Stock Code: 2022

TYCOONS GROUP ENTERPRISE CO., LTD.

2023 ANNUAL REPORT

Website for annual report: http://mops.twse.com.tw

The Company website: http://www.tycons.com.tw

Publication date: April 8, 2024

I. Names, job titles, contact numbers and e-mail addresses of spokesperson and acting spokesperson

Spokesperson: Wang, Min-Hua

Job title: Manager

Acting spokesperson: Chang, Wen-Hui

Job title: Manager

Contact number: (07)6212191

E-mail address: tycoons@mail.tycons.com.tw

II. Addresses and contact numbers of the Company and mills:

Company address:	No. 79-1, Xinle St., Gangshan Dist., Kaohsiung City (07)621-2191
Plant I address:	No. 79-1, Xinle St., Gangshan Dist., Kaohsiung City (07)621-2191
Plant II address:	No. 71-1, Weisui W. Rd., Gangshan Dist., Kaohsiung City (07)622-2136

III. Stock transfer agency

Stock transfer agent: Grand Fortune Securities Co., Ltd.

Address: 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Taipei City

Website: http://www.gfortune.com.tw

Contact number: (02)2383-6888

IV. Independent auditors for financial report of the most recent year

CPA firm: Baker Tilly Clock & Co.

Independent auditors: Lin Chi-Ping and Wu, Hsin-Liang

Address: 14F., No. 111, Sec. 2, Nanjing E. Rd., Taipei City

Website: http://www.clockcpa.com.tw

Contact number: (02)2516-5255

V. Name of overseas securities exchange and method of inquiry for overseas securities: Nil.

VI. Company website: http://www.tycons.com.tw

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One. Letter to Shareholders

I. Business Report for 2023

(I) Implementation Status of Business Plans

In 2023, due to the weak end demand in the U.S. and Europe, the under-expected post-pandemic recovery in China, coupled with factors such as continuous geopolitical interference and global inflation pressure remaining significant in the first half of the year, the inventory destocking of downstream manufacturers was limited and demands shrank. The lack of willingness for placing orders resulted in a decrease in revenue. In 2023, however, due to the Tycoons Group's effective scheduling of production and sales, along with the destocking of high-priced inventory and stabilized costs, there were a recovery in gross profit and an increase in profit. The 2023 individual operating revenue of the Tycoons Group was $903 million, decreasing by $1,225 million and 26% year-to-year, and the consolidated operating revenue was $8,420 million, decreasing by $9,574 million and 12% year-to-year. The net income after tax was $81 million, and the net earnings after tax per share was $0.24.

Looking to the future, the overall global economy is projected to remain stable and experience growth. Despite geopolitical instability and a high-interest-rate environment continuing to impact both domestic and foreign market demands, the global manufacturing industry is poised for a gradual increase in inventory replenishment following two years of destocking. Moreover, there is potential for heightened momentum in the market demand for steel. In terms of the steel and iron market, we are cautiously optimistic about the future development of the steel market. Domestic major manufacturers firmly believe that there will be a turnaround for the steel market in the second quarter, especially before the Fed is expected to cut interest rates in the middle of the year, there will be demand for restocking, which helps the recovery turn strong and move forward steadily to create profits.

Consolidated Comprehensive Income Statement of Tycoons Group Enterprise Co., Ltd.

Unit: NT$ thousand

Profit or loss item	2023	%	2022	%	Increase/decrease	%
Operating revenue	8,420,093	100	9,573,616	100	(1,153,523)	(12.05)
Operating cost	(7,232,718)	(86)	(8,955,751)	(94)	1,723,033	(19.24)
Gross profit from operations	1,187,375	14	617,865	6	569,510	92.17
Operating expenses	(783,603)	(9)	(498,099)	(5)	(285,504)	57.32
Net operations income	403,772	5	119,766	1	284,006	237.13
Non-operating income and expenses	(33,033)	(1)	(147,096)	(1)	114,063	(77.54)
(Loss) income before income tax	370,739	4	(27,330)	0	398,069	(1456.53)
(Loss) profit from continuing operation	343,084	4	(59,143)	(1)	402,227	(680.09)
(Loss) profit from discontinued operations	(147,664)	(2)	(9,452)	0	(138,212)	1462.25
(Loss) profit	195,420	2	(68,595)	(1)	264,015	(384.89)
(Loss) profit attributed to:						
Owners of parent	80,877	1	(120,371)	(1)	201,248	(167.19)
Non-controlling interests	114,543	1	51,776	0	62,767	121.23
Basic (loss) earning per share (NT$)	0.24		(0.36)			

(II) Financial Income and Loss

Unit: NT$ thousand

Item	2023	2022	Increase/decrease
Net cash (used in) generated from operating activities	1,296,864	859,933	436,931
Net cash (used in) generated from investing activities	(818,599)	(440,963)	(377,636)
Net cash (used in) generated from financing activities	(414,865)	(544,368)	129,503

1. The net cash inflow from operating activities increased compared to the previous period, mainly due to a decrease in inventories for the current period.
2. The net cash outflow from investment activities increased compared to the previous period, mainly due to the acquisition of subsidiaries and fixed assets in the current year.
3. The net cash outflow from financing activities decreased compared to the previous period, mainly due to the increase in long-term loans in the current year.

(III) Profitability Analysis

Item	2023	2022
Return on assets	2.98	(0.18)
Return on shareholder equity	2.92	(1.07)
Profit margin	2.32	(0.71)

In 2023, the consolidated net income was NT$195,420 thousand with a net income attributable to the owner of the parent company of NT$80 million, and the profitability indicator was positive.

(IV) Research and Development:

In response to changes in the business environment, the Company shall make consistent improvements to its fabrication processes and implement automated fabrication technology to increase production volume and enhance quality, while satisfying and surpassing customer requirements. Certification obtained by Tycoons Group Enterprise and Tycoons Worldwide Group (Thailand):

Certificate authority of Tycoons Group Enterprise

Item	Content of certificate	Certification unit	Certificate number
1	ISO 9001：2015	SGS	TW14/10817
2	EN 14566：2008+A1：2009	EURO CERT	TW.CE.0425-05/12
3	EN 14592：2008, 3.0mm	EURO CERT	E-30-20366-12
4	EN 14592：2008, 3.5mm	EURO CERT	E-30-20367-12
5	EN 14592：2008, 4.0mm	EURO CERT	E-30-20368-12
6	EN 14592：2008, 4.5mm	EURO CERT	E-30-20369-12
7	EN 14592：2008, 5.0mm	EURO CERT	E-30-20370-12
8	EN 14592：2008, 6.0mm	EURO CERT	E-30-20371-12
9	Studs for drawn arc stud welding - concrete anchor and shear connectors	Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs	Tai-Zheng-Zi No. 7407
10	ISO 14067:2018	DNV	C660532-2022-AP-TWN-DNV

Certificate authority of Tycoons Worldwide Group (Thailand)

Item	Content of certificate	Certification unit
1	ISO 9001:2015	UKAS
2	ISO 14001:2015	UKAS
3	ISO/IEC 17025	Thai Industrial Standards Institute
4	EN 14566、EN 14592、EN 15048	CE
5	TIS 348-2559、TIS 24-2559、TIS 20-2559	TISI
6	CFO、CFP	Thailand Greenhouse Gas Management Organization: TGO
7	ISO 14064、ISO 14067	Bureau Veritas (BV)

II. Summary of the 2024 Business Plan

(I) Business strategy and major production and marketing policies

1. We will continuously strengthen our business for wining wire rods orders. In addition, in response to the increase in electricity bills, we plan to adjust the working hours of wire processing to control costs. We will also provide on-time shipments, high-quality products, and comprehensive sales services.
2. We intend to develop customized cooperation with customers and refine the acid cleaning process to reduce screw molding sludge pollution, lower production costs, and create win-win outcomes.
3. As the government actively promotes public construction and government-led public urban renewal, the domestic demand for shear studs is steadily increasing. We intend to continuously enhance product quality to secure more orders.

(II) Expected sales volume:

Product targets for 2024 are as follows:

Product name	Sales volume (metric ton)	%
Wire rods	143,804	33.77
Fabrication	105,760	24.83
Spheroidized wires	67,724	15.90
Screws	39,870	9.36
Steel bars	68,736	16.14
Total	425,894	100.00

III. Future development strategy of the Company

(I) Infrastructure development in Thailand will benefit the profitability of TYCN

The Thai government has announced that it will invest THB 652 billion from 2024 to 2025 to promote about 150 transportation construction projects, fostering the development of infrastructure in Thailand. Among them, 64 projects are determined to be launched in 2024, and another 31 projects are still under planning stage, with a total budget of THB 389 billion; in 2025, it is expected to launch 57 projects with a total budget of THB 263 billion. It is expected that construction will commence gradually, leading to a continuous growth in the demand for steel.

(II) The Company shall adjust operating strategies and undertake vertical integration for its production model

In recent years, the Company has been actively transforming into a professional wire manufacturer, expanding our wire processing capacity and the acid cleaning wire OEM capacity, actively seizing the domestic OEM market, and demonstrating differential competitive advantages. In the future, we will continue to strengthen the one-stop production service from wire rods trading to wire processing. In addition, in response to the increase in electricity bills, we plan to adjust the working hours of wire processing to control costs. We will also provide on-time shipments and offer high-quality and comprehensive sales services.

The Group owns production and sales bases located in Taiwan, Thailand, and Mainland China. Our products include wire rods, wires, screws, bolts, and steel bars, plus billets produced by the associate. In the future, we will leverage the synergy of vertical integration, from top-to-bottom production, to respond to the rapidly changing market trend through our domestic and overseas bases in Taiwan, Thailand, and Mainland China. It is believed that the diversity and excellent quality of products will bring the Group with competitive advantages.

(III) Rigorous planning, paying attention to details and fostering an optimization culture consistently

The Company seeks to focus on main business operation and internal control. For expense control, yield enhancement and customer service, the Company has undertaken rigorous planning on various details on these fronts. Furthermore, the management team has cultivated a good culture of paying attention to details, which is beneficial for enhancing management efficiency.

IV. External competition, regulatory environment and overall economic impact

While the manufacturing economies in the U.S. and Europe continue to remain depressed, there are signs of slight improvement. In China, growth in fixed asset investment remains hampered by the sluggish real estate sector; however, industrial and commercial activities continue to recover. There is still significant uncertainty regarding economic conditions in the two major markets of the U.S. and China. The domestic manufacturing industry continues to be affected by factors such as geopolitical instability and a high-interest-rate environment. However, due to the gradual completion of destocking and increasing demand for construction, the domestic manufacturing industry has experienced a recovery in demand. Additionally, China's iron and steel control policies, coupled with international quotations of steelmaking raw materials remaining high, are conducive to the upward trend of domestic steel quotations. As a result, the future economic outlook is expected to develop in a positive direction.

In the future, we shall deepen product planning and pursue cost reduction to maintain our core competitive advantages in the steel industry. By upholding the philosophy of self-surpassing, the Company pursues product diversification and enhancement of operating efficiency to cater to the rapid changing market and create more profit for the shareholders.

Chairman: Huang, Wen-Sung

Two. Company Overview

I. Date of Establishment

The Company was founded on December 3, 1980

II. Organization and Operations

1. 1980 to 1983 - Founding period

November 1980: Tycoons Group Enterprise Company Limited was founded. The capital amounted to NT$2 million. Huang, Yao-Kun was the Chairperson. The major business was the production and sale of screws.

2. 1984 to 1986 - Transformation period

June 1984: Due to a growing demand in the international screw market, the Company focused on producing self-tapping screws, because compared to traditional screws, the users can save the trouble of drilling holes and using the corresponding nut caps. The self-tapping screws would become the mainstream product in the market. The Company expanded its production equipment and became a specialist in self-tapping screws.

December 1986: To enhance management efficiency, the Company introduced IBM mainframes and other peripheral equipment to enter into the computerized and informationalized stage.

3. 1987 to 1989 - Settling period

February 1987: The Company improved its financial structure and gradually increase its capital to NT$10 million to cater to the funding of operations.

April 1987: To enhance product quality, the Company purchased a set of professional automated heat treatment furnaces from Japan, a heading machine and an automated thread rolling machine.

January 1988: To cater to business growth and production capacity needs, the Company increased its capital to NT$20 million and purchased a new generation fully automated heat treatment furnace.

April 1988: The Company was accredited as a satellite mill for China Steel Corporation by the Ministry of Economic Affairs (MOEA).

December 1989: The Company increased capital to NT$30 million to improve the financial structure and enhance the operational foundation.

4. 1990 to 1994 - Expansion period:

November 1990: To bolster the operational scale, the Company purchased land for building a steel mill, and increased capital by NT$130 million to a total of NT$190 million.

April 1991: Upholding the philosophy of sustainable development, the Company improved its operational capability by increasing assets and purchasing land assets to strengthen its development foundation.

August 1991: The Securities and Futures Bureau (SFB) approved the capitalization of retained earnings of NT$11.4 million and subsequent registration for public issue.

December 1991: To add value to products and increase market shares, the shareholders' meeting passed a resolution for capital increase of NT$200 million to establish the second steel mill and add production equipment for wiredrawing, spheroidizing, acid cleaning. These measures were taken to establish vertical integration in terms of the upstream and downstream production and technologies. The Company thus became a domestic professional manufacturer in spheroidized wires and screws. The capital of the Company amounted to NT$301,400,000.
China Development Trust Co., Ltd. invested in the Company and purchased 3,000,000 shares. In June 1992, it became a director in the Company.

April 1992: The Company developed the ultrasonic acid and alkaline resistant bath and was accredited by Bureau of Standards, Metrology and Inspection, MOEA a new patent, numbered 772757.

October 1992: The Company increased capital to NT$316,470,000 to improve the financial structure and enhance the operational foundation.

April 1993: The Company developed the cold extrusion machine to fabricate hexagonal screws and the high speed cold forging machine. The SFB also approved the capitalization of retained earnings for 1992 to purchase a new model bell-type vacuum heat treatment furnace from Germany that was crucial for improving production processes and reducing product costs. The capital of the Company reached NT$367,105,200.

December 1993: The Company purchased additional wiredrawing equipment to break through the existing production scale. The Company also improved its financial structure and undertook cash capital increase of NT$45 million. The total capital of the Company amounted to NT$412,105,200.

March 1994: The Company was certified by Corporate Synergy Development Center, MOEA.

April 1994: The installation of the bell-type vacuum heat treatment furnace from Germany was completed. The testing was completed in July and the furnace started mass production.

July 1994: The Company increased capital to NT$484,223,610 to improve the financial structure.
The Company was accredited the ISO-9002 quality assurance system certificate by the German TÜV.

July 1994: The Company was accredited the grade A level of excellent quality from the Bureau of Standards, Metrology and Inspection, MOEA.

September 1994: The Company was accredited the 1994 Third Top Quality Award by MOEA for its overall business performance.

December 1994: The board of directors of the Taiwan Stock Exchange approved of the Company's listing.

January 1995: The SFB of the Ministry of Finance approved of the Company's listing.

March 1995: The Company became a listed company on the Taiwan Stock Exchange.

June 1995: The Company undertook a capital increase of NT$228,571,740 to improve its financial structure and expand its operating capital. The total capital amounted to NT$712,795,350.

May 1996: To effectively stabilize raw material supplies, reduce operating costs, enhance product quality and expand the market so as to facilitate horizontal expansion or vertical integration for the growth of the Company, the Company registered with SFB for a cash capital increase of NT$500 million.
Via Tycoon Group International Co., Ltd, the Company invested in constructing a steel mill in Thailand that can integrate upstream, midstream and downstream processes to manufacture wire rods, spheroidized wires and screws.

May 1996: The Company capitalized retained earnings, capital reserve and employee bonus of NT$144,098,310, as well as cash increase of NT$500,000,000.

August 1996: The Company established Tycoons Group International Co., Ltd.

September 1996: The holding company, Tycoons Group International Co., Ltd., indirectly invested in Thailand and established Tycoons Worldwide Group (Thailand) Co., Ltd. to construct a steel mill that can integrate upstream, midstream and downstream processes to manufacture wire rods, spheroidized wires and screws.

December 1996: The Company increased cash capital by NT$1 billion.

January 1997: Collaborating with Tycoons Worldwide Group (Thailand) Co., Ltd., the construction of the steel mill went smoothly. The Company increased cash capital in Tycoons Group International Co., Ltd. to indirectly invest in the steel mill in Thailand.

January 1998: In conformation with the overall planning of Tycoons Worldwide Group (Thailand) Co., Ltd. for the storage of raw materials and finished products of the steel mill, as well as the flexibility and diversity of product specifications, the SFB approved the cash capital increase of NT$1.2 billion in the holding company, Tycoons Group International Co., Ltd., to indirectly invest in the steel mill in Thailand. The total capital amounted to NT$3,792,583,020.

June 1998: The Company increased cash capital by NT$455,109,960 to expand capital structure.The total capital amounted to NT$4,247,692,980.

July 2000: The steel mill for manufacturing wire rods, spheroidized wires and screws finished construction and went into production.

August 2001: The Thai subsidiary was accredited the certificates of ISO 9001 on quality management and ISO 14001 on environmental management system.

November 2003: The Company applied to the Investment Commission, MOEA to invest in the Mainland China enterprise Huanghua Jujin Hardware Products Co., Ltd. through a company set up in third region. The approved investment capital amounted to US$4,480 thousand.

December 2003: Tycoons Worldwide Group (Thailand) Co., Ltd. went public in Thailand. To comply with listing requirements, Tycoons Worldwide Group (Thailand) Co., Ltd. changed name to Tycoons Worldwide Group (Thailand) Public Co., Ltd. In December 2003, Tycoons Worldwide Group (Thailand) Public Co., Ltd. increased capital by THB 1.257 billion and the current paid-in capital amounted to THB 6.285 billion.

July 2004: The Company issued overseas convertible corporate bonds of US$30 million.

October 2004: The Company established a joint venture, Franbo Navigator S.A., with Franbo Lines Corporation. Tycoons Group invested US$576 thousand and its shareholding amounted to 18%.

December 2004: The Company established a joint venture, Taiwan Steel (Vietnam) Co., Ltd., with Taiwanese investors in Vietnam. The capital amounted to US$750 thousand, and Tycoons Group's shareholding amounted to 100%.

January 2005: The Mainland China enterprise Huanghua Jujin increased capital by RMB 20 million. The shareholding of the Company amounted to 60%.

August 2005: The Company was accredited laboratory certification from TAF (CNLA).

October 2005: The Company was accredited ISO 9001:2000 certification.

April 2006: Taiwan Steel (Vietnam) Co., Ltd. changed its name to Baw Heng Steel VN Co., Ltd., which was a joint venture the Company established with the Mainland Chinese Jigang Group Co., Ltd. The Company accounted for a 71.43% stake while Jigang accounted for a 28.57% stake.

April 2006: Tycoons Worldwide Group (Thailand) obtained ISO 9001:2000 and product registration certificate for steel bars and wire rods from the Bureau of Standards, Metrology and Inspection, MOEA.

November 2006: Tycoons Group Enterprise obtained BS ISO 9001:2000 BP certification.

September 2007: The Company issued domestic secured and unsecured convertible corporate bonds of NT$700 million.

September 2008: All domestic convertible corporate bonds were converted to shares. The total outstanding share capital amounted to NT$5,522,303,970.

June 2010: The FSC approved capital reduction of 193,409,671 shares. The total outstanding share capital after capital reduction amounted to NT$3,588,207,260.

September 2010: The FSC approved cash capital increase of 100,000,000 to 150,000,000 shares.

June 2010: The FSC approved capital reduction of 125,000,000 shares. The total outstanding share capital after capital reduction amounted to NT$4,838,207,260.

September 2011: Tycoons Worldwide Group (Thailand) issued Taiwan Depositary Receipts (TDR). The stock code was 911622. 30 million units were issued. A total of 60 million shares of Tycoons' were outstanding.

October 2011: The Company made an investment in the subsidiary TY Steel Co., Ltd, an Electric Arc Furnace (EAF) steel mill. The capital amounted to THB 840 million, where Tycoon Group International held a 50.24% stake and Tycoons Worldwide Group (Thailand) held a 49.76% stake.

July 2012: The Company issued the third domestic secured corporate bonds of NT$300 million.

March 2013: After corporate bonds were converted to new shares, the total capital after capital increase amounted to NT$4,983,490,040.

April 2013: A Bruneian holding company was established to invest in Tycoons Vietnam Co., Ltd.

June 2013: After corporate bonds were converted to new shares, the total capital after capital increase amounted to NT$5,007,452,290.

September 2013: The Company issued the fourth domestic secured corporate bonds of NT$300 million.

September 2013: After corporate bonds were converted to new shares, the total capital after capital increase amounted to NT$5,404,244,500.

February 2014: TY Steel increased capital to THB 124 million. Tycoon Group International held a 64.27% stake, while Tycoons Worldwide Group (Thailand) held a 35.73% stake.

May 2014: Tycoon Group International Co., Ltd. increased capital by US$199,050,140. Tycoons Group Enterprise held a 100% stake.

