020,350
Domestic unlisted shares	-	-	66,877	66,877
Foreign unlisted shares	-	-	288,646	288,646
	$ 3,020,350	$ -	$ 355,523	$ 3,375,873

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

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 2,333,467	$ -	$ -	$ 2,333,467
Domestic unlisted shares	-	-	283,638	283,638
Mutual funds	145,509	-	-	145,509
Derivative instruments	-	72,845	-	72,845
	$ 2,478,976	$ 72,845	$ 283,638	$ 2,835,459
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 2,249,282	$ -	$ -	$ 2,249,282
Domestic unlisted shares	-	-	62,265	62,265
Foreign unlisted shares	-	-	293,057	293,057
	$ 2,249,282	$ -	$ 355,322	$ 2,604,604

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2024 and 2023.

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

For the six months ended June 30, 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)	-	(43,538)	(43,538)
Recognized in other comprehensive income (exchange differences on translation of the financial statements of foreign operations)	-	2,265	2,265
Purchases	93,969	-	90,525
Disposals	(3,444)	-	-
Rearrange	533,302	-	533,302
Balance at June 30	$ 929,668	$ 355,523	$ 1,285,191

For the six months ended June 30, 2023

Financial Assets	At FVTPL Equity Instruments	At FVTOCI Equity Instruments	Total
Balance at January 1	$ 272,687	$ 400,418	$ 673,105
Recognized in profit or loss (included in gain/(loss) on financial assets at FVTOCI)	10,951	-	10,951
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	(45,383)	(45,383)
Recognized in other comprehensive income (exchange differences on translation of the financial statements of foreign operations)	-	287	287
Balance at June 30	$ 283,638	$ 355,322	$ 638,960

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ 5,499,403	$ 3,285,263	$ 2,835,459
Financial assets at amortized cost (1)	5,76,233	6,526,034	5,844,508
Financial assets at FVTOCI			
Equity instruments	3,375,873	2,778,841	2,604,604
Financial liabilities			
Financial liabilities at amortized cost (2)	15,384,996	14,498,648	14,674,663

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 34.

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 Six Months Ended June 30	
	2024	**2023**
Profit or loss	$ 27,087 (i)	$ 21,858 (i)

	JPY Impact	
	For the Six Months Ended June 30	
	2024	**2023**
Profit or loss	$ (26) (ii)	$ (176) (ii)

	EUR Impact			
	For the Six Months Ended June 30			
	2024		2023	
Profit or loss	$	(91) (iii)	$	(95) (iii)

i. This was mainly attributable to the exposure on outstanding USD letters of credit, trade payables, other payables, trade receivables 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.

The Group's sensitivity to foreign currency increased during the current year mainly due to the increase in purchases which resulted in an increase in USD letters of credit.

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Cash flow interest rate risk			
Financial assets	$ 696,550	$ 771,318	$ 814,618
Financial liabilities	13,272,069	13,558,727	13,369,520

<u>Sensitivity analysis</u>

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 six months ended June 30, 2024 and 2023 would decrease/increase by NT$60,393 thousand and NT$59,123 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 six months ended June 30, 2024 and 2023 would have increased/decreased by NT$54,750 thousand and NT$27,674 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 six months ended June 30, 2024 and 2023 would have increased/decreased by NT$33,639 thousand and NT$25,813 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 reporting period, 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 six months ended June 30, 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 June 30, 2024, December 31, 2023 and June 30, 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.

June 30, 2024

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,407,529	$ 165,286	$ 530,597	$ 42,427	$ 5,085
Variable interest rate liabilities	1,631,058	1,824,958	4,163,319	5,524,828	127,906
	$ 3,038,587	$ 1,990,244	$ 4,693,916	$ 5,567,255	$ 132,991

December 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 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

June 30, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 434,658	$ 551,659	$ 312,177	$ 35,986	$ 5,085
Variable interest rate liabilities	1,432,128	2,936,736	4,195,004	4,653,636	152,016
	$ 1,866,786	$ 3,488,395	$ 4,507,181	$ 4,689,622	$ 157,101

b) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	$ 5,141,483	$ 5,375,090	$ 5,194,340
Amount unused	134,347	198,000	634,640
	$ 5,275,830	$ 5,573,090	$ 5,828,980
Unsecured bank loan facilities:			
Amount used	$ 9,587,361	$ 9,685,882	$ 10,041,232
Amount unused	11,429,420	10,508,428	9,888,098
	$ 21,016,781	$ 20,194,310	$ 19,929,330