November 2014: After corporate bonds were converted to new shares, the total capital after capital increase amounted to NT$5,445,911,160.

March 2015: After corporate bonds were converted to new shares, the total capital after capital increase amounted to NT$5,470,911,160.

July 2016: TY Steel increased capital to THB 239 million. Tycoon Group International held a 69.43% stake, while Tycoons Worldwide Group (Thailand) held a 30.57% stake.

July 2018: The Company undertook a capital reduction to offset a loss of NT$1,673,391,400. The total capital after capital reduction amounted to NT$3,797,519,760.

December 2018: The Company undertook a capital increase of 100 million shares, with a face value of NT$10 each. The total capital after capital increase amounted to NT$4,797,519,760.

December 2018: The board of directors decided to sell Tycoon Group International's 60% stake in TY Steel to Ton Shun Industry Co., Ltd and Son Li Electric & Machinery Co., Ltd.

September 2021: The board of directors resolved to sell Tycoon Group International's 24% stake in TYCOONS WORLDWIDE GROUP (THAILAND) PUBLIC CO., LTD. (TYCN). After the sale, the stake in TYCN dropped to 41.24%.

December 2021: The board of directors decided to sell Tycoon Group International's 11% stake in TYCOONS WORLDWIDE GROUP (THAILAND) PUBLIC CO., LTD. (TYCN). After the sale, the stake in TYCN dropped to 30.24%.

December 2021: TY Steel increased capital to THB 1 billion. After the capital increase, Tycoon Group International Co., Ltd. holds 5.89% of the shares, and Tycoons Worldwide Group (Thailand) Public Co., Ltd. holds 19.27% of the shares.

September 2022: Establishment of holding company Fastbolt International Pte Ltd. (Singapore) has a capital of EUR9.3 million, with Tycoons (Cayman) holding 51% and Tycoons (Thailand) holding 49%. It plans to invest in Fastbolt in Germany to enter the European fastener market and seek production and sales opportunities for high profit special parts.

January 2023: Holding company Fastbolt International Pte, Ltd. (Singapore) reinvested in Fastbolt Group GmbH in Germany, holding 74.9% of the shares, with an investment amount of EUR9 million.

June 2023: The Company and the subsidiary, Tycoons Thailand, established a joint venture, Green Engineering Holding Company Limited, with a registered capital of THB 300 million, in which the Company and Tycoons Thailand hold 45% and 55% of the shares, respectively. The main business of GEH is assets investment.

March 2024: The Company sold its 100% equity interest in the holding companies, Tycoons Group International Co., Ltd. and Tycoons Group (Samoa) Holding Ltd., and its 100% indirect equity interest in Viettycoons Steel Co., Ltd. and Tycoons Vietnam Co., Ltd.

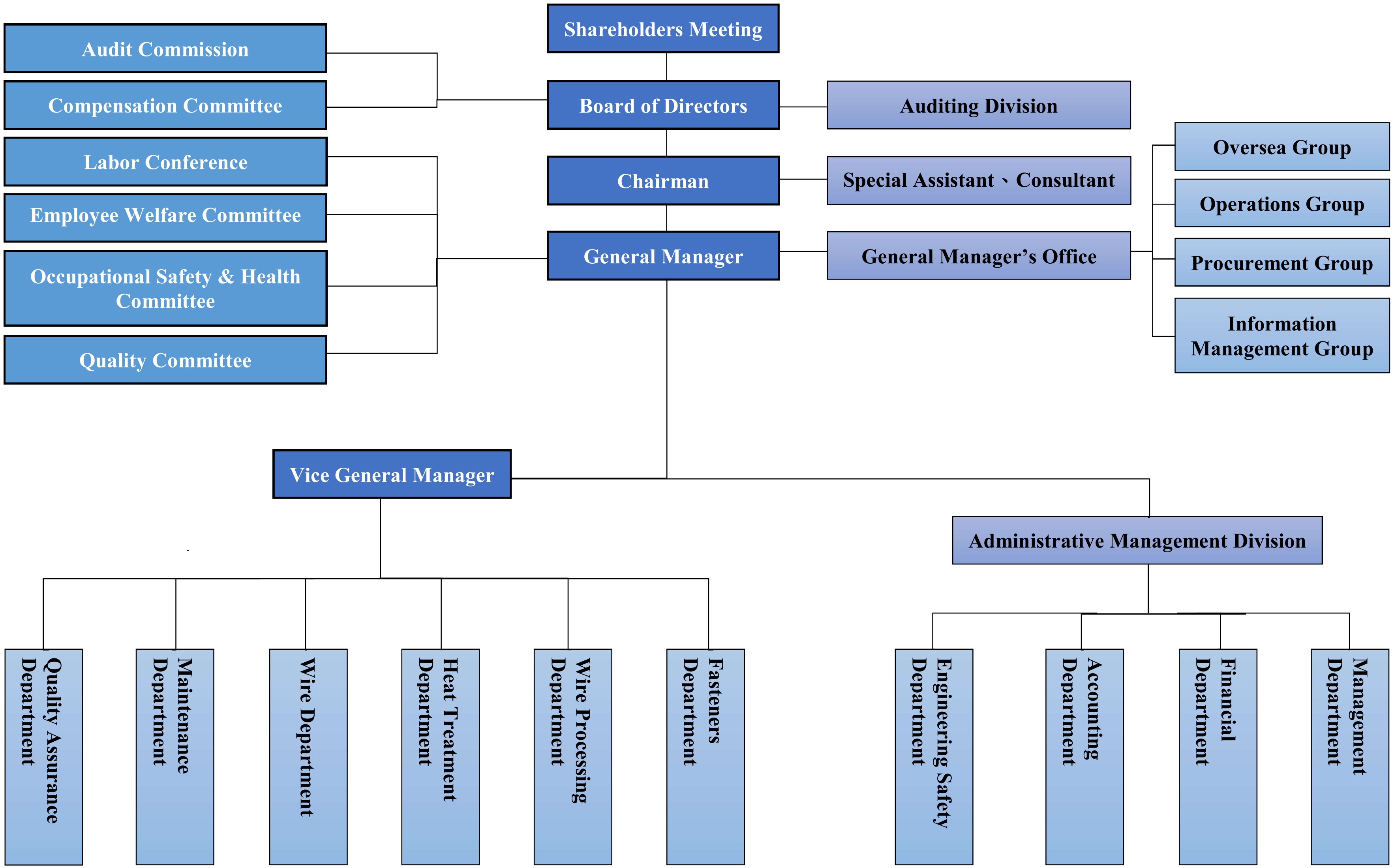
Three. Report on Corporate Governance

I. Organization of the Company

TYCOONS GROUP ENTERPRISE CO., LTD.

Organizational Chart

Effective since January 1, 2022



Division	Main duties	
General Manager's Office	Operations Group	Implement and execute various projects, planning and analysis.
	Procurement Group	Source for price quotations and make purchases for raw materials, office supplies and other equipment.
	Information Management Group	Build, implement and manage the information operating system.
Auditing Division	Investigate, evaluate and follow up on the internal control system issues. Convene audit meeting and devise audit plans.	
Administration Management Division	Accounting Department	Undertake accounting, tax and budgeting preparation, cost computation and other operations.
	Financial Department	Execute and control capital management, financial statement preparation, cash payments and check clearing. Convene shareholders' meeting, stock affairs and other affairs as per law and regulations.
	Management Department	Manage human resource data and documentation. Oversee general administration matters.
	Engineering Safety Department	Manage factory safety and environmental protection matters.
Quality Assurance Department	Devise, plan and conduct training on quality enhancement measures. Conduct production testing, statistical analysis, measurement equipment testing, CNLA certification for the overall quality control of the finished products.	
Fasteners Department	Manufacture screws and fasteners, perform market analysis, devise marketing distribution, expand domestic and overseas markets and strengthen after sale services.	
Wire Department	Perform sales and marketing analysis for wire rods and wires, devise marketing distribution, expand domestic and overseas markets, and strengthen after sale services and production.	
Heat Treatment Department	Manage the schedule of heat treatment production.	
Wire Processing Department	Fabrication of wire rods and wires, including spheroidizing, roughing, acid cleaning, and cold drawing production.	
Maintenance Department	Repair and maintenance of all machinery and electricity systems.	

II. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, Heads of Departments and Branches

(I) Directors and supervisors

1. Directors and supervisors

March 30, 2024

Position	Nationality or place of registration	Name	Gender Age	Date of appointment	Tenure	Date of initial appointment	Shares held when appointed		Current shares held		Current shares held by spouse and minor child(ren)		Shares held under other people's names		Education and experience	Concurrent position(s) in the Company and other companies	Spouse or relative within the second degree of kinship holding other managerial, director or supervisor positions		
							Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage			Position	Name	Relationship
Chairperson	Republic of China	Botian Investment Co., Ltd.	Male 60~75	May 26, 2022	3 years	July 2, 2021	21,209,879	4.42	14,906,234	4.42	-	-	Nil	Nil	LIDE Senior Commercial and Industrial School	(Note 1)	Nil	Nil	Nil
		Representative: Huang, Wen-Sung					-	-	4,336,835	1.29									
Director	Republic of China	Lu, Yen-Chuan	Female 60~75	May 26, 2022	3 years	June 2, 1992	5,986,649	1.25	4,207,397	1.25	-	-	Nil	Nil	Department of Information Management (three-year course), Ming Chuan Junior College	(Note 2)	Nil	Nil	Nil
Independent Director	Republic of China	Wei, Kung-Ao	Male 75~80	May 26, 2022	3 years	June 14, 2016	-	-	-	-	17,569	0.01	Nil	Nil	National Tsing Hua University	Remuneration Committee member	Nil	Nil	Nil
Independent Director	Republic of China	Wu, Chung-Hsin	Male 60~75	May 26, 2022	3 years	June 14, 2016	-	-	-	-	-	-	Nil	Nil	Feng Chia University	Remuneration Committee member	Nil	Nil	Nil
Independent Director	Republic of China	Huang, Chun-Kai	Male Below 59	May 26, 2022	3 years	June 27, 2019	-	-	-	-	-	-	Nil	Nil	Bachelor of Information Engineering, Southern Taiwan University of Science and Technology	Remuneration Committee member	Nil	Nil	Nil

Note 1: Chairperson of Tycoons Worldwide Group (Thailand) Public Co., Ltd., Director of HuangHua Jujin Hardware Products Co., Ltd., Representative of Kingford International Co., Ltd. and Chairperson of Hurco Automation Ltd.

Note 2: President of Tycoons Group Enterprise Co., Ltd. Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd., Supervisor of Hurco Automation Ltd.

2. Major shareholders of corporate shareholders:

March 30, 2024

Corporate shareholder name	Major shareholders of corporate shareholder
Botian Investment Co., Ltd.	Trend Lucky Limited - 100%

2-1: Major shareholders in Table 1 are major shareholders of corporate shareholders

March 30, 2024

Corporate shareholders	Major shareholders of corporate shareholder
Trend Lucky Limited	Huang Chen Syuan-100%

3. Directors:

3-1. Disclosure on professional qualification of Directors and independence of Independent Directors:

None of the members of the Board of Directors has any of the circumstances listed in Article 30 of the Company Act, and the Directors are in compliance with Article 26-3, Items 3 and 4 of the Securities and Exchange Act. All Independent Directors comply with the regulations of the Alloy Board regarding Independent Directors. Please refer to the following table for details on their independence:

March 30, 2024

Criterion / Name	Professional qualification and experience	Independence criteria	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman: Huang, Wen-Sung	- Director Huang has professional qualifications and experience in decision-making, business management capability, finance, accounting, corporate governance, business, and other related fields. - Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd., director of Huanghua Jujin Hardware Products Co., Ltd., director of Hurco Automation, Ltd., director of Chin Fong Hsing Enterprising Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act.	- Huang, Wen-Sung and relatives within the second degree of kinship assume directorship in the Company and affiliated companies. - Huang, Wen-Sung and relatives within the second degree of kinship own 7,115,883 shares of the Company in total, or a shareholding percentage of 2.11%. - In the most recent two years, Huang, Wen-Sung has not provided any services in commercial, law, finance, or accounting to the Company or its affiliated companies.	Nil
Director: Lu, Yen-Chuan	- Director Lu has professional qualifications and experience in decision-making, business management capability,	- Lu, Yen-Chuan and relatives within the second degree of kinship assume directorship in the Company and affiliated	Nil

	corporate governance, business, and other related fields. - Chairperson of Tycoons Worldwide Group (Thailand) Public Co., Ltd., and representative of Tycoons Group International Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act.	companies. - Lu, Yen-Chuan and relatives within the second degree of kinship own 6,986,445 shares of the Company in total, or a shareholding percentage of 2.07%. - In the most recent two years, Lu, Yen-Chuan has not provided any services in commercial, law, finance, or accounting to the Company or its affiliated companies.	
Independent Director: Wei, Kung-Ao	- Director Wei has professional qualifications and experience in business management capability, including industry analysis integration, risk management, and management decision-making opinions. - Worked as sales manager of Illies Engineering (Taipei) Ltd. (steel and equipment distributor), vice president of the Taiwan office of Macsteel International (China) Ltd. and vice president of Li Chang Steel Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act.	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	Nil
Independent Director: Wu, Chung-Hsin	- Director Wu has professional qualifications and experience in decision-making, business management capability, business and marketing, and finance and accounting. - Worked as sales supervisor of Yatung Steel Industry Co., Ltd., Hua Eng Wire And Cable Co., Ltd., section manager, supervisor, assistant manager of Taiwan Times Group Ltd., president of Hsin Chun Yung Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act.	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	Nil
Independent Director: Huang, Chun-Kai	- Director Huang has professional qualifications and experience in business management capability and accounting, construction engineering, and business. - Worked as labor safety supervisor and supervisor of Chia Tao Construction Co., Ltd., and director of Kuan Da Construction Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act.	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	Nil

3-2. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

To strengthen corporate governance and facilitate the healthy development of the Board composition and structure, the Company trusts that a diversity policy is beneficial for enhancing the overall performance of the Company. The election of Board members adopts the principle of meritocracy, whereby the members shall possess a diverse and cross-industrial competence that complements one another, including basic composition (e.g. age, gender, nationality, etc.), as well as relevant industry experience and skills (e.g. steel industry, construction industry, financial and accounting, trading, business management, etc.), and operating, business management, leadership and crisis management capabilities. To strengthen the Board functions in meeting the goals of corporate governance, the "Corporate Governance Best Practice Principles", Article 20 provides that the overall Board of Directors shall possess capabilities that include business judgment, as well as accounting and financial analysis, business management and crisis management capabilities, industry knowledge, international market perspective, leadership qualities and decision making capability. The current diversity policy of the Board members and its implementation status are as follows:

Diversification policy of the board of directors and implementation status												
Name of director	Nationality	Gender	Age distribution			Years of experience as an independent director		Business management capability	Leadership and decision making capability	Industry knowledge	Financial and accounting knowledge	Marketing knowledge
			Below 59 years old	60 to 75 years old	76 to 80 years old	4 to 6 years	6 to 9 years					
Chairman: Huang, Wen-Sung	Republic of China	Male		V				V	V	V	V	V
Director: Lu, Yen-Chuan	Republic of China	Female		V				V	V	V		V
Independent Director: Wei, Kung-Ao	Republic of China	Male			V		V	V	V	V		
Independent Director: Wu, Chung-Hsin	Republic of China	Male		V			V	V	V	V	V	V
Independent Director: Huang, Chun-Kai	Republic of China	Male	V			V		V	V	V	V	

The five members of the current Board of Directors of the Company (including the three Independent Directors) possess overall abilities in business management, leadership decision-making, industrial knowledge, financial accounting, marketing, and other related fields, as well as industry experience and professional abilities. The three Independent Directors have expertise in business management, leadership decision-making, industrial knowledge, and the five Directors have the background expertise in finance and accounting, management, industry knowledge and marketing. The implementation of the policy of diversification of board members will help to enhance the effectiveness of corporate governance and management performance. The Independent Directors have, on average, seven years of experience. All Independent Directors have not been re-elected consecutively for more than three terms.

The specific management objectives of the company's diversification policy are to have an Independent Director ratio of over 50% and a female director position of at least one, in order to improve the company's board structure. The members of this Board of Directors are of Taiwanese nationality, the proportion of the composition structure is 20% for one Director with employee status, 60% for three Independent Directors, and 20% for one female Director, and the targets for both independent and female directors have been achieved. The age distribution of the Board members is such that one member is bellow 80 years old, three members are between 60 to 75 years old, whilst one member is below 59 years old. The diversity and complementarity of Directors, as well as the implementation status, have met the criteria provided by the "Corporate Governance Best Practice Principles", Article 20; in the future, the Company shall amend the diversity policy depending on the operation, management model and timely development needs of the Board, including, but not limited to, two major aspects, i.e. basic criteria and values, and professional competence and skills. This is to ensure the Board members are equipped with the necessary knowledge, skills and competence to perform their duties.

(2) Independence of the Board of Directors:

According to the requirements of going public, the Company has obtained a declaration from each Independent Director and confirmed that they and their immediate families are independent of the Company. The Company opines that the Board independence shall be determined by actual circumstances and clear provisions of the "Diversity Policy of the Board of Directors". The Board seeks to evaluate the Director's independence consistently. Relevant factors shall also be considered, including whether the Director in question is able to consistently provide constructive advice to the management and other Directors, whether his view is independent of the management and other Directors, and whether his conduct and attitude in the Board is appropriate. The conduct of Independent Directors meets expectations where appropriate and has displayed the aforementioned traits. After considering the documentation of all circumstances in this section, the Company is of the opinion that all Independent Directors are independent of the Company. Résumés of all Directors and relevant personnel, including (if any) relationship between the members, are documented in the above section, "3-1. Disclosure on professional qualification of Directors and independence of Independent Directors" and the Company website.

(II) Information on the President, Vice Presidents, Assistant Vice President, Heads of Departments and Branches

March 30, 2024

Position	Nationality	Name	Gender	Date of appointment	Shareholding		Shares held by spouse and minor children		Shares held under other people's names		Education and experience	Concurrent position(s) in other companies	Spouse or relative within the second degree of kinship holding a managerial position			Remark (Note 1)
					Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage			Position	Name	Relationship	
President	Republic of China	Lu, Yen-Chuan	Female	June 6, 2022	4,207,397	1.25	-	-	-	-	Department of Information Management (three-year course), Ming Chuan Junior College	(Note 2)	Nil	Nil	Nil	Nil
Vice President	Republic of China	Chang, Jui-Fu	Male	November 21, 2019	41	-	11	-	-	-	Department of Chemical Engineering, Provincial Kaohsiung Institute of Technology	Nil	Nil	Nil	Nil	
Senior Manager	Republic of China	Chang, Hsin-Yueh	Female	November 21, 2019	-	-	-	-	-	-	Two-year junior college program	Nil	Nil	Nil	Nil	
Accounting Officer	Republic of China	Chou, Pi-Wan	Female	September 1, 2015	-	-	-	-	-	-	Department of Accounting, Tung Hai University	Nil	Nil	Nil	Nil	
Finance Officer	Republic of China	Chang, Wen-Hui	Female	March 1, 2021	56	-	-	-	-	-	Department of Accounting, National Cheng Kung University	Nil	Nil	Nil	Nil	
Corporate Governance Officer	Republic of China	Wang, Min-Hua	Female	November 13, 2019	-	-	-	-	-	-	Department of Accounting, Feng Chia University	Nil	Nil	Nil	Nil	

(Note 1) Where the president or equivalent position holder (the highest management position) and the chairperson are the same person, spouses or first-degree relatives, the rationale, reasonableness, necessity and countermeasures (e.g., increasing the number of Independent Directors, and more than half of the directors do not hold concurrent positions as company employees or managers) for the arrangement must be provided.

(Note 2) President of Tycoons Group Enterprise Co., Ltd. Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd. Supervisor of Hurco Automation Ltd.

(Note 3) Senior Manager, Mrs. Yao, Chin-Hsiang has resigned in September 1, 2023.

III. Remuneration paid to directors, supervisors, president and vice president(s) in the most recent fiscal year

(I) Remuneration Paid to Directors, Supervisors, President and Vice Presidents

1. Director remuneration

Unit: NT$; %

Position	Name	Remuneration of directors								Sum of A, B, C and D as a percentage of net income after tax		Compensation to directors also serving as employees								Sum of A, B, C, D, E, F and G as a percentage of net income after tax		Compensation from affiliates other than subsidiaries or parent company
		Remunerations (A)		Pensions (B)		Director earnings distribution (C)		Business expenses (D)				Salary, bonuses, and special allowance (E)		Pensions (F)		Employee earnings distribution (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																Cash bonuses	Stock dividends	Cash bonuses	Stock dividends			
Director	Huang, Wen-Sung	600,000	1,135,074	0	0	280,015	280,015	40,000	48,795	1.14	1.81	2,678,000	5,743,580	0	0	41,552	0	41,552	0	4.50	8.96	960,000
Director	Lu, Yen-Chuan	360,000	787,074	0	0	210,012	210,012	35,000	43,795	0.75	1.29	3,996,200	6,520,520	0	0	41,552	0	41,552	0	5.74	9.40	Nil
Independent Director	Wei, Kung-Ao	360,000	360,000	0	0	140,008	140,008	35,000	35,000	0.66	0.66	0	0	0	0	0	0	0	0	0.66	0.66	Nil
Independent Director	Wu, Chung-Hsin	360,000	360,000	0	0	70,004	70,004	35,000	35,000	0.57	0.57	0	0	0	0	0	0	0	0	0.57	0.57	Nil
Independent Director	Huang, Chun-Kai	360,000	360,000	0	0	70,004	70,004	35,000	35,000	0.57	0.57	0	0	0	0	0	0	0	0	0.57	0.57	Nil

1. Policies, system, standards and structure of compensation paid to Independent Directors and the correlation of such compensation with their responsibility, risks and time devoted to business:

   The director remuneration is determined in accordance with the Articles of Incorporation and management procedures. Apart from appropriating not more than 1% of the net profit for the period as director remuneration, the Company also disburses a fixed monthly salary and travel expense reimbursement to the directors. For the director remuneration, the Remuneration Committee refers to the industrial standard or remuneration of similar industries, and the Company's performance, as well as the level of participation in the management of the Company and individual contributions by the directors. The committee shall review the reasonableness of the remuneration on a regular basis and forward its recommendation to the board for resolution.
2. In addition to the disclosure in the above table, in the most recent fiscal year, the compensation received by directors from all companies included in the financial statements for services rendered (e.g. in the capacity of non-employee consultant): Nil.

Note 1: Director Huang, Wen-Sung has the official vehicle with the rental fee of NT$238,476 per month; Director Lu, Yen-Chuan has the official vehicle which costs NT$375,375 to acquire.

Note 2: Director Huang, Wen-Sung is the representative of Botian Investment Co., Ltd.

2. Compensation of President and Vice Presidents

Unit: NT$; %

Position	Name	Salary (A)		Pensions (B)		Salary, bonuses, and special allowance (C)		Employee earnings distribution (D)				Sum of A, B, C and D as a percentage of net income after tax (%)		Compensation from affiliates other than subsidiaries or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash bonuses	Stock dividends	Cash bonuses	Stock dividends			
President	Lu, Yen-Chuan	3,688,800	6,213,120	0	0	307,400	307,400	41,552	0	41,552	0	4.99	8.11	Nil
Vice President	Chang, Jui-Fu	1,473,600	1,473,600	90,612	90,612	250,000	250,000	38,315	0	38,315	0	2.29	2.29	Nil

3. Compensation of the top five management

Unit: NT$; %

Position	Name	Salary (A)		Pensions (B)		Salary, bonuses, and special allowance (C)		Employee earnings distribution (D)				Sum of A, B, C and D as a percentage of net income after tax (%)		Compensation from affiliates other than subsidiaries or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash bonuses	Stock dividends	Cash bonuses	Stock dividends			
President	Lu, Yen-Chuan	3,688,800	6,213,120	0	0	307,400	307,400	41,552	0	41,552	0	4.99	8.11	Nil
Chaiman	Huang, Wen-Sung	2,472,000	5,537,580	0	0	206,000	206,000	41,552	0	41,552	0	3.36	7.15	960,000
President	Huang, Ping-Lun	3,665,580	3,665,580	0	0	0	0	0	0	0	0	4.53	4.53	Nil
Vice President	Chang, Jui-Fu	1,473,600	1,473,600	90,612	90,612	250,000	250,000	38,315	0	38,315	0	2.29	2.29	Nil
President	Bai, Chih-Ying	0	1,319,215	0	0	0	219,869	0	0	0	0	0.00	1.90	Nil

4. Distribution of employee compensation to managers:

March 30, 2024 Unit: NT$ thousand; %

	Position	Name	Stock	Cash	Total	Percentage of net income after tax (%)
Manager	President	Lu, Yen-Chuan	0	258	258	0.32
	Vice President	Chang, Jui-Fu				
	Senior Manager	Chang, Hsin-Yueh				
	Manager	Chang, Wen-Hui				
	Manager	Chou, Pi-Wan				
	Manager	Wang, Min-Hua				
Chaiman	Chaiman	Huang, Wen-Sung				

(II) Compare and describe the percentage of total remuneration paid by the company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the company, relative to net profit after tax of the standalone financial statements, and the correlation between policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and business performance and future risks.

1. The percentage of total remuneration paid by the Company and all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice president of the Company, relative to net profit after tax in the standalone financial statements

Unit: NT$ thousand; %

Position	2023				2022			
	The Company		All companies included in the financial statements		The Company		All companies included in the financial statements	
	Total compensation	Percentage of net income (loss) after tax (%)	Total compensation	Percentage of net income (loss) after tax (%)	Total compensation	Percentage of net income (loss) after tax (%)	Total compensation	Percentage of net income (loss) after tax (%)
Director	9,747	12.05	16,317	20.18	8,975	-7.46	13,785	-11.45
President and Vice President	5,890	7.28	8,415	10.40	8,587	-7.13	14,416	-11.98

2. The correlation between policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and business performance and future risks

(1) Director remuneration: The director remuneration is determined in accordance with the Articles of Incorporation and management procedures. Apart from appropriating not more than 1% of the net profit for the period as director remuneration, the Company also disburses a fixed monthly salary and travel expense reimbursement to the directors. For the director remuneration, the Remuneration Committee refers to the industrial standard or remuneration of similar industries, and the Company's performance, as well as the level of participation in the management of the Company and individual contributions by the directors. The committee shall review the reasonableness of the remuneration on a regular basis and forward its recommendation to the board for resolution.

(2) Manager remuneration: The compensation of managers is determined according to their scope of duties, individual performance, contribution to the Company and the industrial pay standard. The compensation includes fixed salary, management allowance, year-end bonus and employee compensation. The employee compensation is determined in accordance with the Articles of Incorporation. 2% to 5% of the net profit for the period is appropriated as the employee compensation. The manager salary is determined in accordance with the management procedures, while taking into consideration the decision making capability of the manager and the performance of the department led by the manager and other performance results. The Remuneration Committee shall review the reasonableness of the consideration on a regular basis.

IV. Implementation of Corporate Governance

(I) Board of directors

1. There were 7 board meetings in the latest fiscal year. The attendance of directors was as follows:

Position	Name (Note 1)	Attendance in person (in non-voting capacity) (B)	Attendance by proxy	Rate of attendance in person (in non-voting capacity) (%) [B/A] (Note 2)	Remarks
Chairperson	Representative of Botian Investment Co., Ltd.: Huang, Wen-Sung	7	0	100%	
Director	Lu, Yen-Chuan	7	0	100%	
Independent Director	Wei, Kung-Ao	6	1	86%	
Independent Director	Wu, Chung-Hsin	7	0	100%	
Independent Director	Huang, Chun-Kai	7	0	100%	

Other matters to be recorded:

I. For board meetings that meet any of the following conditions, state the date, session, the discussed topics, independent directors' opinions and how the company has responded to such opinions:

(I) Conditions described in Article 14-3 of the Securities and Exchange Act.

In 2023 and up to the publication date of the annual report, the Board Meeting has been held 8 times in total, and please refer to "IV. (XII) For the Most Recent Year and up to the Publication Date of the Annual Report, Major Resolutions and Implementation by the Shareholders' and Board Meetings" for the details of resolutions content. All Independent Directors passed the conditions described in Article 14-3 of the Securities and Exchange Act unanimously.

(II) Other issues opposed by independent directors or which directors have reservations about that have been noted in the record or declared in writing: Nil.

II. In situations where independent directors recuse themselves due to conflict of interest, the director's name, content of the resolution, reason for recusal, and the voting participation should be properly recorded: Nil.

III. TWSE/TPEX listed companies should disclose the frequency, period, scope, method and content of the self-assessment (or peer assessment) of the board of directors, as well as indicate (2) the implementation status of the assessment of the board.

IV. Evaluation of the target achievement and execution by the board of directors in the current and most recent year (e.g. establishing an audit committee, increasing information transparency):

(I) The Company encourages directors to participate in various corporate governance courses, in order to strengthen the competencies of the Board members. In 2023, 5 directors received continuing education for a total of 36 hours. Each director received an average of 7.2 hours of education.

(II) The Company adheres to the operational transparency and actively discloses relevant information such as important resolutions of the Board of Directors on the Company's website. The Company organizes investor conferences irregularly to improve company recognition among investors.

Note 1: If the director or supervisor is a legal person, the names of the shareholders and representatives of the legal person should be disclosed.

Note 2: (1) If any director or supervisor is discharged before year end, the discharge date must be indicated in the remarks column. The attendance rate (%) is computed using the number of board meetings during the tenure before discharge and the actual attendance in person (in non-voting capacity).

(2) Before year end, if there is any newly elected director or supervisor, the information of both new and existing directors and supervisors must be indicated. In the remarks column, the newly elected or re-elected status of the directors and supervisors and the re-election date must be indicated. The attendance rate (%) is computed using the number of board meetings during the tenure before discharge and the actual attendance in person (in non-voting capacity).

2. Assessment of the board of directors

Frequency of assessment	Period of assessment	Scope of assessment	Method of assessment	Content of assessment
Once a year	January 1, 2023 to December 31, 2023	Performance evaluation of the board of directors, individual directors and functional committees (Audit Committee, Remuneration Committee)	Self-assessment of the board of directors and self-assessment of individual directors	The performance assessment items of the Board shall at least include the following five major areas: 1.Participation level in the management of the Company. 2.Enhancement of the decision making quality of the Board. 3.Composition and structure of the Board of Directors. 4.Selection and continuing education of Directors. 5.Internal control. The performance assessment items of individual Board members shall at least include the following six major areas: 1.Monitoring of company goals and tasks. 2.Comprehension of Director's duties. 3.Participation level in the management of the Company. 4.Management and communication of internal relationships. 5.Professionalism and continuing education of Directors. 6.Internal control. The performance assessment items of functional committees shall at least include the following five major areas: 1.Participation level in the management of the Company. 2.Comprehension of functional committees' duties. 3.Enhancement of the decision making quality of functional committees. 4.Composition of functional committees and selection of committee members. 5.Internal control.

Overall, the board of directors and functional committees (audit committee and remuneration committee) operate well. (For evaluation scores and results explanation, please access the Company's website at www.tycons.com.tw). The Company will continuously improve the functions of the board of directors and functional committees (audit committee and remuneration committee) to enhance the effectiveness of corporate governance. The results of 2023 performance assessment have been submitted to the Board on March 13, 2024.

(II) Information on the Operating Status of the Audit Committee

There were 7 (A) Audit Committee meetings in the latest fiscal year (2023). The attendance of independent directors was as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A)	Remarks
Independent Director	Wei, Kung-Ao	6	1	860%	
Independent Director	Wu, Chung-Hsin	7	0	100%	
Independent Director	Huang, Chun-Kai	7	0	100%	

Other matters to be recorded:

I. For Audit Committee meetings that meet any of the following descriptions, state the meeting date, session, the discussed topics, independent directors' opinions and how the company has responded to such opinions.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act:

In 2023 and up to the publication date of the annual report, the Audit Committee Meeting has been held 8 times in total, and please refer to "IV. (II) Progress of the Audit Committee for 2023" for details of the resolution content. The Audit Committee agreed to pass the resolution for matters listed in Article 14-5 of the Securities and Exchange Act.

(II) Apart from the aforementioned item, items that had not been passed by the Audit Committee but passed by two-thirds or more of all directors: Nil.

II. In situations where independent directors recuse themselves due to conflict of interest, the director's name, content of the resolution, reason for recusal, and the voting participation should be properly recorded: Nil.

III. Communication between independent directors, internal audit officers, and external auditors (major issues, method and results of the financial position of the company and business operation should be included).

(I) The Company's internal audit officers make audit reports to the independent directors via the Audit Committee every quarter. The communication between independent directors and the internal audit officers in 2023 was as follows:

Date	Content of communication	Results of action taken
March 14, 2023 Audit Committee	The Internal Audit Office reported the internal audit operation for October to December 2022 and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.
May 11, 2023 Audit Committee	The Internal Audit Office reported the internal audit operation for January to March 2023 and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.
August 11, 2023 Audit Committee	The Internal Audit Office reported the internal audit operation for April to June 2023 and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.
November 13, 2023 individual communication meeting	Communicate with independent directors individually about the 2024 annual audit plan, and submit the 2024 annual audit plan to the independent directors for review. After obtaining the approval of each independent director, submit it to the audit committee and the board of directors for approval.	Independent directors did not have objections pertaining to the issue.
November 13, 2023 Audit Committee	The Internal Audit Office reported the internal audit operation for July to September 2023 and the 2024 annual audit plan and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.

(II) The independent auditors organize at least one workshop per year, communicating with the independent directors regarding the financial position of the Company, audit findings and amendments to regulations. The communication status between independent directors and head of internal audit in 2023 was as follows:

Date	Content of communication	Results of action taken
November 13, 2023 individual communication meeting	1. Review of financial reporting for the first three quarters of 2023. 2. Audit of financial statements for 2023. 3. Corporate Governance Matters Reminder.	Independent directors did not have objections pertaining to the issue.

IV. Focus and progress of Audit Committee for the year:

(I) The focus of Audit Committee is mainly supervising the following tasks:

1. Fair representation of the financial statements.
2. Engagement (termination), independence and performance of independent auditors.
3. Effective implementation of the internal control systems.
4. Legal compliance with rules and regulations.
5. Control for existing or potential risks.

(II) Progress of the Audit Committee for 2023:

Date of meeting	Resolution
March 14, 2023	1. Resolution passed for proposal for “Efficacy Assessment of Internal Control Systems” and “Statement of Internal Control System” for 2022 2. Resolution passed for financial statements, consolidated financial statements and business report for 2022 3. Resolution passed for proposal for offsetting accumulated profits and losses for 2022 4. Resolution passed for assessment of the independence and qualification of independent auditors 5. Resolution passed for engagement of independent auditors and their service fees for 2023 6. Resolution passed for discussion of amendments to the Company's internal control system 7. Resolution passed for proposal for a capital reduction plan to offset company losses. 8. Resolution passed for setting the ceiling of funds lent to Tycoon Group International Co., Ltd. to US$1 million 9. Resolution passed for setting the ceiling of short-term advance payments to NT$1 million for the subsidiary Tycoons Worldwide Group (Thailand) Public Co., Ltd.
May 11, 2023	1. Resolution passed for discussion of amendments to the Company's internal control system 2. Resolution passed for consolidated financial statements for the first quarter of 2023 3. Resolution passed for reinvestment in Green Engineering Holding Co., Ltd. by the Company 4. Resolution passed for transfer of equity ownership of the subsidiary Fastbolt International Pte. Ltd.
June 2, 2023	1. Resolution passed for setting the ceiling of funds lent to Tycoon Vietnam Co., Ltd. to US$1.5 million 2. Resolution passed for transfer of equity ownership of the subsidiary Tycoons Group (Samoa) Holding Ltd.
July 13, 2023	1. Resolution passed for matters related to capital reduction plan 2. Resolution passed for proposal for a capital reduction plan to offset company losses of the subsidiary Tycoons Group International Co., Ltd.
August 11, 2023	1. Resolution passed for consolidated financial statements for the second quarter of 2023 2. Resolution passed for transfer of equity ownership of the subsidiary 3. Resolution passed for reinvestment in Green Engineering Holding Co., Ltd. by the Company 4. Resolution passed for the capital reduction with cash payment of the subsidiary Tycoons Group International Co., Ltd.

	November 13, 2023	1. Resolution passed for the capital reduction of the subsidiary Tycoons Group International Co., Ltd. 2. Resolution passed for setting the ceiling of funds lent to Tycoon Vietnam Co., Ltd. to US$1.7 million. 3. Resolution passed for the audit plan for 2024 4. Resolution passed for determining amendments to the Company's internal control system 5. Resolution passed for consolidated financial statements for the third quarter of 2023
	November 27, 2023	1. Resolution passed for changes to the transaction contents regarding the disposal of equity interests in holding company GRAND WORLD Enterprises Co., Ltd. 2. Resolution passed for capital increase to the subsidiary TY Steel Co., Ltd.
	Independent directors' objections, reservations or major suggestions: None.	
	Resolution of the Audit Committee and the Company's response to the Audit Committee's Opinion: The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.	

(III) Corporate governance implementation and deviations from the "Corporate Governance Best-Practice Prin
Companies"

Assessment item	Progress (Note)		
	Yes	No	Summary description
I. Has the company established and disclosed its corporate governance principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the Corporate Governance Best Practice Principle amendments to keep up to date with the current regulations. The principles are disc Market Observation Post System (MOPS) and the Company website (www.tycons.c
II. Shareholding structure and shareholders' interests			
(I) Has the company implemented a set of internal procedures to handle shareholders' recommendations, queries, disputes, and litigations?	V		(I) As per the Procedures for Handling Material Internal Information of the C spokesperson or acting spokesperson shall serve as external communicators material information. If the shareholders have any recommendations or disput to stock affairs, they can bring the issues up to the stock affairs department a transfer agency. A specific section is established for communication w stakeholders on the Company website to receive information, recommendation and reports. Specific personnel is designated to oversee and respond to issues ra
(II) Is the company constantly informed of the identities of its major shareholders and the ultimate controller of major shareholders?	V		(II) The stock affairs of the Company are overseen by a professional stock tran Specific personnel is designated for internal reporting and reporting of chan shareholders.
(III) Has the company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		(III) The management of related party transactions between the Company a companies, endorsement or guarantee provisions and lending of funds are s accordance with the internal control procedures. Risk control and firewall me implemented to foster a healthy business relationship between the Company a companies.
(IV) Has the company established internal policies to prevent insiders from trading securities using non-public information?	V		(IV) The Company has established the Operating Procedures for Management of Eth and Business Integrity Procedures and Behaviors, etc. and revised the Governance Best-Practice Principles" and "Procedures for the Manageme Material Information and Prevention of Insider Trading" to prohibit company i trading securities using undisclosed information. It specifies that company insid (but not limited to) the directors should not trade the listed stocks of the Co stocks traded on the premises of the securities dealers or other negotiable sec the nature of equity from the date of learning financial report of the Compan

Assessment item	Progress (Note) Yes	No	Summary description	Deviations and causes of the deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
			performance content, 30 days before the announcement of the annual financial report and 15 days before the announcement of quarterly financial report. The stock trading control measures mentioned above are notified in advance and require insiders to comply with the regulations.	
III. Composition and duties of the board of directors				
(I) Whether the board of directors has formulated diversity policies, specific management objectives and implemented them?	V		(I) To strengthen corporate governance and promote the healthy development of the composition and structure of the board, the Company has established the Corporate Governance Best Practice Principles, which contains the diversification policy of board members. The policy stipulates that for the composition of the board of directors, the Company shall take into consideration its operation, business model and development needs so as to devise the appropriate diversification policy. The policy shall include but not be limited to the following criteria: 1. Basic criteria: Gender, age, nationality and etc. 2. Professional knowledge and skill sets: Professional background (e.g. legal, accounting, industry, financial, marketing or technology), professional skill sets and industry experience. The board of directors has five members of which three are Independent Directors. The Independent Directors ratio target is above 50%. The members possess extensive experience and professional knowledge in business and management. Furthermore, gender equality amongst the board members is important to the Company. The target percentage of female directors is 20% or more. At present, there are 5 directors, among which are 3 independent directors, 1 female director, and 1 director who is also an employee accounting for 60%, 20%, and 20% of the board, respectively. All three targets mentioned above have been achieved.The related implementation information is as follows:	No major deviation.