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
Hsin Yuan Hsin Industrial Co., Ltd.	Related party in substance

b. Processing cost

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	**2024**	**2023**	**2024**	**2023**
Related party in substance				
Hsin Yuan Hsin Industrial Co., Ltd.	$ 1,547	$ -	$ 1,547	$ -

c. Logistics management expense

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Related party in substance				
Hsin Yuan Hsin Industrial Co., Ltd.	$ 2,732	$ -	$ 2,732	$ -

d. Other revenue

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Related party in substance				
Hsin Yuan Hsin Industrial Co., Ltd.	$ 1,077	$ -	$ 1,077	$ -

e. Receivables from related parties

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Related party in substance			
Hsin Yuan Hsin Industrial Co., Ltd.	$ 4,852	$ -	$ -

The outstanding receivables from related parties were unsecured. As of June 30, 2024, no allowance for impairment loss was recognized for receivables from related parties.

f. Payables to related parties

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Related party in substance			
Hsin Yuan Hsin Industrial Co., Ltd.	$ 2,457	$ -	$ -

The outstanding payables to related parties were unsecured.

g. Lease arrangements - the Group is lessor

Future lease payments receivable are as follows:

Related Party Category/Name	June 30, 2024
Related party in substance	
Hsin Yuan Hsin Industrial Co., Ltd.	$ 65,621

Lease income was as follows:

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Related party in substance				
Hsin Yuan Hsin Industrial Co., Ltd.	$ 1,772	$ -	$ 1,772	$ -

In May 2024, the Company rented out factories to its related party in substance, Hsin Yuan Hsin Industrial Co., Ltd. The contract period was for 6 years. The monthly rent is NT$930 thousand, and adjustments to the monthly rent for land and buildings will be made at the end of the third year.

h. Guarantee deposits

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Related party in substance			
Hsin Yuan Hsin Industrial Co., Ltd.	$ 2,457	$ -	$ -
Related party in substance			
Hsin Yuan Hsin Industrial Co., Ltd.	$ 1,861	$ -	$ -

i. Endorsements and guarantees

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

j. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Donations	Hsin Kuang Steel Tian-Cheng Charity Foundation	$ -	$ -	$ 12,000	$ 4,000

k. Remuneration of key management personnel

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	$ 85,531	$ 36,414	$ 139,299	$ 77,038

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 guarantee deposits:

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 468,479	$ 424,223	$ 383,254
Restricted assets (classified as financial assets at amortized cost)	84,503	93,143	34,713
Pledged time deposits (classified as financial assets at amortized cost)	58,370	58,357	58,336
Investments accounted for using the equity method	857,080	481,038	416,213
Freehold land	1,562,195	1,562,194	1,562,194
Buildings, net	702,568	713,573	741,415
Investment properties - land	135,528	135,528	135,528
Investment properties - buildings	591,371	597,898	589,985
Machinery and equipment	139,420	150,358	120,577
	$ 4,599,514	$ 4,216,312	$ 4,042,215

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant Commitments

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

	June 30, 2024	December 31, 2023	June 30, 2023
NTD	$ 442,783	$ 505,409	$ 541,693
USD	34,789	21,460	44,994
JPY	-	293	-

b. Unrecognized commitments were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Acquisition of property, plant and equipment	$ 1,447,960	$ 1,450,046	$ 1,493,173

32. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, on April 29, 2024, the Ministry of Environment announced the draft “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees”. According to the draft “Regulations Governing the Collection of Carbon Fees”, companies belonging to the power generation industry and large-scale operators in the manufacturing industry, with total annual greenhouse gas emissions generated by direct emissions and indirect emissions that occur through the use of purchased electricity exceeding 25,000 metric tons of carbon dioxide equivalent (tCO2e), shall pay carbon fees if their plants are the emission sources subject to inventory, registration and inspection as announced by the Ministry of Environment.

Based on the emissions of the Group in 2023, it did not reach the aforementioned threshold. However, because the aforementioned drafts are still in the stage of draft preview and the rates of the carbon fee have not yet has been announced, the Group is continuously assessing impacts of the carbon fee.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On July 12, 2024, the board of directors of APEX Wind Power Equipment Manufacturing Company Limited, the Company’s subsidiary, resolved the acquisition of land from the Industrial Development Bureau of the Ministry of Economic Affairs for its manufacturing needs, with a total purchase price of NT$682,458 thousand. The board of directors also resolved a new borrowing facility with a credit limit of NT$537,700 thousand.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2024

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 3,468	32.45	(USD:NTD)	$ 112,549
EUR	261	34.69	(EUR:NTD)	9,054
JPY	16,112	0.20	(JPY:NTD)	3,250
				$ 124,853
Financial liabilities				
Monetary items				
USD	88,424	32.45	(USD:NTD)	$ 2,869,369