Diversification policy of the board of directors and implementation status

Name of director	Gender	Compensation to directors also serving as employees	Age distribution			Years of experience as independent director	Business management capability	Leadership and decision making capability	Industry knowledge	Financial and accounting knowledge	Marketing knowledge
			Below 59 years old	60 to 75 years old	76 to 80 years old	4 to 8 years					
Chairperson Huang, Wen-Sung	Male			V			V	V	V	V	V
Director Lu, Yen-Chuan	Female	V		V			V	V	V		V
Independent Director Wei, Kung-Ao	Male				V	V	V	V	V		

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Progress (Note)</th><th rowspan="2">Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Independent Director Wu, Chung-Hsin</td><td>Male</td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td></tr>
<tr><td>Independent Director Huang, Chun-Kai</td><td>Male</td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td></tr>
</table>
Note: The person in charge was changed to Huang, Wen-Sung in June 2022.</td><td></td></tr>
<tr><td>(II) Apart from the Compensation Committee and Audit Committee, has the company established other functional committees at its own discretion?</td><td>V</td><td></td><td>(II) The Company has established the Audit Committee and Remuneration Committee in accordance with the law and regulations. Both cater to the current needs of the Company. In the future, the Company shall establish other functional committees depending on the business needs.</td><td>No major deviation.</td></tr>
<tr><td>(III) Has the company established a set of policies and assessment methodology to evaluate the performance of the board? Is regular performance evaluation conducted, at least once a year, and the evaluation result submitted to the board to serve as a reference in determining the remuneration of individual directors and nomination for re-election?</td><td>V</td><td></td><td>(III) The Company has established the Procedures for Performance Assessment of the Board of Directors and Functional Committees. The internal performance assessment of the board of directors is conducted once a year. Depending on the needs of the Company, a professional independent institution or an external expert team may be appointed to conduct the assessment.
The self-assessment questionnaire of the board and the board members assessment questionnaire for 2023 have been completed. The results of the questionnaires indicate that the overall performance of the board is considered efficient. The results were submitted to the board meeting on March 13, 2024. The results of the assessment are disclosed on the Company website, annual report and MOPS as per the regulations and shall serve as a reference for the future election or nomination of the directors and the determination of remuneration for individual directors.</td><td>No major deviation.</td></tr>
<tr><td>(IV) Does the company assess the independence of external auditors on a regular basis?</td><td>V</td><td></td><td>(IV) The Audit Committee of our company evaluates the independence and suitability of our independent auditors Baker Tilly Clock & Co. at least once a year. In addition to requiring the independent auditors to provide a "Statement of Detached Independence" and "Audit Quality Indicator (AQIs)", the Audit Committee evaluates the accountants based on Note 1 and 13 AQI indicators. It has been confirmed that the accountant has no other financial interests or business relationship with the company except the fees of visa and fiscal and tax cases, nor does it violate the independence requirements, and with reference to the AQI index information, the listed extract is as follows:</td><td>No major deviation.</td></tr>
</table>

Assessment item	Progress (Note)			Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary description	

Dimension	Indicator	2022
Expertise	1. Audit experience: firm level 2. Hours of training 3. Turnover rate	1. Independent auditors, EQCR accountants and audit staff at management level or above have more than 16.3 years of experience. 2. Independent auditors: 51.9 hours / audit staff at management level or above: 48.3 hours 3. The turnover rate of auditors at managerial level or above (excluding CPA) was 5.6%.
Quality control	Accountant load: Individual case level	Lin, Chi-Ping accountant principal signed the number of public wealth: 2 Ratio of available man-hour input: 10% Wu, Hsin-Liang accountant principal signed the number of public wealth: 4 Ratio of available man-hour input: 30.85%
Surface of independence	Customer familiarity	Cumulative years of audit cases in the firm’s annual financial report: 20 years
Supervision	1. Disciplines and sanctions: The number of disciplinary cases against CPAs and the number of cases sanctioned under Article 37 of the Securities and Exchange Act 2. Subjective authorities send letters to improve	1. Firm level: Firm: 0 piece Individual case level: Principal/deputy signature accountant: 0 piece/0 piece 2. Firm: 0 piece Individual case level: Principal/deputy signature accountant: 0 piece/0 piece
Innovation capacity	Innovation plan or initiative	Firm level: Plan to import electronic work paper update and electronic form of office documents, and contact domestic and foreign software companies successively. Currently, we are negotiating with Baker Tilly International Headquarters to discuss the feasibility of Global Focus and domestic software company Kuang Shuo Information to contact update system import, and it is expected to complete the evaluation and import in five years. It is estimated that the cost of manuscripts electronical import will be about NT$10 million.

Assessment item	Progress (Note)			Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary description	
			Based on the above AQI indicators, it has been confirmed that CPAs and the firm exceed the industry average in terms of audit experience and training hours, with no instances of disciplines, sanctions, or improvement letters issued by the competent authority. Additionally, the firm has continued to adopt digital auditing tools to enhance audit quality. On March 13, 2024, the audit Committee discussed and approved the above evaluation results on the independence and suitability of the certified accountants, and submitted to the Board of Directors on March 13, 2024. The Board of Directors passed the independence and suitability of the certified accountants. Note 1:	
IV. Does the TWSE/TPEx listed company dedicate competent managers or a sufficient number of managers to take charge of corporate governance, and designate corporate governance officers to oversee corporate governance affairs (including but not limited to providing information required for director/supervisor’s operations,	V		On November 13, 2019, the board of directors passed a resolution and designated Wang, Min-Hua as the Corporate Governance Director to protect the shareholders’ interest and strengthen the board’s capability in fulfilling its duties. Wang, Min-Hua possesses more than three years of experience as head of internal audit, financial affairs, stock affairs or corporate governance units in public issued companies. The main duties of the Corporate Governance Director are convening board and shareholders’ meetings in accordance with the law, assisting in arranging the inauguration and continuing education of directors and supervisors, providing information needed by the board of directors to perform its functions and assisting the directors in legal compliance, the legal review of the qualifications of Independent Directors, reporting to the board of directors of its examination	No major deviation.

Note 1 table:

Assessment item of the independence of independent auditors.	Assessment result	Independence criterion met
1. Do the independent auditors have direct or major indirect financial interest in the Company?	No	Yes
2. Do the independent auditors have financing or guaranteeing activities with the Company or the Company’s directors?	No	Yes
3. Do the independent auditors have close business relationships and potential employment relationships with the Company?	No	Yes
4. Have the independent auditors or members of the auditing team in the most recent two years assumed positions as the Company’s directors, managers or positions that have significant influence?	No	Yes
5. Do the independent auditors provide other auditing services to the Company that may directly influence the auditing work?	No	Yes
6. Do the independent auditors serve as the underwriter of shares or other securities issued by the Company?	No	Yes
7. Do the independent auditors serve as an advocate of the Company or a representative of the Company in mediating disputes with third parties?	No	Yes
8. Do the independent auditors have any kinship relations with the Company’s director, manager or personnel holding positions that have significant influence on the auditing work?	No	Yes

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Progress (Note)</th><th rowspan="2">Deviations and causes of the deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>assisting the board and supervisors in legal compliance, convening board/shareholders' meetings in accordance with the law, and producing meeting minutes of board/shareholders' meetings)?</td><td></td><td></td><td>results as to whether the qualifications of independent directors upon their nomination and election and during their tenure conform to applicable laws and regulations, and handling matters related to the resignation of directors or the change of representatives.

Execution status for 2023
1. Assisted in convening meetings of the board and other committees, prepared meeting materials and issues, e.g. giving reminders to parties to recuse themselves for issues with conflict of interest. In 2023, two Remuneration Committee meetings, seven Audit Committee meetings and seven board meetings were convened.
2. Reporting to the board of directors of examination report regarding the qualifications of independent directors during their tenure.
3. Assisted in convening the shareholders' meetings.
4. Assisted in the communication meeting between independent directors, independent auditors and internal audit officers. Assisted in organizing the workshop between independent directors and the main management on November 13, 2023.
5. Assisted in arranging the courses for the continuing education of directors.
6. Performed checks on public announcements on material information of major resolutions made by the board so as to ensure the appropriateness and accuracy of the information and protect the symmetry of the investors' access to information.
7. Organized institutional investor conferences and handled matters related to investor relations. In 2023, two institutional investor conferences were convened.
8. Assisted in the purchase of liability insurance for directors and managers and reported the purchase to the board on May 11, 2023.

Continuing education of Corporate Governance Director for 2023
<table><tr><th>Date of training</th><th>Organizer</th><th>Course title</th><th>Hours of training</th><th>Total hours of training for the year</th></tr><tr><td>2023.05.22</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies Propaganda</td><td>3</td><td rowspan="3">21</td></tr><tr><td>2023.06.02</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>2023 Prevention of Insider Trading</td><td>3</td></tr><tr><td>2023.10.20</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>2023 Prevention of Insider Trading</td><td>3</td></tr></table></td><td></td></tr>
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<tr><th rowspan="2">Assessment item</th><th colspan="3">Progress (Note)</th><th rowspan="2">Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>2023.10.26~27</td><td>Taiwan Corporate Governance Association</td><td>Net Zero and Sustainability Talent Cultivation Course</td><td>9</td><td rowspan="2"></td></tr>
<tr><td>2023.11.22</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>2022 Legal Compliance of Insiders’ Share Transfers</td><td>3</td></tr>
</table></td><td></td></tr>
<tr><td>V. Has the company established a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, et cetera) or created a stakeholders section on the company website? Does the company respond to stakeholders’ questions on corporate social responsibility?</td><td>V</td><td></td><td>(I) The Company has established a stakeholders section on its website according to different stakeholders (including employees, shareholders, customers, suppliers, government agencies, social organizations (community members), counterparts in the steel industry) and the issues they are concerned with. It is the specific window for communication with them and appropriate responses shall be given.
(II) An investors section serving as the communication channel with investors is established on the Company website, which contains the contact information and e-mail addresses of the spokesperson, acting spokesperson and stock transfer agency.</td><td>No major deviation.</td></tr>
<tr><td>VI. Does the company appoint a professional stock transfer agent to handle the affairs of the shareholders’ meeting?</td><td>V</td><td></td><td>The Company appoints Grand Fortune Securities Co., Ltd. to handle the stock affairs.</td><td>No major deviation.</td></tr>
<tr><td>VII. Information disclosure</td><td></td><td></td><td></td><td></td></tr>
<tr><td>(I) Has the company established a website that discloses financial, business and corporate governance-related information?</td><td>V</td><td></td><td>(I) The Company is in the process of constructing its English version website (www.tycons.com.tw) to make disclosures on major regulations, as well as financial, business and corporate governance related information and their implementation status.</td><td>No major deviation.</td></tr>
<tr><td>(II) Does the company make disclosures using other avenues (e.g. setting up an English website, designating specific personnel to collect and provide disclosure on the company, implementing a spokesperson system, disclosing the process of institutional investor conferences on the company website, et cetera)?</td><td>V</td><td></td><td>(II) The Company’s disclosure methods are as follows:
1. Constructing a Chinese and English version website and designating personnel to collect and make disclosures on related information.
2. The Company has designated a spokesperson and acting spokesperson, and disclosed their contact information on the Company website.
3. The Company discloses its financial information to the public on the Company website and MOPS.
4. The information and presentation material on institutional investor conferences are disclosed on the Company website for the reference of investors.</td><td>No major deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Progress (Note)</th><th rowspan="2">Deviations and causes of the deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(III) Does the company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and monthly operating status report before the stipulated deadlines?</td><td>V</td><td></td><td>(III) In accordance with the Securities and Exchange Act, Article 36, the Company publicly announces and files the annual financial reports within three months after the accounting year-end, and publicly announces and files the first, second and third quarterly financial reports and monthly operating status report before the stipulated deadlines. For the aforementioned information, please see MOPS (https://mops.twse.com.tw/mops/web/index).</td><td>The Company publicly announces and files the financial reports in accordance with Article 36 of the Securities and Exchange Act where it is listed.</td></tr>
<tr><td>VIII. Does the company have other important information for better understanding the company's corporate governance system (including but not limited to the interests and rights of employees, care for employees, investor relations, relations with suppliers, rights of stakeholders, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the company's directors and supervisors)?</td><td>V</td><td></td><td>Apart from establishing the related internal control systems in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies", the Company has also established rules and procedures governing human resource matters and disclosed them in accordance with laws and regulations on the MOPS.
(I) For interests and rights of employees and care for employees, please see "Section Five. Operational Highlights, subsection 5, Labor-capital relations" in the annual report.
(II) For relationships with investors and suppliers and rights of stakeholders, the Company has established "Corporate Governance Best Practice Principles", "Sustainable Development Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Business Integrity Procedures and Behaviors" and other related regulations to implement and promote corporate governance. For other information, please see "Section Three. Report on Corporate Governance, IV. Implementation of Corporate Governance, (VI) Sustainable Development" of the annual report.
(III) Continuing education of directors for 2023:
<table>
<tr><th>Position</th><th>Name</th><th>Date of training</th><th>Organizer</th><th>Course title</th><th>Hours of training</th></tr>
<tr><td rowspan="2">Independent Director</td><td rowspan="2">Wei, Kung-Ao</td><td>2023.10.20</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>2023 Prevention of Insider Trading</td><td>3</td></tr>
<tr><td>2023.11.29</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>2023 Legal Compliance of Insiders' Share Transfers</td><td>3</td></tr>
<tr><td rowspan="2">Independent Director</td><td rowspan="2">Wu, Chung-Hsin</td><td>2023.10.20</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>2023 Prevention of Insider Trading</td><td>3</td></tr>
<tr><td>2023.11.22</td><td>Taiwan Stock Exchange and Taiwan Exchange</td><td>2023 Legal Compliance of Insiders' Share Transfers</td><td>3</td></tr>
</table></td><td>No major deviation.</td></tr>
</table>

Assessment item	Progress (Note)			Deviations and causes of the deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Summary description	

Independent Director	Huang, Chun-Kai	2023.10.25	Institute of Internal Auditors	The War and Protection of Intangible Assets - Trade Secrets and Non-competition	6
Chairman	Huang, Wen-Sung	2023.06.02	Taiwan Stock Exchange and Taiwan Exchange	2023 Prevention of Insider Trading	3
		2023.10.26 ~27	Taiwan Corporate Governance Association	Net Zero and Sustainability Talent Cultivation Course	9
Director	Lu, Yen-Chuan	2023.05.22	Taiwan Stock Exchange and Taiwan Exchange	Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies Propaganda	3
		2023.06.02	Taiwan Stock Exchange and Taiwan Exchange	2023 Prevention of Insider Trading	3

(IV) Implementation of risk management policy and risk measurement standard:
On August 11, 2021, the Board approved the establishment of "Procedures for Risk Management" by resolution. The President has established a risk management team under the board and the audit committee to proactively implement a risk management mechanism. The risk management team reports its risk management operation to the Board once a year. On November 13, 2023, the Company's risk management team reported to the board of directors on the risk status. The contents of the report were as follows: The risk assessment for 2023 was reported to the audit committee and the board of directors on November 11, 2022. As of the third quarter of 2023, each department has implemented risk management and control measures, and no countermeasures have been necessary as no risks have occurred.
On October 1, 2023, each department carried out the 2024 risk assessment, evaluating a variety of risks faced by the Company, including sources of risks, risk assessment, and countermeasures. According to the risk identification and assessment conducted by each business unit in 2024, the assessment items were rated from low risk to moderate risk based on their risk, severity, and occurrence probability, all of which can be spread or mitigated through process control. Each department has control over the operation of risk reduction, and there is no need for the improvement operation.

(V) Implementation of customer policy:
The Company has established the "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behaviors" to observe the integrity management of business activities.

Assessment item	Progress (Note)			Deviations and causes of the deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Summary description	
			(VI) Liability insurance of directors (including independent directors): Insurance applicant: Directors; Insurance company: Shinkong Insurance; Insurance amount (NT$): 30,710,000; Insurance period: From: June 4, 2023 To: June 4, 2024; Date of reporting by board of directors: May 11, 2023; Status of insurance: Newly purchased (VII) Patent management: The Company is classified as a traditional industry enterprise. Over the years, the Company has accumulated many patents, e.g. wire rust removal installation, hexagon screw head shaper, shear stud riveting machine, torque-controlled fastener for construction, mechanical coupler, etc. However, the patents shall be shared by industry counterparts. As such, after the patents expire, the ownership shall end. Currently, the Company only owns one patent on "tapping screw", serial-numbered I744688. The patent is valid between November 1, 2021 and September 2, 2039. On November 13, 2023, the Board reported the operating status of intellectual property management for 2023.	

Insurance applicant	Insurance company	Insurance amount (NT$)	Insurance period	Date of reporting by board of directors	Status of insurance
Directors	Shinkong Insurance	30,710,000	From: June 4, 2023 To: June 4, 2024	May 11, 2023	Newly purchased

IX. Please describe improvements that have been made pertaining to the results of the corporate governance evaluation as prescribed by the Taiwan Stock Exchange Corporate Governance Center, as well as priorities and measures for matters that have yet to be improved. (Companies not listed for evaluation do not have to be filled in)

Improvement items of the 10th corporate governance assessment		
Number	Assessment item	Improvement method
1.15	Did the company adopt bylaws prohibiting insiders, including directors and employees, from using information not publicly disclosed in the market to trade securities, with content including (but not limited to) a prohibition against directors trading the company's stock during a blackout period of 30 days before the publication of the company's annual financial report and 15 days before the publication of each quarterly financial report, and were those bylaws and the status of their implementation disclosed on the company's website?	The disclosure was made on the Company's website in 2023, meeting the indicator requirements.
3.17	Did the company website disclose information related to the company's finances, business, and corporate governance?	The disclosure was made on the Company's website in 2023, meeting the indicator requirements.

Assessment item	Progress (Note)			Deviations and causes of the deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Summary description	

Prioritized improvement items of the 10th corporate governance assessment		
Number	Assessment item	Improvement method
1.3	Do more than half of the directors of the company and the convenor of the Audit Committee attend the general meeting in person and disclose the attendance list in the meeting minutes?	The Company intends to make improvements in accordance with the indicator requirements.
2.7	Did the board regularly (at least once a year) refer to the Audit Quality Indicators (AQIs) to review the independence and suitability of the independent auditors and fully and accurately disclose the assessment procedures in the annual report?	The Company intends to fully and accurately disclose the assessment procedures in the annual report in accordance with the indicator requirements.

(Note) Regardless of ticking "Yes" or "No", please provide more information in the summary description column.

(IV) If the company has established a remuneration committee, its composition, responsibilities and operation should be disclosed:

1. The remuneration committee shall practice the due care of a good administrator when performing the following responsibilities and forwarding all recommendations it makes to the board of directors for discussion.
   (1) The committee has established and reviewed on a regular basis the performance assessment standard, yearly and long-term performance targets of the Company's directors and managers, as well as the policy, system, standard and structure of the Remuneration Committee. The performance assessment standard is disclosed in the annual report.
   (2) The committee reviews the performance target meeting status of the directors and managers on a regular basis. By referring to the assessment results obtained using the performance assessment standard, the individual content and amount of their remuneration is determined.
   (3) The committee reviews the Remuneration Committee Charter and makes recommendations for amendments on a regular basis.

2. Remuneration Committee members

March 30, 2024

Title (Note 1)	Criteria / Name	Professional qualifications and experience (Note 2)	Independence situation (Note 3)	Number of other public companies in which the individual is concurrently serving as a Remuneration Committee member
Independent Director Convener	Wei, Kung-Ao	- Department of Nuclear Engineering, National Tsing Hua University - Vice President of Macsteel International (China) Ltd., Taiwan Office, from 1990 to 1999. - Vice President of Li Chang Steel Co., Ltd. from 2003 to 2006 - President of Raydium Corp. (retired) - Representative of PT. Dinamika Suryainti in Taiwan from 2007 to date - Independent Director of Tycoons Group Enterprise Co., Ltd. - Director Wei has professional qualifications and experience in business management capability, including industry analysis integration, risk management, and management decision-making opinions.	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	0
Independent Director	Wu, Chung-Hsin	- Department of Public Finance, Feng Chia University - Chief of sales and marketing department of Ya Tung Steel Industrial Co., Ltd. for ten years - Hua Eng Wire & Cable - Assistant Manager of Taiwan Times for nine years. - President of Hsin Chun Yung Co., Ltd. for ten years. - Special assistant of the Chairperson's Office of Ever Steel Enterprise Co., Ltd. from 2013 to date - Independent Director of Tycoons Group Enterprise Co., Ltd. - Director Wu has professional qualifications and experience in decision-making, business management capability, business and marketing, and finance and accounting.	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	0

Independent Director	Huang, Chun-Kai	- Department of Computer Science and Information Engineering, Southern Taiwan University of Science and Technology. - Supervisor of Chia Tao Construction Engineering Co., Ltd. from 2015 to date - President of Kuan Ta Construction Co., Ltd. from 2014 to date - Independent Director of Tycoons Group Enterprise Co., Ltd. - Director Huang has professional qualifications and experience in business management capability and accounting, construction engineering, and business.	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	0

Note1 Please specify in the form the relevant working years, professional qualifications and experience and independence of each member of the Compensation Committee. Please fill in as independent directors or others respectively (if the convener, please add a note)。

Note2 Professional qualifications and experience: describe the professional qualifications and experience of individual compensation committee members.

Note3 Independence: State the independence of the members of the Compensation Committee, including but not limited to whether I, my spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; I, spouse, The number and proportion of the company's shares held by relatives within the second degree of kinship (or in the name of others); whether they are the company's specific related company (refer to the establishment of the remuneration committee and the exercise of functions and powers of the company whose stock is listed or traded at the business office of a securities firm) Article 6 Paragraph 1 Items 5 to 8) of directors, supervisors or employees; the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or other related companies in the last two years.

3. Information on the Operating Status of the Remuneration Committee

(1) There are three members in the Company's Remuneration Committee.
(2) The tenure of the committee: June 6, 2022, to June 5, 2025. There were 2 (A) meetings in the latest fiscal year, and the qualifications and attendance situation of committee members was as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Remarks
Convener	Wei, Kung-Ao	1	1	50%	
Committee member	Wu, Chung-Hsin	2	0	100%	
Committee member	Huang, Chun-Kai	2	0	100%	

Other matters to be recorded:

I. If the board of directors declines to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, the session, the nature of the motion, the resolution made by the board of directors, and the company's response to the remuneration committee's opinion (e.g. the board passed a resolution on remuneration that is better than the recommendation of the committee, and the reason for the deviation should be indicated): Nil.

II. If resolutions of the remuneration committee are objected to by members or become subject to a qualified opinion which has been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members' opinions and the response to members' opinions should be specified: Nil.

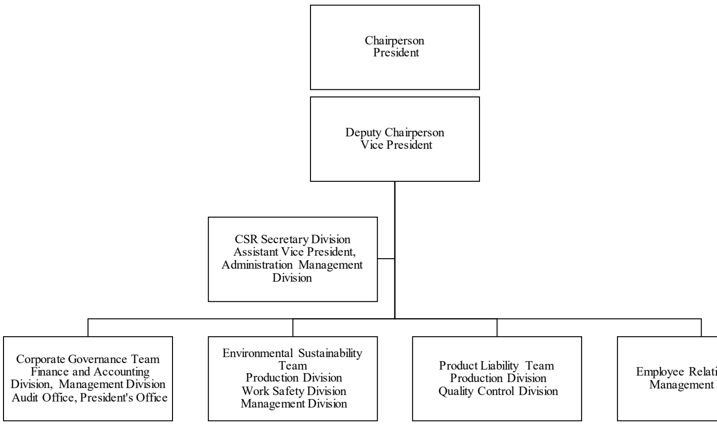
III. Discussion items and voting results of the Remuneration Committee for 2023, and the Company's response to the Remuneration Committee's opinion:

Remuneration Committee	Resolution and subsequent undertaking	Result of resolution	Response of the Company to the Remuneration Committee's opinion
Fifth term 2nd meeting March 14, 2023	4. Preliminary review of eligible managers submitted to the Remuneration Committee by the Company. 5. Proposal for the fixed monthly salary of managers for 2023 and distribution amounts for 2022 year-end bonuses. 6. Proposal of reviewing performance evaluation results of the Board of Directors and functional committee in 2022. 7. Proposal of "Remuneration of directors".	The resolution was passed unanimously after the chairperson soliciting the opinion of all attending committee members.	The proposal was submitted to the Board of Directors. The Board approved and passed the resolution.
Fifth term 3rd meeting November 13, 2023	1. Preliminary review of eligible managers submitted to the Remuneration Committee by the Company. 2. Proposal of "Remuneration of directors".	The resolution was passed unanimously after the chairperson soliciting the opinion of all attending committee members.	The proposal was submitted to the Board of Directors. The Board approved and passed the resolution.

Note:
(1) If any Remuneration Committee member is discharged before year end, the dismissal date must be indicated in the remark column. The attendance rate (%) is computed using the number of committee meetings during the tenure before discharge and the actual attendance in person.
(2) Before year end, if there is any newly elected Remuneration Committee member, the information of both the new and existing committee members must be indicated. In the remarks column, the newly elected or re-elected status of the committee members and the re-election date must be indicated. The attendance rate (%) is computed using the number of Remuneration Committee meetings during the tenure before discharge and the actual attendance in person (in non-voting capacity).

4. Information on the members of the nomination committee and information on their operation; the company does not have a nomination committee.

(V) 1. Corporate Social Responsibility and the deviation and causes of deviation from Corporate Social Responsibi
TWSE/GTSM Listed Companies

Item promoted	Implementation status		
	Yes	No	Summary description
I. Has the Company established a sustainable development governance structure supervised by the Board of Directors and an exclusively (or concurrently) dedicated unit under supervision of senior management authorized by the Board of Directors to promote sustainable development?	V		1. The Management Division is the designated unit in the Company for promoting sustaina President shall take charge of overseeing the approval of sustainable development strateg implementation. Pertaining to the sustainable development issues concerning the Con stakeholders, the Management Division shall formulate and implement the countering prepare the Sustainable Development Report based on the implementation status. The Bo Company regularly listens to the report of the Management Department (Sustainability quarterly basis (based on the sustainable development path map of the listed cabinet con ESG construction schedule and the greenhouse gas inventory and verification schedule o its subsidiaries). The Board of Directors must regularly review the progress of the Management Department (Sustainability Working Group) to make adjustments, when ne 2. Organization of CSR Promotion Team 

<table>
<tr><th rowspan="2">Item promoted</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>3. In 2023, the Company sponsored the expenses of Gangshan District, Weisui District and Friends of the Police Association of Kaohsiung metropolitan area, as well as Taiwan Fund for Children and Families of Gangshan District and World Vision Taiwan. Regarding the 2023 Annual Sustainability Implementation report, the Management Department (Sustainability Working Group) has completed the report to the Board of Directors on March 14, May 11, August 11 and November 13, 2023 on a quarterly basis.</td><td></td></tr>
<tr><td>II. Has the company performed risk assessment pertaining to the environment, society and corporate governance issues related to the operation of the company in accordance with the materiality principle, and established the corresponding risk management policies or strategies? (Note 2)</td><td>V</td><td></td><td>The risk assessment mainly centers on the Company. The Management Division performs analysis based on the materiality principle, communicates with internal and external stakeholders, and undertakes risk assessment for major issues. According to the risk assessed, the risk management policies or strategies are established as follows:
<table>
<tr><th>Major issue</th><th>Risk assessment item</th><th>Risk management policy or strategies</th></tr>
<tr><td>Environment</td><td>Environmental protection</td><td>The Company's Management Division and Work Safety Division are responsible for handling the pollution prevention matters in the mills, and engage inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time so as to conform to the latest emission standards stipulated by the Environmental Protection Administration.</td></tr>
<tr><td rowspan="2">Social</td><td>Integrity management</td><td>To facilitate the compliance of directors, managers and all employees, the Company has established "Ethical Corporate Management Best Practice Principles", "Procedures for Management of Ethical Conduct" and other internal regulations, as well as concrete rules such as the "Business Integrity Procedures and Behaviors" to lay out the important items to pay attention to when conducting business activities. The Company also consistently promotes awareness of the philosophy of integrity and prohibiting unethical conduct via internal and external training and education. The Company also purchases liability insurance for the directors to reduce the potential liability risk when performing their duties.</td></tr>
<tr><td>Workplace safety</td><td>The Company performs public safety checks regularly every year and holds labor safety training and medical check-ups for employees to provide a safe and healthy working environment.
Plants I, II, and III of the Company have completed the 2023 safety inspection of building fire-prevention refuge facilities and equipment conducted by the Kaohsiung City Government.</td></tr>
</table></td><td>No major deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item promoted</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td rowspan="3">Corporate governance</td><td>Legal compliance</td><td>By implementing internal control systems, the Company ensures all employees and procedures conform to the related regulations.</td></tr>
<tr><td>Strengthen the function of directors</td><td>1. Plan relevant refresher courses for directors and provide directors with the newest regulations etc.
2. Take out directors’ liability insurance for directors to protect them from lawsuits or claims.</td></tr>
<tr><td>Stakeholder Communication</td><td>1. Each year, the Company analyzes important stakeholders and their concerns.
2. Establish various communication channels to actively communicate and reduce confrontation and misunderstanding. Stakeholder mailboxes are set up on the Company's website and are handled by the relevant responsible departments.</td></tr>
</table></td><td></td></tr>
<tr><td>III. Environmental issues</td><td></td><td></td><td></td><td></td></tr>
<tr><td>(I) Has the company developed an appropriate environmental management system, given the distinctive characteristics of its industry?</td><td>V</td><td></td><td>(I) The main scope of business of the Company includes the manufacturing, trading and fabrication of wire rods, screws and wires. The manufacturing involves performing wiredrawing, acid cleaning, spheroidization and heat treatment of raw materials. Although this is not a highly polluting industry, for the prevention of pollution sources, the Company has installed dust removal systems, waste water and gas treatment facilities, exhaust equipment and other equipment. Furthermore, as per the environmental protection regulations, the Company has designated personnel to undertake the pollution prevention measures depending on the on-site operations, and engaged inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time. Therefore, with appropriate control engineering, the Company meets the emission standards stipulated by the Environmental Protection Administration.</td><td>No major deviation.</td></tr>
<tr><td>(II) Is the company committed to enhancing efficient use of energy resources, and using renewable materials that produce less impact on the environment?</td><td>V</td><td></td><td>(II) The Company plans to gradually enhance the utilization efficiency of various resources, including the selection of equipment with energy conservation design, re-use of recoverable water resources, etc. Furthermore, in the process of production, carbon emission is reduced as much as possible, and the use of green products is prioritized to curtail the influence on the environment. To meet the energy conservation and carbon reduction goals, in accordance with energy management regulations, the Company aims to achieve energy conservation of 1% per year. In 2023, the average electricity conservation rate amounted to 1.09%.</td><td>No major deviation.</td></tr>
<tr><td>(III) Does the company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?</td><td>V</td><td></td><td>(III) The Company closely monitors the trend of global climate change and identifies the relevant risks and opportunities of climate change, including instability in water and electricity supplies caused by extreme climate, and transitional risks caused by regulatory changes. Response measures are tailored to reduce risks and utilize business opportunities. In 2023, the climate change issues identified by the Company’s assessment are as follows:</td><td>No major deviation.</td></tr>
</table>

Item promoted	Implementation status			Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			(table continued below)	
(IV) Has the company measured its greenhouse gas emissions, water use and the total weight of waste generated for the past two years, and established policies pertaining to reduction in greenhouse gas emissions, reduction in water use, or	V		(IV) The Company shall continue to promote energy management. The energy conservation, carbon reduction, greenhouse gas emissions and waste management strategies are as follows: 1. To conform with environmental protection policy and regulations, the Company performs greenhouse gas emission inspection and reporting of waste on a regular basis. 2. By adjusting production procedures, utilizing energy conservation equipment (e.g. gas-fired boilers, switching to high-performance motors of IE3 level or higher) and other measures, the Company seeks to reduce its greenhouse gas emissions.	No major deviation.

Climate risk	Potential financial influence	Climate opportunity	Potential financial influence
Control of greenhouse gases emission volume and carbon trading system.	Limitation of production capacity expansion and increase in operating costs.	Participation in renewable energy projects and carbon trading market.	Purchase of renewable energy in early stages to expand production capacity smoothly.
Unstable water and electricity supplies.	Impact on product and increase in operating costs.	Enhancement of efficiency in water resource use and reuse of recoverable water.	Strengthening of resistance toward climate change to reduce the probability of operation interruption and potential losses.
Increase in costs of greenhouse gas emissions.	Installation of carbon reduction equipment and increase in operational costs.	Obtaining rewards from and collaboration with government agencies.	Collection of carbon right for later use.
Typhoons, floods and draughts.	Impact on product and increase in operating costs.	Enhancement for resistance to natural disasters.	Strengthening of resistance to climate change to reduce the impact on production caused by disasters.
Rise of climate temperature.	Increase in electricity use, costs and carbon emission.	Promotion of low carbon and green production.	Electricity conservation and reduction of costs.
Impact on company image.	Inability to meet stakeholders' expectations, causing damage to company reputation and image.	Facilitation of investors' willingness to make long-term investments.	Stable shareholder structure, reducing the probability of major fluctuation in share price.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>management of waste disposal?</td><td></td><td></td><td>3. By controlling the optimal air-fuel ratio, using clean fuel, lowering sludge moisture content etc., the Company seeks to meet waste reduction targets and develop toward green production.
4. Gradual replacement of air compressors. August 2022 (50HP) → performance level was D = 25; May 2023 (50HP) → performance level was D = 30, which is currently the highest level.
5. The fully automated residue separation and recovery machine can quickly separate waste residue, reduce and save treatment costs, and improve social responsibility and image to enhance product value.
For the greenhouse gas emission, water use and waste generated for 2022 and 2023, please see the table below: (The data covers all plants of Tycoons Taiwan.)
Unit: Metric ton CO2e/year
<table>
<tr><th></th><th>2023</th><th>2022</th></tr>
<tr><td>Direct greenhouse gas emissions (Scope 1)</td><td>1288.6203</td><td>1726.3228</td></tr>
<tr><td>Indirect greenhouse gas emissions(Scope 2)</td><td>9003.4560</td><td>11922.4088</td></tr>
<tr><td>Emission volume for unit product (CO2 emission in metric tonnes/finished goods volume in metric tonnes)</td><td>0.1671</td><td>0.2044</td></tr>
<tr><td>Total greenhouse gas emissions</td><td>10292.0763</td><td>13648.7316</td></tr>
</table>
<table>
<tr><th>Type</th><th>2023</th><th>2022</th></tr>
<tr><td>Water use</td><td>37,718 cubic meters</td><td>38,465 cubic meters</td></tr>
</table>
<table>
<tr><th>Types of waste</th><th>Total waste in 2023</th><th>Total waste in 2022</th></tr>
<tr><td>Waste acid (Hazardous)</td><td>1236.86 metric tons</td><td>1294.79 metric tons</td></tr>
<tr><td>Inorganic sludge (Non-hazardous)</td><td>684.65 metric tons</td><td>636.53 metric tons</td></tr>
<tr><td>Oil sludge (Non-hazardous)</td><td>277.66 metric tons</td><td>397.28 metric tons</td></tr>
<tr><td>Others (Non-hazardous)</td><td>22.15 metric tons</td><td>33.38 metric tons</td></tr>
<tr><td>Total</td><td>2221.32 metric tons</td><td>2361.98 metric tons</td></tr>
<tr><td>Waste treatment</td><td>NT$12,739,837</td><td>NT$14,792,736</td></tr>
</table>
(Note 1) The data for 2022 and 2023 have undergone external verification by DNV with report issued.</td><td></td></tr>
<tr><td>IV. Social issues</td><td></td><td></td><td></td><td></td></tr>
<tr><td>(I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?</td><td>V</td><td></td><td>(I) As a citizen enterprise in the steel industry, the Company abides by the RBA (Responsible Business Alliance Code of Conduct) and fulfills its corporate social responsibility to protect the basic human rights of all employees. In accordance with labor laws and regulations, the Company recognizes and complies with international human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the United Nations International Labor Organization, to eliminate any human rights violations and abuses,</td><td>No major deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item promoted</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>and to establish various work rules and management measures, including work rules, occupational safety and health codes of practice, sexual harassment prevention measures, complaint and disciplinary measures, measures to prevent workplace violence, and human rights policies. Meanwhile, the Company has also established the Sustainable Development Best Practice Principles to ensure the basic human rights of all employees, customers and stakeholders, so as to protect the welfare of the society.

The human rights management policy and concrete measures of the Company are summarized as follows:
<table><tr><td>Human rights management policy</td><td>Concrete measure</td></tr><tr><td>Provision of a safe and healthy work environment.</td><td>Please see this table, “IV. Social issues (III)”.</td></tr><tr><td>Prohibition of forced labor to comply strictly with the government labor regulations.</td><td>Implementation of a leave system, encouraging employees to focus on work-life balance.</td></tr></table></td><td></td></tr>
<tr><td>(II) Has the company established and implemented reasonable employee benefit measures (including salary, leave and other benefits), reasonably reflecting the operating results in employee salary?</td><td>V</td><td></td><td>(II) <u>Employee compensation and welfare</u>

By conforming to the Labor Standards Act and the related regulations, the Company has established the human resource and working protocols and regulated the employee benefit measures (including salary, leave and other benefits). Of which, the performance assessment and year-end bonus procedures depend on the yearly performance assessment. By considering the yearly operating performance and employee yearly appraisal, the Company shall disburse the bonus, sharing its earnings with all employees. Please see “Section V. Operational Highlights, subsection 5, Labor-capital relations” in the annual report for more details.

<u>Diversity and equality in workplace</u>

To realize equal pay and promotion opportunities for both male and female employees, the Company has maintained more than 11% female supervisors to promote the economic growth of sustainability and inclusion. In 2023, female employees constituted, on average, 43.24%, whilst female supervisors constituted, on average, 10.81%.</td><td>No major deviation.</td></tr>
<tr><td>(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?</td><td>V</td><td></td><td>(III) To provide a safe and healthy working environment for employees, the Company has established the following measures:
1. Labor working environment monitoring
By paying close attention to the labor working environment and evaluating the operating environment that operators are exposed to, the Company devises a plan for labor working environment monitoring. According to the plan, the Company samples, monitors and analyzes the evaluation. Labor working environment monitoring is performed twice a year to effectively reduce the hazards that operators are exposed to and gain understanding of what operators are exposed to every year.</td><td>No major deviation.</td></tr>
</table>

Item promoted	Implementation status			Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			2. Industrial safety performance (1) The industrial safety unit and the auditing unit perform regular checks every three months and consolidate the recommendations for improvement derived from the checks to various units for reference. At meetings held by the Occupation, Safety and Health Committee, weaknesses are reviewed. (2) The Company holds occupational safety and health training for new recruits and existing employees, and also has the occupational safety and health unit organize awareness campaigns from time to time to enhance the safety awareness of operators. (3) iii The target of occupational hazard management is zero occurrences. Apart from strengthening awareness of work safety and inspection, the Company requires employees to use protective gear correctly, and perform regular inspection of machinery and equipment to avoid injury from occurring. In the most recent two years, the number of occupational incidents is as follows: In 2022, there was no occupational incident involving machinery; in 2023, there were one occupational incidents involving machinery (constituted 0.90% per total employees as of the end of 2023). 3. Fire fighting safety To maintain the workplace safety, the Company performs checks and reports on the fire fighting equipment every year, and assigns employees into fire fighting groups. Fire extinguishing, notification and fire drills are held at least once every half year to get employees familiarized with the importance of fire fighting safety and how to avoid fire hazard. There was no fire incident in 2023. 4. Access control To enter the mills, employees are required to wear their staff badges. Vendors and visitors are required to register by indicating the units they are visiting and reasons of their visits in order to get visitor passes before they can access the mills. 5. Employee welfare Apart from providing labor and health insurance for employees, the Company also purchases group insurance for employees (including foreign employees) and provides lunch to employees at the cafeterias to take care of their diet. Every year, medical check-ups are also organized for employees and their families. 6. In accordance with the frequency of medical professionals providing on-site medical services stipulated by the Labor Health Protection Act, Article 4, the Company arranged two on-site visits by doctors in 2023, and two on-site visits by nurses every month. The Company also arranges for service items stipulated in the Labor Health Protection Act, Article 10 to be provided to employees.	
(IV) Has the company implemented an effective training program that helps employees develop skills over the course of their career?	V		(IV) The Company's Management Division collects information pertaining to the training that the employees require in the following year at the end of every year. The Management Division then devises the yearly training program and supervises the employees in attending the training as per the program. All trainings are recorded and filed. The training program aims to enhance the employees' capabilities and serves as a reference for their promotions. In 2023, a total of 524 people completed career training, with a total of 395 hours.	No major deviation.

Item promoted	Implementation status			Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(V) Pertaining to the health and safety of customer when using the company's products and services, consumer privacy, marketing and labeling, does the company comply with the relevant regulations and international standards, and establish relevant policies on consumer protection and complaint procedures?	V		(V) As per ISO 9001 on quality management, the Company regulates the management of products and customers. The Company also provides a window for communication and e-mail addresses pertaining to its products on the Company website. The Company has also established a stakeholder section for customers to file their queries and complaints. Adhering to the principle of integrity, the Company handles the correspondences appropriately and provides feedback. Meanwhile, the Company has also established the "CSR Procedures" and "Business Integrity Procedures and Behaviors" to protect customer interests.	No major deviation.
(VI) Has the company established policy on supplier management, demanding suppliers to observe codes of conduct pertaining to environmental protection, labor safety and health or labor rights, and monitoring their implementation?	V		(VI) To ensure suppliers conform with the regulations , the Company has taken the following measures: 1. In order to understand the implementation of suppliers in terms of corporate social responsibility, the Company conducted a survey on environmental, social and corporate governance by sending questionnaires, which will be used as one of the references for selecting suppliers and contractors. The questionnaire collection was completed on November 7, 2022, with 25 questionnaires returned. On September 13, 2023, the questionnaire collection was completed, with a total of 38 questionnaires received. The amount of raw materials purchased in 2022 accounted for more than 96% of the total amount of raw materials purchased in the year, and the questionnaire on raw materials suppliers focused on the environmental aspect of the survey. For the quality of products related to its manufacturing process, raw materials suppliers have obtained ISO9001 quality management system certification and valid factory registration certificate issued by local government according to business category and ISO14001 environmental management system certification. Suppliers and contractors have implemented and improved labor and human rights policies for the social questionnaires, and 88% of the corporate governance questionnaire has implemented ethical codes of conduct (anti-corruption, anti-bribery, confidentiality clauses, etc.). 2. As of September 2023, 38 suppliers and contractors have signed the "Code of Conduct and Corporate Social Responsibility Commitment for Suppliers and Contractors," committing to creating a friendly workplace and environment and upholding the corporate ethics of ethical corporate management. 3. Before entering the mills for construction, the Company shall convey the hazard notification to the vendors. The vendors also have to take part in hazard training (39 sessions were held in 2023) and sign the "Notification and Confirmation Checklist of Important Occupation, Safety and Health Hazard Matters" before they can start the construction. 4. If a current supplier is involved in actual or expected major environmental protection, labor law and human rights violations, or social incidents, the Company shall require the supplier to make improvements or terminate the contract with supplier.	No major deviation.