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

June 30, 2023

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 3,802	31.14	(USD:NTD)	$ 118,393
EUR	280	33.81	(EUR:NTD)	9,468
RMB	2	4.00	(RMB:NTD)	8
JPY	35,102	0.22	(JPY:NTD)	7,547
				$ 135,416
Financial liabilities				
Monetary items				
USD	75,906	31.14	(USD:NTD)	$ 2,363,704

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

	For the Three Months Ended June 30			
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	32.04 (USD:NTD)	$ (30,142)	29.57 (USD:NTD)	$ 64,071

	For the Six Months Ended June 30			
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.55 (USD:NTD)	$ (40,953)	29.27 (USD:NTD)	$ 198,836

35. 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: (Table 3)

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 4)

9) Trading in derivative instruments: (Note 7)

10) Other: Intercompany relationships and significant intercompany transactions (Table 5)

b. Information on investees (Table 6)

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 reporting period

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

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

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the reporting period 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 7)

36. 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 Projects	Leases	Total
For the six months ended June 30, 2024					
Revenue from external customers	$ 3,374,381	$ 3,301,973	$ 295,930	$ 163,875	$ 7,136,159
Inter-segment revenue	81,181	11,166	124,397	35,449	252,193
Segment revenue	3,455,562	3,313,139	420,327	199,324	7,388,352
Eliminations	(81,181)	(11,166)	(124,397)	(35,449)	(252,193)
Consolidated revenue	$ 3,374,381	$ 3,301,973	$ 295,930	$ 163,875	$ 7,136,159
Segment income	$ 266,517	$ 209,758	$ 74,870	$ 96,893	$ 648,038
Share of profits/(losses) of associates accounted for using the equity method					27,365
Interest income					2,676
Other income					7,746
Net foreign exchange losses					(40,860)
Gain on valuation of financial instruments					2,186,298
Allocation of headquarter administration costs and directors' remunerations					(400,294)
Finance costs					(171,077)
Dividend income					23,589
Profit before tax					$ 2,283,481

(Continued)

	Steel - Direct Sales	Steel - Manufacturing Sales	Construction Project	Leases	Total
For the six months ended June 30, 2023					
Revenue from external customers	$ 3,772,124	$ 3,216,465	$ 359,631	$ 153,922	$ 7,502,142
Inter-segment revenue	1,245,811	9,832	131,839	34,705	1,422,187
Segment revenue	5,017,935	3,226,297	491,470	188,627	8,924,329
Eliminations	(1,245,811)	(9,832)	(131,839)	(34,705)	(1,422,187)
Consolidated revenue	$ 3,772,124	$ 3,216,465	$ 359,631	$ 153,922	$ 7,502,142
Segment income	$ 344,527	$ 189,708	$ 127,051	$ 91,175	$ 752,461
Share of profits/(losses) of associates accounted for using the equity method					(1,520)
Interest income					1,704
Other income					11,870
Loss on disposal of property, plant and equipment					(285)
Gain on valuation of financial instruments					481,050
Net foreign exchange gains					194,310
Allocation of headquarter administration costs and directors' remunerations					(268,973)
Finance costs					(191,609)
Other losses					(123)
Dividend income					23,549
Profit before tax					$ 1,002,434

(Concluded)

Segment profit represents the profit before tax earned by each segment without allocation of headquarter 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

	June 30, 2024	December 31, 2023	June 30, 2023
Segment assets			
From continuing operations			
Steel - direct sales	$ 7,501,691	$ 8,710,181	$ 9,580,718
Steel - manufacturing sales	9,078,947	7,664,121	6,317,323
Construction projects	406,508	612,231	371,303
Leases	3,556,527	3,744,482	3,683,554
Total segment assets	20,543,673	20,731,015	19,952,898
Unallocated	10,534,677	7,622,315	6,633,365
Consolidated total assets	$ 31,078,350	$ 28,353,330	$ 26,586,263

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Segment liabilities			
From continuing operations			
Steel - direct sales	$ 3,712,800	$ 4,688,562	$ 4,867,603
Steel - manufacturing sales	5,109,547	4,505,645	4,102,785
Construction	115,197	59,891	113,151
Leases	4,400	97,743	125,972
Total segment liabilities	8,941,944	9,351,841	9,209,511
Unallocated	8,199,423	6,938,136	6,598,686
Consolidated total liabilities	$ 17,141,367	$ 16,289,977	$ 15,808,197

(Concluded)