<table>
<tr><td rowspan="2">Item promoted</td><td colspan="3">Implementation status</td><td rowspan="2">Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary description</td></tr>
<tr><td>V. Does the company refer to universal standards or guidelines for report preparation when preparing for CSR report and other non-financial disclosure reports? Has the company obtained the confirmation or affirmation opinion from third-party certification body for the aforementioned reports?</td><td></td><td>V</td><td>In the preparation of the Company's 2023 Sustainability Report, for the greenhouse gas inventory, we have been conducting statistical studies and sending them to third-party certification units for verification. It is expected to issue a sustainability report and disclose the greenhouse gas verification report on August 30, 2024, and make it public on our website (https://www.tycons.com.tw/).</td><td>It is expected to issue a sustainability report before August 30, 2024.</td></tr>
<tr><td colspan="5">VI. If the Company has established integrity management principles in accordance with “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the current practices and any deviations from the Best Practice Principles:
The Company has established the “Sustainable Development Procedures” to promote the implementation of social responsibilities. The actual implementation does not have major deviations from the procedures. The sustainability reports prepared in 2022 have been prepared in accordance with GRI criteria.</td></tr>
<tr><td colspan="5">VII. Other information relevant to understanding the implementation of CSR:
(I) The Company has uploaded the sustainability report on its website to assist others in understanding the implementation of CSR.
(II) To conform with government regulations, apart from providing jobs to local residents, the Company also hires people with disabilities to protect their right to employment. The Company has exceeded the quota stipulated in hiring people with disabilities.</td></tr>
</table>

Note 1: For implementation status, if an item is checked, please describe in detail important policies, strategies and measures adopted, and the implementation status; if an item is unchecked, please describe the deviation and causes of deviation under the section, “Status of promoting sustainable development and deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”. Furthermore, describe the policies, strategies and measures in planning for future adoption. However, in relation to the promotion of items 1 and 2, TWSE/TPEx Listed Companies shall describe the governance and supervisory framework for sustainable development, including but not limited to the management approach, strategy and objectives, and review measures, etc. It shall also describe the Company's risk management policies or strategies on environmental, social and corporate governance issues related to operations, and its assessment.

Note 2: The materiality principle refers to environmental, social and corporate governance issues that have a major influence on investors and other stakeholders.

2. Climate-related information for TWSE/TPEx Listed Companies

(1) Implementation of climate related information

<table>
<tr><th>Project</th><th>Status of implementation</th></tr>
<tr><td>1. State the Board's managers oversight and governance of climate related risks and opportunities.</td><td>In order to effectively integrate and promote sustainable development, the Company has designated the management department as the implementation unit for sustainable development. It is responsible for the formulation of company-wide sustainable development strategies and performance monitoring, as well as compiling sustainability reports and regularly reporting to the board of directors. In order to implement the execution and management of corporate sustainable development, the Company has established a "Sustainable Development Promotion Team" under the board of directors. The Sustainable Development Promotion Team is responsible for formulating the directions and promotion plans of corporate sustainable development strategies, monitoring the implementation, and reporting to the board of directors on the annual implementation results of corporate sustainable development. In addition, the Committee has formulated the "Risk Management Policy," with the board of directors serving as the highest decision-making body for risk management. The Company strengthens the management of climate-related risks, establishes relevant management systems and regulations, and sets climate risk monitoring indicators for supervision. The audit office reports to the audit committee and the board of directors on the implementation of climate-related risk management.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance (short-term, medium-term and long-term) of the enterprise.</td><td>The Company pays close attention to the trend of global climate change, incorporates climate change into the sustainable development, and conducts identification of risks and opportunities of climate change related issues. These include identification and assessment of impacts of the extreme climate, as well as risks and opportunities of regulations, technologies, market, resource efficiency, and new energy on the Company's operating activities. The assessment results are integrated in the management measures to strengthen the Company's climate change governance, and to reduce risks and grasp business opportunities. The contents of the Company's identification and assessment of climate change issues in 2023 are compiled into the following 4 risks according to the length of their impacts:
<table>
<tr><th>Term</th><th>Risks</th><th>Impacts</th><th>Countermeasures</th></tr>
<tr><td>Short and med-term</td><td>Damages to plants to products caused by flooding</td><td>Flooding or water shortage caused by extreme weather leads to either damages to plants or products or decreases in prices of self-owned properties, which in turn affects the Company's profit or loss, resulting in a decline in revenue or assets.</td><td>The factors of flooding caused by climate changes are taken into account for the management of business bases and self-owned properties.</td></tr>
<tr><td>Mid-term</td><td>Operation disruption of investees caused by extreme weather</td><td>Extreme weather causes property losses of the investee or business interruption, thereby leading to a decline in the Company's assets.</td><td>Improve understanding of the resilience of business partners against extreme weather.</td></tr>
<tr><td>Mid-term</td><td>Costs regarding industrial green energy and environmental protection transformation</td><td>The investee may incur additional costs for transformation.</td><td>Pay continuous attention to the market demand for low-carbon transformation, and assist our investees in the low-carbon transformation.</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Project</th><th>Status of implementation</th></tr>
<tr><td></td><td>
<table>
<tr><td>Long-term</td><td>Carbon reduction policies and regulations in response to more stringent laws may incur additional carbon reduction costs for investees.</td><td>Pay continuous attention to the trend of international carbon tax and carbon-related laws and regulations.</td><td>Enhance the engagement with investees with high carbon emissions.</td></tr>
</table>
</td></tr>
<tr><td>3. Describe the financial impacts of extreme weather events and transformational actions.</td><td>
The Company's financial assessment on climate change risks and the countermeasures in 2023 are as follows:
<table>
<tr><th>Climate risk</th><th>Potential financial influence</th><th>Climate opportunity</th><th>Potential financial influence</th><th>Countermeasures in 2023</th></tr>
<tr><td>Control of greenhouse gases emission volume and carbon trading system.</td><td>Limitation of production capacity expansion and increase in operating costs.</td><td>Participation in renewable energy projects and carbon trading market.</td><td>Purchase of renewable energy in early stages to expand production capacity smoothly.</td><td>Continuous negotiated purchase of renewable energy.</td></tr>
<tr><td>Unstable water and electricity supplies.</td><td>Impact on product and increase in operating costs.</td><td>Enhancement of efficiency in water resource use and reuse of recoverable water.</td><td>Strengthening of resistance toward climate change to reduce the probability of operation interruption and potential losses.</td><td>Water resources recycling rate >15%</td></tr>
<tr><td>Increase in costs of greenhouse gas emissions.</td><td>Installation of carbon reduction equipment and increase in operational costs.</td><td>Obtaining rewards from and collaboration with government agencies.</td><td>Collection of carbon right for later use.</td><td>Improvement of equipment performance and implementation of carbon reduction.</td></tr>
<tr><td>Typhoons, floods and draughts.</td><td>Impact on product and increase in operating costs.</td><td>Enhancement for resistance to natural disasters.</td><td>Strengthening of resistance to climate change to reduce the impact on production caused by disasters.</td><td>Improving water resource management and reducing unnecessary waste.</td></tr>
<tr><td>Rise of climate temperature.</td><td>Increase in electricity use, costs and carbon emission.</td><td>Promotion of low carbon and green production.</td><td>Electricity conservation and reduction of costs.</td><td>Improving the efficiency of air-conditioning equipment.</td></tr>
<tr><td>Impact on company image.</td><td>Inability to meet stakeholders’ expectations, causing damage to company reputation and image.</td><td>Facilitation of investors’ willingness to make long-term investments.</td><td>Stable shareholder structure, reducing the probability of major fluctuation in share price.</td><td>Enhancing green innovation and manufacturing capabilities.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Project</th><th>Status of implementation</th></tr>
<tr><td>4. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>In order to foster the stable operation and sustainable development of the Company, as well as to establish a sound risk management mechanism, the board of directors approved the establishment of the Regulations for Risk Management on August 11, 2021. These Regulations serve as the foundation for the Company's risk management. These Regulations aim to effectively identify, analyze, measure, control, address, and continuously monitor various risks, as well as to enhance the risk awareness of all employees, in order to control risks within tolerable levels and achieve the goals of risk control.
The Company's climate risk management process comprises three main steps: climate risk identification, assessment, and reporting, as described below:
<table>
<tr><td>Management process</td><td>article</td></tr>
<tr><td>Identification of climate risks</td><td>In line with the operational planning schedule, the Company identifies climate risks and opportunities each year based on the business characteristics and with reference to climate risk reports from international institutions.</td></tr>
<tr><td>Assessment of climate risks</td><td>The Company assesses the impact and the degree of impact of each risk based on the business characteristics. The scope of assessment includes the impact path, the time and geographical scope of impact, impact on our position in the value chain, and financial impact.</td></tr>
<tr><td>Reporting on climate risks</td><td>The status of various risk indicators are reported to the audit committee and the board of directors on a regular basis.</td></tr>
</table></td></tr>
<tr><td>5. If situational analysis is used to assess the resilience to climate change risks, describe the contexts, parameters, assumptions, analysis factors, and key financial implications.</td><td>Following the TCFD objective of climate risk quantification and referring to industry risk assessments and economic analysis reports issued by well-known domestic and foreign institutions, the Company takes environmental and social risk factors of each industry into consideration for the risk level of each industry, including impacts of emerging environmental or social factors on industrial trends, cost of climate transition risks, and industry entry barriers. There is no scenario analysis conducted at the moment.</td></tr>
<tr><td>6. If there is a transformation plan for managing climate related risks, describe the plan and the metrics and targets used to identify and manage physical and transformation risks.</td><td>The Company conducts greenhouse gas inventory in accordance with ISO 14064-1 and begins to engage third-party certification organizations to conduct effective verifications and obtain the Statement of Conformity. At the same time, we look for possible reduction opportunities during the inventory process and implement the promotion projects for carbon neutrality sequentially. In response to the policy requirements for comprehensive carbon reduction within the iron and steel industry on a yearly basis, the Company integrates clear environmental goals in the short-term, mid-term and long-term strategic planning of the organization, highlighting the goal of environmental sustainability to be achieved through the implementation of low-carbon production and resource recycling within the green supply chain.
In 2023, the carbon emission was reduced by 19.99% compared with the previous year, and we will continue to move towards our goal of reducing carbon emissions by 8% in 2029.
Note: The emission volume in 2023 was reduced by 3,356.6553 tons CO_2e/year compared to 2022. Although the output in 2023 was decreased by 6450.428 tons compared to 2022, leading to a lower carbon emission, in terms of greenhouse gas emission density, the figure for 2023 declined by 0.0373 (tons CO_2e/finished goods produced) compared to 2022.</td></tr>
</table>

Project	Status of implementation
7. If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.	Internal carbon pricing has not yet been implemented, but we will keep timely monitoring on the development of domestic carbon fee-related laws and regulations and CBAM, continuously promote the greenhouse gas management, and enhance our efforts in carbon reduction. With strengthened management by independent directors and senior executives of each subsidiary, we will work together to instill a belief in environmental sustainability of carbon reduction into the daily operations of every employee, as well as establish an adjustment mechanism in line with domestic and international trends in carbon reduction and the Company's carbon reduction goals. In the future, we will continue to make rolling adjustments based on the overall science-based targets initiative and international trends of carbon pricing, as well as gradually connect with operating strategies to expand the scope of application, thereby steadily aligning with the international context of sustainability.
8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	The Company sets the Group's short-, medium-, and long-term greenhouse gas reduction targets at intervals of two years. The phased targets are reduction of 2%, 4%, and 6% by 2023, 2025, and 2027, respectively. The carbon reduction targets for Category 1 and Category 2 include the electricity consumption for production at our business bases. Through the implementation of energy-saving equipment and annual third-party verification of carbon emissions in compliance with the ISO14064-1 greenhouse gas inventory standard, a carbon reduction of 24.59% was achieved in 2023.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately)	Indicated in Tables 1-1 and 1-2 separately.

(1-1) Greenhouse gas inventory and assurance status in the most recent 2 years

(1-1-1) Information on greenhouse gas inventory

Describe the greenhouse gas emission volume (tons CO2e), intensity (tons CO2e/ton), and data coverage for the most recent two years.

Scope of inventory: Tycoons Group Enterprise Co., Ltd.

Inventory interval	Direct greenhouse gas emissions (Category 1)	Energy indirect emissions (Category 2)	Total greenhouse gas emissions (Category 1 + Category 2)	Emission intensity for unit product	Other indirect emissions (Category 3)
2022/01/01-2022/12/31	1726.3228 (tons CO2e/year)	11922.4088 (tons CO2e/year)	13648.7316 (tons CO2e/year)	0.2044 (tons CO2e/finished goods produced)	1579.3948 (tons CO2e/year)
2023/01/01~2023/12/31	1288.6203 (tons CO2e/year)	9003.4560 (tons CO2e/year)	10292.0763 (tons CO2e/year)	0.1671 (tons CO2e/finished goods produced)	1274.2148 (tons CO2e/year)

(1-1-2) Information on greenhouse gas assurance

Describe the status of assurance in the most recent 2 years up to the date of publication of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinions.

In 2022, the Company implemented inventory of greenhouse gas emission from Category 1 to 6 and underwent third-party verification for the first time in accordance with ISO 14061-1:2018, so 2022 is used as the base year.

I. Scope of verification

All emission sources within the reporting boundary of the Company's Plants I, II, and III in Gangshan, Taiwan.

II. Principles for verification activities

(I) ISO /CNS 14064-1：2018

(II) ISO /CNS 14064-3：2019

(III) Regulations for Management of Greenhouse Gas Inventory (ISO 14064.1-2018)

III.	Level of verification and assurance The assurance level for the verification of the Company's greenhouse gas Category 1 and Category 2 in 2022 is at a reasonable level of assurance. Categories 3 to 6 were verified according to the agreed-upon procedure (AUP) between the two parties. On February 15, 2023, the Company conducted internal verification planning, execution, recording, and tracking on the supporting information for the inventory list and activity data.
IV.	The 2023 external verification was conducted by an independent third party, DNV Business Assurance Co., Ltd., to enhance the reliability of the Company's greenhouse gas inventory information. In 2023, Tycoons' Plants I, II, III in Gangshan separately underwent on-site document review on March 9, Stage 1 on-site emission source confirmation and emission data verification on March 21 and 22, and Stage 2 verification conducted via video conference on March 29, in order to ensure that the greenhouse gas inventory information complies with the ISO 14064-1:2018 standard. The verification for Category 1 and Category 2 greenhouse gas was obtained at a reasonable level of assurance, and assurance for Category 3 to 6 was obtained according to the agreed-upon procedure (AUP) between the two parties.
V.	The 2024 external verification was conducted by an independent third party, DNV Business Assurance Co., Ltd., to enhance the reliability of the Company's greenhouse gas inventory information. In 2024, Tycoons' Plants I, II, III in Gangshan separately underwent on-site document review on February 5, Stage 1 on-site emission source confirmation and emission data verification on February 6, and Stage 2 verification conducted via video conference on March 5, in order to ensure that the greenhouse gas inventory information complies with the ISO 14064-1:2018 standard.
VI.	Complete greenhouse gas assurance has been obtained for both 2022 and 2023.

(1-2) Greenhouse gas reduction targets, strategies, and concrete action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, and concrete action plans, as well as the achievement of the reduction targets.
According to the instruction of Jin-Guan-Zheng-Fa-Zi No. 11203852314 dated November 13, 2023, the Company, belonging to the iron and steel industry, is expected to complete the disclosure by 2025.

(VI) Deviation and causes of deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies"

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Establishment of corporate conduct and ethics policy and implementation measures				
(I) Has the company established a corporate conduct and ethics policy that is approved by the board of directors and documented such policy and procedure, as well as ensured the commitment of the board and management team in the implementation of the policy thereof, in the bylaws and publicly available documents?	V		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behaviors", which have been resolved by the board of directors and disclosed on MOPS and the Company website. Integrity management serves as the bedrock of the Company. When the management and board members conduct business activities, they are compelled to conduct themselves according to the principles of integrity management and responsible in supervising its implementation, so as to create a business environment for sustainable development.	No major deviation.
(II) Has the company established a risk assessment mechanism for unethical conduct, analyzed and evaluated activities that contain a higher risk of unethical conduct in the scope of operations on a regular basis, and established measures for the prevention of unethical conduct that at least cover the business activities prescribed in the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies", Article 7, Paragraph 2?	V		(II) In the "Business Integrity Procedures and Behaviors", the Company has concretely laid out the important items to pay attention to when conducting business activities, the punishment for violations and the complaint system. The Company has also implemented internal audit to reduce the occurrence of unethical behavior. By applying the risk assessment mechanism for unethical conduct to evaluate the scope of business, the Company analyzes and assesses operating activities with relatively higher unethical conduct. The Company then devises preventive measures and reviews their propriety and effectiveness. The preventive measures cover at least the following behavior: 1. giving out and receiving bribery; 2. making illegal political contribution; 3. making illegal donations or sponsorships; 4. leaking trade secrets; 5. involvement in unfair competition and harming stakeholders' interests.	No major deviation.
(III) Has the Company established relevant policies which are duly enforced to prevent unethical conduct, and provided and implemented operating procedures, behavioral guidelines, penalties for violations and an appeal system in such policies?	V		(III) In the "Business Integrity Procedures and Behaviors", the Company has concretely laid out the important items to pay attention to when conducting business activities, including stipulating various operating procedures and behavioral guidelines. The Company has also established the "Procedures for Handling Reports on Illegal or Unethical Conduct" to encourage reporting on illegal or unethical conduct. Depending on the seriousness of the conduct, the Company shall give out rewards and punishment. For injustices or improprieties, employees may file a complaint in accordance with the "Procedures for Undertaking of Employee Complaint". Meanwhile, to implement integrity management, the President's Office is responsible for promoting and overseeing the execution of the integrity policy and preventive measures. It also reviews and amends the aforementioned guidelines	No major deviation.

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			and procedures on a regular basis.	
II. Implementation of integrity management				
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		(I) Before fostering new business relationships, the Company has to evaluate the legality and misconduct records of the transaction counterparties. After the evaluation, the Company shall assess the necessity of the relationship. If necessary, the contract shall stipulate the rights and obligations of both parties, terms and conditions of the transactions and the ethical commitment clauses.	No major deviation.
(II) Does the company task a unit that reports directly to the board of directors with promoting ethical standards, making periodical updates (at least once a year) to the board on business integrity management policy, as well as the supervision of measures for the prevention of unethical conduct?		V	(II) The President's Office concurrently promotes integrity management, whereby it assists the board of directors and the management in devising and overseeing the implementation of integrity management policies and preventive measures. The implementation of the Ethical Corporate Management Best Practice Principles must be supervised and shall be reported to the board at least once a year. On November 13, 2023, the President's Office reported to the board of directors on the implementation of ethical corporate management as of the 3rd quarter of 2023. Upon assessment, there was no significant deviation from the relevant provisions of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies:" 1. Establishment of systems and regulations related to ethical corporate management: ① Ethical Corporate Management Best Practice Principles ② Business Integrity Procedures and Behaviors ③ Operating Procedures for Management of Ethical Conduct ④ Procedures for the Management of Internal Material Information and Prevention of Insider Trading 2. Implementation of integrity management: ① Supplier management: As of September 2023, 38 suppliers and contractors have signed the "Code of Conduct and Corporate Social Responsibility Commitment for Suppliers and Contractors," committing to creating a friendly workplace and environment and upholding the corporate ethics of ethical corporate management. ② Education and training: From time to time, the Company sends employees to take part in internal and external integrity management training. A total of 12 people received training in the current period and completed a total of 80 training hours. ③ Whistle-blowing system: The Company has established an employee whistle-blowing mailbox and established a whistle-blowing channel for stakeholders on the Company's internal website, encouraging both internal and external personnel to report unethical or improper behaviors. As of the end of October 2023, there were	The Company shall maintain the current setup and not establish new designated units.

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			no internal or external whistleblowing incidents. ④ Regular review: To support the board of directors and management in conducting audits and assessments, and to ensure the effective operation of preventive measures established for ethical corporate management, the Audit Office regularly compiles reports on the assessment and compliance of relevant procedures. It also conducts reviews of procedures for business activities with higher risks, reporting findings to management to ensure the continuous effectiveness of the system's design and implementation. According to the review of the internal control system implementation outlined in the 2023 audit plan, a total of 35 reports were completed and presented to the Chairman for review as of October 31, 2023.	
(III) Does the company have any policies to prevents conflicts of interests and channels to facilitate the reporting of conflicting interests?	V		(III) To avoid conflicts of interests, the "Rules and Procedures of Board of Director Meetings", "Procedures for Management of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Business Integrity Procedures and Behaviors" and other related regulations stipulate and implement a recusal policy. A specific section for communication with external stakeholders is established on the Company website to receive information, recommendations, complaints and reports. Specific personnel is designated to oversee and respond to issues raised. There were no whistle-blowing incidents in 2023.	No major deviation.
(IV) Has the company implemented effective accounting and internal control systems for the purpose of maintaining business integrity, and has the internal audit unit devised relevant audit planning according to the risk assessment results of unethical conduct? Are these systems reviewed by internal or external auditors on a regular basis?	V		(IV) The Company has established an effective accounting system and prepared financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRSs. According to the results of risk assessment, internal auditors shall devise and execute the yearly audit plan. The audit report generated is then submitted to the Audit Committee and board of directors. Furthermore, various departments of the Company conduct self-assessment on their respective internal control system every year, before the internal auditors conduct the related assessment and audit work. The practice is to ensure that the design and execution of the system remains effective.	No major deviation.
(V) Does the company conduct internal and external ethical training programs on a regular basis?	V		(V) The Company distributes working regulations to new recruits and conducts training for them to promote awareness on the Ethical Corporate Management Best Practice Principles. To prevent misconduct, in 2023, the Company held integrity management related training courses. 60 people received training and completed a total of 104 training hours.	No major deviation.
III. Implementation of the whistle-blowing system				
(I) Does the company provide incentives and means for employees to report malpractice, and implement an accessible whistle-	V		(I) The Company's board of directors has approved the "Procedures for Handling Reports on Illegal or Unethical Conduct" to actively prevent unethical behavior and the "Procedures for Handling Employee Complaints." We encourage external parties to report unethical or	No major deviation.

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
blowing channel? Does the company dedicate personnel to investigate the reported malpractice?			improper behaviors. The whistleblower may report to the spokesperson or the deputy spokesperson. Internal personnel, customers, suppliers, and contractors are encouraged to report to the audit supervisor. In addition, the Company's website also has a correspondence mailbox for whistleblowers to report illegal activities. No internal or external whistle-blowing incidents occurred in 2023. The information on the Company's whistle-blowing channels is as follows: - The Company's whistleblowing mailbox: tycoons@mail.tycons.com.tw; or mailing to the spokesperson or the Internal Audit Office of the Company at No. 79-1, Xinle Street, Gangshan District, Kaohsiung City. - The effective communication mailbox for all stakeholders is published on the Company's website. - Whistle-blowing acceptance unit: the Company's spokesperson or Internal Audit Office.	
(II) Has the company implemented any standard procedures or confidentiality measures for handling reported malpractices?	V		(I) As per the "Procedures for Handling Reports on Illegal or Unethical Conduct" and "Business Integrity Procedures and Behaviors" and "Procedures for Handling Employee Complaints", depending on the seriousness of the conduct, the Company shall give out reward and punishment. For serious misconduct, the Company may terminate the employment of the persons involved. Meanwhile, the identity and the content of the report are kept confidential. The report, investigation process and results are documented on paper or in electronic files. The Company is responsible for properly maintaining the records.	No major deviation.
(III) Does the company assure malpractice reporters that they will not be mistreated for making such reports?	V		(II) As per the "Procedures for Handling Reports on Illegal or Unethical Conduct" and "Business Integrity Procedures and Behaviors", the Company handles the whistleblowing in confidentiality and uses independent channels to fully protect the whistle-blowers. The identity and the content of the report are kept confidential to ensure that the whistle-blowers do not receive any retaliation. No internal or external whistle-blowing incidents occurred in 2023.	No major deviation.
IV. Strengthening information disclosure Has the company disclosed relevant CSR principles and implementation on its website and the Market Observation Post System?	V		The Company has disclosed relevant CSR principles and implementation on the Company website (www.tycons.com.tw) and MOPS.	No major deviation.
V. If the company has established business integrity policies in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please describe its current practices and any deviations from the Best Practice Principles: The Company has established the "Ethical Corporate Management Best Practice Principles" to foster a corporate culture of integrity management that can thrive. The actual practice does not have major deviations from the Company procedures.				

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Progress (Note)</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">VI. Other information relevant to understanding the company's business integrity: (e.g. review of Ethical Corporate Management Best Practice Principles)
(I) To concretely regulate the important items to pay attention to when conducting business activities, the Company has established the "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behaviors", which have been disclosed on MOPS and the Company website.
(II) The Company has established the "Procedures for the Management of Internal Material Information and Prevention of Insider Trading ", stipulating that directors, managers and employees exercise the due care of good administrators and principle of integrity when conducting business. For significant matters that require confidentiality, they are required to sign confidentiality agreements.
(III) The Company has established the "Rules and Procedures of Board of Director Meetings". For conflicts of interests concerning the directors or the legal persons they represent, they should inform the board meeting of the conflict of interest. If the interest of the Company may be harmed, they are not allowed to take part in the discussion and voting. Furthermore, they should recuse themselves from the discussion and voting, and shall not represent other directors in the voting.</td></tr>
</table>

(Note) Regardless of ticking "Yes" or "No", please provide more information in the summary description column.

(VII) If the company has corporate governance guidelines and regulations and other relevant internal policies, the method of inquiry shall be disclosed:

Avenue of inquiry: The Company websitehttp://www.tycons.com.tw

MOP Shttp://mops.twse.com.tw/mops/web/index

(VIII) Other material information that may enhance the understanding of the status of corporate governance of the company shall also be disclosed:

1. Apart from the corporate governance section on MOPS, for significant matters, the Company shall immediately inform the investors on material information by way of notification.
2. The Company organizes two institutional investor conferences in 2023. The related information is made available on the Company website and MOPS.
3. From 2023/01/01 to 2024/03/31, the managers of the company have participated in internal and external education and training related to corporate governance. The number of persons for further education is 22, and the number of training hours is 97.5 hours.

(IX) Implementation of internal control systems:

1. Statement of Internal Control System

TYCOONS GROUP ENTERPRISE CO., LTD.
Statement of Internal Control System

Date: March 13, 2024

The Company declares the following with regard to its internal control system during fiscal year 2023, based on the findings of a self-assessment:

1. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the board of directors and managers of the Company. As such, the Company has established the aforementioned system. Its objectives are to provide reasonable assurance for effectiveness and efficiency of operations (including profitability, performance and guarantee of asset safety etc.), reliable, timely and transparent reporting, and conformity to applicable rules, regulations and laws.
2. An internal control system has its inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Furthermore, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take remedial actions immediately.
3. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereafter "the Regulations"), the Company evaluated the effectiveness of the design and execution of its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite elements: 1. control environment, 2. risk evaluation, 3. control operations, 4. information and communication, and 5. supervision. The composition of each element also includes several items. Please refer to the "Regulations" for the aforementioned items.
4. The Company has adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of the design and execution of its own internal control system.
5. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2023, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
6. This statement will serve as the main content of the Company's annual report and prospectus, and will be made available to the public. If the aforementioned public content has any illegal events including falseness or concealment etc., it shall be liable to the legal liabilities stipulated in Article 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the board of directors meeting of the Company held on March 13, 2024, where none of the 5 (Four attendees in person, one attendant by proxy)attending directors expressed dissenting opinions, and all affirmed the content of this statement.

TYCOONS GROUP ENTERPRISE CO., LTD.

Chairman: Huang, Wen-Sung Sign/Seal

President: Lu, Yen-Chuan Sign/Seal

2. When hiring an accountant to audit the company's internal control system, the audit report prepared by the CPAs shall be disclosed: Nil.

(X) For the most recent year and up to the publication date of the annual report, penalties imposed against the company and its staff, or penalties imposed by the company against its staff for violations of internal control or regulations, the main shortcomings and status of improvements: Nil.

(XI) For the most recent year and up to the publication date of the annual report, major resolutions and implementation by the shareholders' and board meetings:

1. Major resolutions of the Shareholders Meeting

Nature of meeting	Date of meeting	Resolutions	Implementation
Shareholders Meeting	2023.05.30	Ratification for Business Report and Financial Statements for 2022.	Resolution passed and announced on MOPS.
		Ratification for Accumulated Losses Offsetting Proposal for 2022.	Resolution passed and announced on MOPS.
		Discussion of Capital Reduction to Offset Losses.	The capital reduction to make up for the accumulated losses was approved by the Taiwan Stock Exchange Corporation in letter Tai-Zheng-Shang-Yi-Zi No. 1120009970 on June 27, 2023.

2. During the most recent year and as of the date of publication of the Annual Report, the Board of Directors held 8 sessions and the major resolutions are summarized as followed:

Nature of meeting	Date of meeting	Resolutions
Board Session	2023.03.14	1. Resolution passed for the 2023 business plan 2. Resolution passed for budget for 2023 3. Resolution passed for resolution of Remuneration Committee 4. Resolution passed for proposal for "Efficacy Assessment of Internal Control Systems" and "Statement of Internal Control System" for 2022 5. Resolution passed for financial statements, consolidated financial statements and business report for 2022 6. Resolution passed for ratification for Accumulated Losses Offsetting Proposal for 2022 7. Resolution passed for assessment of the independence and qualification of independent auditors 8. Resolution passed for engagement of independent auditors and their service fees for 2023 9. Amendments to the Company's internal control system 10. Resolution passed for proposal for a capital reduction to offset losses 11. Resolution passed for proposal for determining matters pertaining to the convening of shareholders' meetings for 2023 12. Resolution passed for determining matters pertaining to the reception of shareholders' written proposals for the shareholders' meetings for 2023 13. Resolution passed for setting the ceiling of funds lent to Tycoon Group International Co., Ltd. to US$1 million 14. Resolution passed for setting the ceiling of short-term advance payments to NT$1 million for the subsidiary Tycoons Worldwide Group (Thailand)

Nature of meeting	Date of meeting	Resolutions
Board Session	2023.05.11	1. Resolution passed for discussion of amendments to the Company's internal control system 2. Resolution passed for consolidated financial statements for the first quarter of 2023 3. Resolution passed for proposal for the bank loan limit 4. Resolution passed for reinvestment in Green Engineering Holding Co., Ltd. by the Company 5. Resolution passed for transfer of equity ownership of the subsidiary Fastbolt International Pte. Ltd.
Board Session	2023.06.02	1. Resolution passed for setting the ceiling of funds lent to Tycoon Vietnam Co., Ltd. to US$1.5 million 2. Resolution passed for transfer of equity ownership of the subsidiary Tycoons Group (Samoa) Holding Ltd.
Board Session	2023.07.13	1. Resolution passed for matters related to capital reduction plan 2. Resolution passed for proposal for a capital reduction plan to offset company losses of the subsidiary Tycoons Group International Co., Ltd. 3. Resolution passed for authorization related to the account-opening in bank and securities firms
Board Session	2023.08.11	1. Resolution passed for consolidated financial statements for the second quarter of 2023 2. Resolution passed for transfer of equity ownership of the subsidiary 3. Resolution passed for reinvestment in Green Engineering Holding Co., Ltd. by the Company. 4. Resolution passed for proposal for the capital reduction with cash payment of the subsidiary Tycoons Group International Co., Ltd.
Board Session	2023.11.13	1. Resolution passed for the capital reduction of the subsidiary Tycoons Group International Co., Ltd. 2. Resolution passed for setting the ceiling of funds lent to Tycoon Vietnam Co., Ltd. to US$1.7 million. 3. Resolution passed for resolution of Remuneration Committee 4. Resolution passed for the audit plan for 2024 5. Resolution passed for proposal for the bank loan limit 6. Resolution passed for determining amendments to the Company's internal control system 7. Resolution passed for consolidated financial statements for the third quarter of 2023
Board Session	2023.11.27	1. Resolution passed for the changes to the transaction contents regarding the disposal of equity interests in holding company GRAND WORLD Enterprises Co., Ltd. 2. Resolution passed for capital increase to the subsidiary TY Steel Co., Ltd.
Board Session	2024.03.13	1. Resolution passed for the 2024 business plan 2. Resolution passed for budget for 2024 3. Resolution passed for resolution of Remuneration Committee 4. Resolution passed for appointment of the company's audit supervisor 5. Resolution passed for proposal for “Efficacy Assessment of Internal Control Systems” and “Statement of Internal Control System” for 2023 6. Resolution passed for financial statements, consolidated financial statements and business report for 2023 7. Resolution passed for distribution of remuneration to directors and employees for 2023. 8. Resolution passed for distribution of 2023 profits. 9. Resolution passed for assessment of the independence and qualification of independent auditors 10. Resolution passed for engagement of independent auditors and their service fees for 2024 11. Resolution passed for sales of its equity interest in the holding companies, Tycoons Group International Co., Ltd. and Tycoons Group (Samoa) Holding Ltd.

Nature of meeting	Date of meeting	Resolutions
		12. Resolution passed for proposal for determining matters pertaining to the convening of shareholders' meetings for 2024 13. Resolution passed for determining matters pertaining to the reception of shareholders' written proposals for the shareholders' meetings for 2024 14. Resolution passed for setting the ceiling of funds lent to Fastbolt International Pte. Ltd. NT$1 million 15. Resolution passed for setting the ceiling of short-term advance payments to NT$1 million for the subsidiary Tycoons Worldwide Group (Thailand) 16. Amendments to the Company's internal control system

(XII) For the most recent year and up to the publication date of the annual report, important resolutions passed by the board of directors to which directors or supervisors had dissenting opinions and of which there are records or written statements: Nil.

(XIII) For the most recent year and up to the publication date of the annual report, resignations or discharges of the company's key individuals:

Position	Name	Date of appointment	Date of discharge	Reason for resignation or discharge
Senior manager	Yao, Chin-Hsiang	2011.08.01	2023.09.01	Retirement
Manager	Kao, Ching-Pin	2013.01.01	2024.02.25	Resignation

V. Audit Fees

(I) Audit Fees

Amount unit: NT$ thousand

Accounting firm	Independent auditor	Accountant audit period	Audit fee	Non-audit fee	Subtotal	Remarks
Baker Tilly Clock & Co.	Lin Chi-Ping	2023/01/01~ 2023/12/31	2,160	20	2,180	Non-audit fees are fees for reviewing the shareholders' meeting financial report
	Wu, Hsin-Liang					

(II) Non-audit fees paid to independent auditors, accounting firms, and affiliated companies thereof that amount to more than 1/4 of the audit fees: Nil.

(III) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year: Nil.

(IV) Reduction of audit fees by more than 10% compared to the previous year: Nil.

VI. For the last two fiscal years and the period afterward, changes in independent auditors:

The Company changed its independent auditors in fiscal 2022 due to the internal rotation of the accounting firm in accordance with the relevant laws and regulations.

(I) Former certified public accountants

<table>
<tr><td>Date of change</td><td colspan="3">2022.02.16</td></tr>
<tr><td>Reasons and explanation</td><td colspan="3">In compliance with internal rotation of Baker Tilly Clock & Co.</td></tr>
<tr><td rowspan="3">State whether the Appointment is Terminated or Rejected by the Consignor or CPAs</td><td>Client
Situation</td><td>CPA</td><td>The Company (Consigner)</td></tr>
<tr><td>Appointment terminated automatically</td><td>V</td><td></td></tr>
<tr><td>Appointment rejected (discontinued)</td><td></td><td></td></tr>
<tr><td>The Opinions other than Unmodified Opinion issued in last two years and the reasons for the said Opinions</td><td colspan="3">None</td></tr>
<tr><td rowspan="6">Any disagreements in opinion with the issuer</td><td rowspan="4">Yes</td><td></td><td>Accounting principle or practice</td></tr>
<tr><td></td><td>Disclosure of financial report</td></tr>
<tr><td></td><td>Auditing scope or procedures</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td>No</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Explanation</td></tr>
<tr><td>Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)</td><td colspan="3">None</td></tr>
</table>

(II) Successor certified public accountants

Name of the accounting firm	Baker Tilly Clock & Co.
Name of the CPAs	Lin Chi-Ping, Wu, Hsin-Liang
Date of engagement	2022.02.16
Prior to the formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions, and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPA's opinions	None

(III) Replies from previous independent auditors pursuant to Article 10, Paragraph 6, Subparagraph 1 and 2(3): Not applicable.

VII. Any of the company's chairperson, president, or managers responsible for financial or accounting affairs employed by the auditor's firm or any of its affiliated companies in the most recent year: Nil.

VIII. For the most recent year and up to the publication date of the annual report, transfers of equity interest and changes in stock pledges of directors, supervisors, managers and shareholders with stakes of 10% or more:

(I) Transfer of equity interest and change in stock pledge of directors, supervisors, managers and shareholders:

Title	Name	2023		Current fiscal year up to March 31, 2024	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Chairman	Bo Tian Investment Co., Ltd. Representative: Huang, Wen-Sung	(6,303,645)	0	0	0
Director and President	Lu, Yen-Chuan	(1,779,252)	0	0	0
Independent Director	Wei, Gong-Ao	0	0	0	0
Independent Director	Wu, Zhong-Xin	0	0	0	0
Independent Director	Huang, Qun-Kai	0	0	0	0
Vice President	Chang, Jui-Fu	(18)	0	0	0
Senior Manager (Note 2)	Yao, Chin-Hsiang	(53,614)	0	N/A	N/A
Senior Manager	Chang, Hsin-Yueh	0	0	0	0
Accounting Officer	Chou Pi-Wan	0	0	0	0
Financial Officer	Chang, Wen-Hui	(25)	0	0	0
Corporate Governance Officer	Wang, Min-Hua	0	0	0	0

(Note 1) The information above listed the changes in common stock, while transferee and transferor involved are all non-related parties.

(Note 2) Senior manager of the company, Mrs. Yao, Chin-Hsiang, was mandatory retired on September 1, 2023.

(II) Information showing the counterparty of the share-transferring is the interested party: None。

(III) Information showing the counterparty of the share-in-pledge is the interested party: None。

IX. Shareholding percentage of top 10 shareholders and their mutual affiliations

Name	In person Shareholding		Shares held by spouse and minor child(ren)		Total shares held under other people's names		Names and relationships of spouse or other relatives within two degrees of consanguinity who are also among the Company's top 10 largest shareholders		Remarks
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Title (or name)	Relationship	
Heng Xie Investment Co., Ltd.	25,017,022	7.42%	-	-	-	-	Nil	Nil	
Representative of Heng Xie Investment Co., Ltd.: Li, Tsui-Chuan	-	-	-	-	-	-	Nil	Nil	
Yi Sheng Investment Co., Ltd.	17,867,523	5.30%	-	-	-	-	Nil	Nil	
Representative of Yi Sheng Investment Co., Ltd.: Huang, Chen-Hsuan	-	-	-	-	-	-	Nil	Nil	
Shou Fu Investment Co., Ltd.	16,946,743	5.03%	-	-	-	-	Nil	Nil	
Representative of Shou Fu Investment Co., Ltd.: Huang, Shao-Wei	-	-	-	-	-	-	Nil	Nil	
Bo Tian Investment Co., Ltd.	14,906,234	4.42%	-	-	-	-	Nil	Nil	
Representative of Bo Tian Investment Co., Ltd.: Huang, Wen-Sung	4,336,835	1.29%	-	-	-	-	Huang, Ping-Lun	Father and son	
Ju Yuan Investment Co., Ltd.	9,330,384	2.77%	-	-	-	-	Nil	Nil	
Representative of Ju. Yuan Co., Ltd.: Lu, Yen-Chuan	4,207,397	1.25%	-	-	-	-	Huang, Ping-Lun	Mother and son	
Wang, Pi-Chang	4,568,197	1.36%	-	-	-	-	Nil	Nil	
Huang, Wen-Sung	4,336,835	1.29%	-	-	-	-	Bo Tian Investment Co., Ltd.	Representative	
							Huang, Ping-Lun	Father and son	
Lu, Yen-Chuan	4,207,397	1.25%	-	-	-	-	Ju Yuan Investment Co., Ltd.	Director	
							Huang, Ping-Lun	Mother and son	
Huang, Ping-Lun	2,779,048	0.82%	-	-	-	-	Huang, Wen-Sung	Father and son	
							Lu, Yen-Chuan	Mother and son	
Pan, Jin-lai	2,256,368	0.67%	-	-	-	-	Nil	Nil	

X. Number of shares and consolidated shareholding percentages of investee companies held by the company, directors, supervisors and managerial officers of the company, and entities in which the company has direct or indirect controlling interest

March 31, 2024 Unit: Shares; %

Investees (Note1)	Invested by the Company		Held by directors, supervisors, managers, and directly/indirectly controlled entities		Aggregated investment	
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage
Hurco Automation, Ltd.	4,207,707	35%	–	–	4,207,707	35%
Tycoons Worldwide Group(Thailand) Public Co., Ltd.	188,902,477	31.66%	–	–	188,902,477	31.66%
Green Engineering Holding Co., Ltd.	33,750	45%	41,250	55%	75,000	100%
Kingford International Limited	5,938,051	100%	–	–	5,938,051	100%
TY Steel Co., Ltd.	16,185,593	5.94%	52,950,032	19.43%	69,135,625	25.37%
Fastbolt International Pte. Ltd.	4,743,000	49.41%	4,557,000	47.47%	9,300,000	96.88%

Note1: Investment that is accounted for using the equity method.

Four. Share issuance

I. Source of share capital

Month / Year	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Shares held	Amount	Shares held	Amount	Source of capital	Property other than cash provided as capital contribution	Others
October 1991	10	20,140,000	201,400,000	20,140,000	201,400,000	Capitalization of retained earnings of NT$11,400,000	—	—
December 1991	10	30,140,000	301,400,000	30,140,000	301,400,000	Cash capital increase of NT$100,000,000.	—	—
October 1992	10	31,647,000	316,470,000	31,647,000	316,470,000	Capitalization of retained earnings of NT$15,070,000	—	—
April 1993	10	36,710,520	367,105,200	36,710,520	367,105,200	Capitalization of capital reserve of NT$15,823,500; capitalization of retained earnings of NT$34,811,700	—	—
December 1993	10	41,210,520	412,105,200	41,210,520	412,105,200	Cash capital increase of NT$45,000,000	—	—
July 1994	10	48,422,361	484,223,610	48,422,361	484,223,610	Capitalization of capital reserve of NT$20,605,260; capitalization of retained earnings of NT$51,513,150	—	—
June 1995	10	83,500,000	835,000,000	71,279,535	712,795,350	Capitalization of capital reserve of NT$24,211,180; capitalization of retained earnings of NT$62,949,070 Capitalization of employee bonus of NT $1,411,490; cash capital increase of NT$140,000,000	—	—
May 1996	10	135,689,366	1,356,893,660	135,689,366	1,356,893,660	Capitalization of capital reserve of NT$71,279,540; capitalization of retained earnings of NT$71,279,540 Capitalization of employee bonus of NT $1,539,230; cash capital increase of NT$500,000,000	—	—
December 1996	10	400,000,000	4,000,000,000	235,689,366	2,356,893,660	Cash capital increase of NT$1,000,000,000	—	—
July 1997	10	400,000,000	4,000,000,000	259,258,302	2,592,583,020	Capitalization of capital reserve of NT$235,689,360	—	—
March 1998	10	500,000,000	5,000,000,000	379,258,302	3,792,583,020	Cash capital increase of NT$1,200,000,000	—	—
July 1998	10	530,000,000	5,300,000,000	424,769,298	4,247,692,980	Capitalization of capital reserve of NT$379,258,300 Capitalization of retained earnings of NT$75,851,660	—	—
December 2004	10	530,000,000	5,300,000,000	451,984,494	4,519,844,940	Overseas convertible bonds that exercised conversion right, totaling NT$272,151,960	—	—
March 2005	10	530,000,000	5,300,000,000	455,008,404	4,550,084,040	Overseas convertible bonds that exercised conversion right, totaling NT$30,239,100	—	—
June 2007	10	640,000,000	6,400,000,000	455,008,404	4,550,084,040	Increased authorized capital to NT$6.4 billion	—	—
April 2008	10	640,000,000	6,400,000,000	511,563,845	5,115,638,450	Domestic convertible bonds that exercised conversion right, totaling NT$565,554,410	—	—
September 2008	10	640,000,000	6,400,000,000	552,230,397	5,522,303,970	Domestic convertible bonds that exercised conversion right, totaling NT$406,665,520	—	—
July 2010	10	640,000,000	6,400,000,000	358,820,726	3,588,207,260	Capital reduction to offset losses of NT$1,934,096,710	—	—
November	10	640,000,000	6,400,000,000	483,820,726	4,838,207,260	Cash capital increase of NT$1,250,000,000	—	—

Month / Year	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Shares held	Amount	Shares held	Amount	Source of capital	Property other than cash provided as capital contribution	Others
2010								
April 2013	10	640,000,000	6,400,000,000	498,349,004	4,983,490,040	Domestic convertible bonds that exercised conversion right, totaling NT$145,282,780	—	—
June 2013	10	640,000,000	6,400,000,000	500,745,229	5,007,452,290	Domestic convertible bonds that exercised conversion right, totaling NT$23,962,250	—	—
May 2014	10	640,000,000	6,400,000,000	540,424,450	5,404,244,500	Domestic convertible bonds that exercised conversion right, totaling NT$396,792,210	—	—
December 2014	10	640,000,000	6,400,000,000	544,591,116	5,445,911,160	Domestic convertible bonds that exercised conversion right, totaling NT$41,666,660	—	—
April 2015	10	640,000,000	6,400,000,000	547,091,116	5,470,911,160	Domestic convertible bonds that exercised conversion right, totaling NT$25,000,000	—	—
July 2018	10	640,000,000	6,400,000,000	379,751,976	3,797,519,760	Capital reduction to offset losses of NT$1,673,391,400	—	—
December 2018	10	640,000,000	6,400,000,000	479,751,976	4,797,519,760	Cash capital increase from issuance of new shares of NT$1,000,000,000	—	—
June 2019	10	700,000,000	7,000,000,000	479,751,976	4,797,519,760	Increased authorized capital to NT$7.0 billion	—	—
July 2023	10	700,000,000	7,000,000,000	337,168,138	3,371,681,380	Capital reduction to offset losses of NT$1,425,838,380	—	—

Share categories	Authorized share capital				
	Outstanding shares			Unissued shares	Total
	Listed	Non-listed	Total		
Registered ordinary shares	337,168,138	-	337,168,138	362,831,862	700,000,000

Information on shelf registration: Not applicable.

II. Shareholder structure

March 30, 2024

Shareholder structure / Amount	Governmental agencies	Financial institutions	Other legal persons	Foreign institutions and foreign persons	Individuals	Total
Number of shareholders	0	2	174	62,014	85	62,275
Shares held	0	14,757	85,505,395	240,748,771	10,899,215	337,168,138
Shareholding percentage	0.00%	0.00%	25.36%	71.41%	3.23%	100.00%

III. Share ownership distribution

March 30, 2024

Range of shareholding	Number of shareholders	Shares held	Shareholding percentage
1-999	30,357	9,738,528	2.90%
1,000-5,000	22,821	53,752,979	15.94%
5,001-10,000	4,790	34,636,592	10.27%
10,001-15,000	1,825	22,904,034	6.79%
15,001-20,000	693	12,282,718	3.64%
20,001-30,000	798	19,282,063	5.73%
30,001-40,000	332	11,478,527	3.40%
40,001-50,000	189	8,494,366	2.52%
50,001-100,000	291	20,075,729	5.95%
100,001-200,000	106	14,426,310	4.28%
200,001-400,000	43	11,522,806	3.42%
400,001-600,000	7	3,278,970	0.97%
600,001-800,000	6	4,251,847	1.26%
800,001-1,000,000	4	3,842,585	1.14%
1,000,001 以上	13	107,200,084	31.79%
Total	62,275	337,168,138	100.00%

IV. List of major shareholders

Name of major shareholder	Shares held	Shareholding percentage
Heng Xie Investment Co., Ltd.	25,017,022	7.42%
Yi Sheng Investment Co., Ltd.	17,867,523	5.30%
Shou Fu Investment Co., Ltd.	16,946,743	5.03%
Bo Tian Investment Co., Ltd.	14,906,234	4.42%
Ju Yuan Investment Co., Ltd.	9,330,384	2.77%
Wang, Pi-Chang	4,568,197	1.36%
Huang, Wen-Sung	4,336,835	1.29%
Lu, Yen-Chuan	4,207,397	1.25%
Huang, Ping-Lun	2,779,048	0.82%
Pan, Jin-lai	2,256,368	0.67%

V. Market share price, net worth, earnings and dividend information for the most recent two years

Item	Year		2022	2023	Current year as of March 31, 2024 (Note 8)
Market price per share (Note 1)	Highest		15.00	14.45	12.95
	Lowest		7.65	7.92	10.00
	Average		9.98	10.32	11.39
Equity per share (Note 2)	Prior to distribution		10.29	10.72	—
	After distribution		10.29	10.52 (Note 9)	—
Earnings per share	Weighted average shares (thousand shares)		337,168	337,168	337,168
	Earnings per share (Note 3)		(0.36)	0.24	—
Dividend per share	Cash dividends		—	0.20	—
	Stock dividends	—	—	—	—
		—	—	—	—
	Cumulative unpaid dividends (Note 4)		—	—	—
Analysis of return on investment	Price to earnings ratio (Note 5)		—	43	—
	Price to dividend ratio (Note 6)		—	51.60	—
	Dividend yield (Note 7)		—	1.94%	—

Note 1: List the highest, lowest and average price in each year, and calculate the average market price of each year based on the transaction value and transaction volume of each year..

Note 2: Please calculate using the number of issued shares as of year end and distribution as per resolution of the shareholders' meeting in the following year.

Note 3: If retrospective adjustment is needed due to bonus shares, EPS prior to and after adjustments should be presented.

Note 4: If the terms of issuance of equity securities stipulate that the unpaid dividend of the year can only be cumulated and disbursed in the year where the Company is profitable, respective disclosure on the cumulative unpaid dividend up to the year should be made.

Note 5: Price to earnings ratio = Average closing price for the period / Earnings per share.

Note 6: Price to dividend ratio = Average closing price for the period / Cash dividend per share.

Note 7: Dividend yield = Cash dividend per share / Average closing price for the period.

Note 8: The market price per share is based on information as of March 31, 2023.

Note 9: The amounts after distribution were calculated based on the distribution resolved by the Board of Directors, while the distribution of profits is subject to the approval of Shareholders' Meeting.

VI. Dividend Policy and Implementation Status

1. Dividend policy:

As the Company is undergoing a transformative stage, the consideration of dividend policy shall take into account the investment capital requirements, financial structure, earnings and other circumstances of the Company. The Board of Directors shall prepare the earning distribution proposal and submit it to the shareholders' meeting for a resolution.

In the event of profit after tax, the Company shall appropriate the profit to offset the following:

(I) Tax payments.

(II) Accumulated losses.

(III) Legal capital reserve at 10% of the undistributed earnings other than profit after tax for the period.

(IV) Special reserve required to be appropriated as stipulated by the law and regulations. The reversal of special reserve shall be integrated into the undistributed earnings before distribution as stipulated by the law and regulations.

(V) After appropriating the aforementioned items from (I) to (IV), for the remaining earnings of the fiscal year, together with any accumulated undistributed earnings of the previous year and the adjustment of undistributed earnings of the fiscal year, the Company shall appropriate at least 50% to 100% as stock dividend. The remaining amount shall be reserved as the balance of undistributed earnings for the fiscal year. Of this, the cash dividend appropriated shall not be less than 10% of the total shareholder dividend distributed for the fiscal year.

For the aforementioned dividend distribution principles, the Company shall take into account the changes in the internal and external business environment. The board of directors shall prepare the distribution proposal and submit it to the shareholders' meeting for adjustment and resolution.

2. Proposal to appropriate cash dividend at the shareholders' meeting:

After the company's Board of Director's meeting on March 13, 2024 has approved to allocate cash dividends of NT$0.2 per share, amounting to NT$67,433,628 with a total of 337,168,138 shares, if the number of shares outstanding is subsequently affected for some other reason, and caused the interest rate for the allocated shares to change as a result, the chairman shall be authorized to provide adjustments accordingly.

VII. The impact on the operating performance of the Company and EPS posed by the proposal of the shareholders' meeting to issue bonus shares

N/A

VIII. Employee, director and supervisor remuneration

1. Employee, director and supervisor remuneration policies as stated in the Articles of Incorporation:

   For a profitable fiscal year (a profitable fiscal year refers to the annual profit before tax before deducting the remunerations of employees and Directors), the Company shall appropriate 2% to 5% of the profit as employee remuneration and not more than 1% as Director remuneration. However, in the event of accumulated losses, the Company shall reserve a sufficient amount to offset the losses.

   The Company shall distribute the employee remuneration in the form of stocks or cash to eligible employees who fulfill certain requirements. The Board of Directors is authorized to resolve the requirements.

   The disbursement of the employee and Director remunerations shall be passed by the Board of Directors via a special resolution.

2. The estimation basis of the compensation for employee, director and supervisor for the current period, the computation basis for the number of shares issued as stock dividend serving as employee compensation, and accounting treatments for any discrepancies between the amounts estimated and the amounts disbursed:

   The distribution of the 2023 remuneration of employees by cash and director remuneration have been approved by resolution of the board of directors on March 13, 2024. In accordance with the Company's

Articles of Incorporation, if the estimated amount differs from the actual distributed amount, the discrepancies will be considered an accounting estimation and adjusted in the annual report.

3. Remuneration proposals passed by the Board of Directors:

(1) Employee, director and supervisor remuneration will be distributed in cash or stocks:

Unit: NT$

Item	Board of Directors resolution (March 13, 2024)
Director remuneration (cash)	770,043
Employee remuneration (cash)	1,540,087

(2) If the amount is different than the estimated annual expense amounts, the discrepancy amount, reason, and disposal status shall be disclosed: There was no discrepancy with estimated annual expense amounts.

(3) The amount of employee bonus to be paid in stocks out of the current company-level financial report in terms of the sum of net profit after tax and employee bonus: Not applicable as the Company has no plans on distributing employee stock dividends.

4. Actual disbursement of employee, director, and supervisor profit-sharing compensation for the preceding year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed). In circumstances where the actual distributed differs from the recognized amount, the difference, reasons and handling of such matter shall be stated: Nil.

IX. Share repurchase by the Company: Nil.

X. Corporate bonds, preferred shares, overseas depositary receipts, employee stock option certificates and mergers and acquisitions (including mergers, acquisitions and splits):

(I) Corporate bonds

1. Corporate bonds: Nil.
2. Convertible corporate bonds: Nil.
3. Exchangeable corporate bonds: Nil.
4. Shelf registration of corporate bonds issued: Nil.
5. Corporate bonds with warrants: Nil.

(II) Preferred shares

1. Preferred shares: Nil
2. Preferred shares with warrants: Nil

(III) Overseas depositary receipts

Overseas depositary receipts: Nil

(IV) Employee stock option certificates

1. Employee stock option certificates: Nil
2. Names and subscription status of managerial officers who have obtained employee stock option certificates, and top ten employees who have obtained employee stock option certificates and their subscription have amounted to NT$30 million or more: Nil

(V) Issuance of new shares following acquisitions and transfer of the other companies: Nil.

XI. Execution of Fund Usage Plan

The Company does not have previous incomplete issuances or private placements, or fully executed projects in the most recent three years which have yet to show evident benefits.

Five. Operational Highlights

I. Operational Highlights

(I) Scope of Business

1. Main businesses of the Group:

(1) Trading of screws, nuts, washers, bolts, and trading of mechanical hardware, hand tools, automobile materials and components.

(2) Spheroidization heat treatment, casting, trading and fabrication of steel wire, screws, nuts and other related metal items.

(3) Manufacturing, fabrication, trading and exporting of socket wrench components, torque wrenches, screwdrivers, wire rods, iron bars and chains.

(4) Manufacturing, fabrication, trading, exporting and leasing of machinery components, forming machines, tapping machines, heading machines, trimming machines, threading machines, packaging machines, heat treatment equipment and components of the aforementioned machines.

(5) Manufacturing, fabrication, trading and exporting of various types of metal modules.

(6) General import and export trading. (Except those subject to special approval)

(7) H701020 Industrial Factory Development and Rental.

(8) H701010 Housing and Building Development and Rental.

(9) C801010 Basic Chemical Industrial.

(10) F107100 Wholesale of Chemical Materials.

(11) ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.

2. Revenue distribution of main products:

Unit: NT$ thousand

Product item	Operating revenue for 2023	Percentage over total sales %
Wire rods	2,329,971	27.67
Wires	1,882,127	22.35
Screws	3,161,634	37.55
Fabrication	218,462	2.59
Steel bars	640,971	7.61
Others	186,928	2.22
Total	8,420,093	100.00

3. Current main products of the Company:

(1) Spheroidized wires

(2) Wire rods

(3) Steel bars

(4) Large screws and construction screws

(5) Heat treatment of spheroidized wires and screws

4. Development of new products and services:

With existing products and technology, via the mills in Thailand, the Company provides advanced equipment and R&D technology to manufacture wire rods to cater to domestic customers.

(1) Various specialized screws and car screws.

(2) Strengthen the sales of strengthened and professional grade spheroidized wires.

(3) Heat treatment, acid cleaning, surface treatment and wiredrawing of alloy steel spheroidized wires.

(4) Research and produce couplers, shear studs and TC bolts and other construction screws.

(5) In the production process of rolled steel in Thailand, the automatic detection and automatic grinder for billets increases the grade of the rolled steel products, thus increasing the percentage of high-value products in the product portfolio.

(6) Build inventory within the mills and explore the feasibility of automated warehouses in the future.

(II) Industry overview:

1. Current and future industry prospects

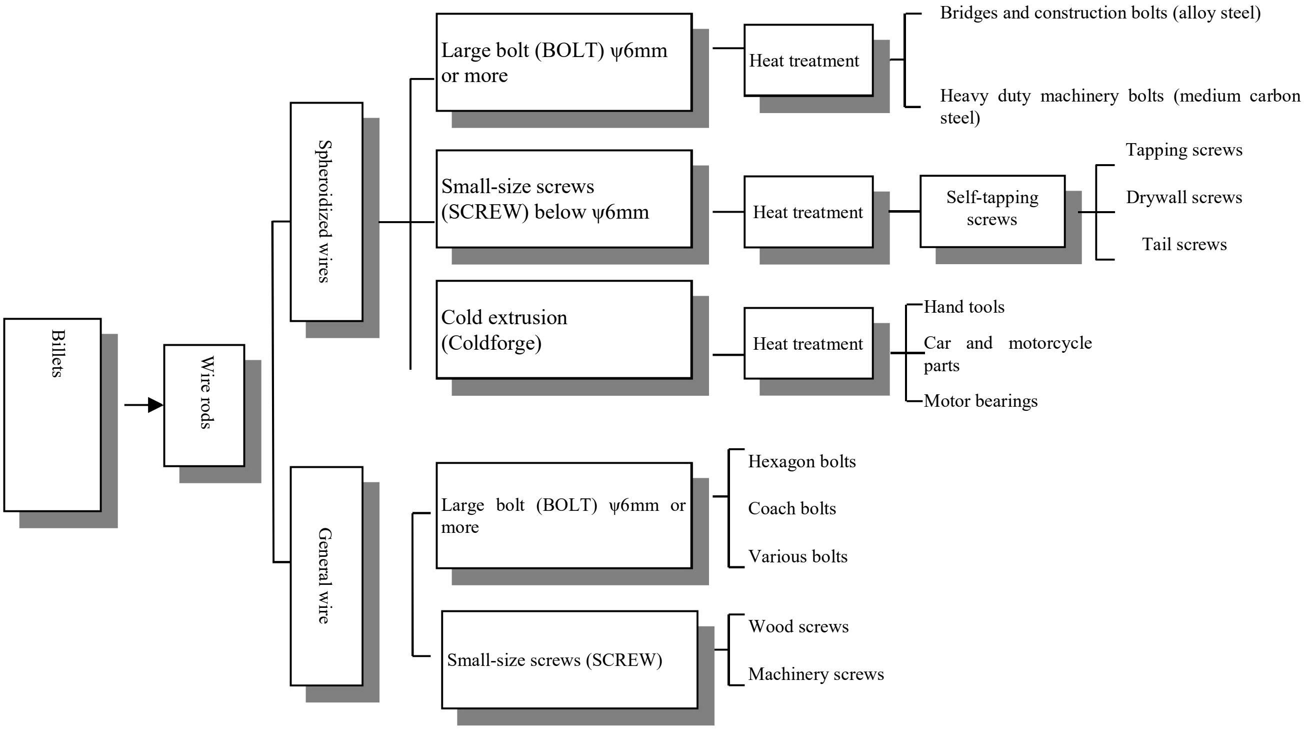
Screws and nuts are crucial fasteners for various sorts of equipment. In Europe and the US, these products have been widely used for decades. The affiliated industry produces machine tools, industrial machinery, electronics, electrical machines, transport vehicles, household appliances, furniture, construction tools and equipment. The applications are wide. Therefore, screws and nuts are an evident indicator of the level of industrial development of a country. The higher the degree of industrialization, the higher the demand.

Our country has more than 40 years of history in the industrial development of screws and nuts. Due to the rapid development of industries, since the Taiwan Industrial Fasteners Institute was founded in 1969, there are more than 1600 screw factories in the country currently, many of which produce low carbon steel screws. Approximately 70% of the factories are located in the Tainan and Kaohsiung areas. The rest are located in the central and northern parts of the country. Of these, most of the mills are small enterprises that are mainly involved in the stabilized finish of the screw fabrication process. For the spheroidization of wires, surface machining and carburized heat treatment that require large investments in production equipment, they normally engage the services of other suppliers. As such, overall, in terms of operating scale, production technology, product development and international marketing capability, the usual small enterprises need to make frequent investments and introduce advanced R&D technology and equipment to increase their business operation. However, currently, for the product development of screws and nuts, the competitive advantages in terms of R&D and low production costs have made Taiwanese suppliers the main suppliers of Europe and the US, winning the title of “Screw Kingdom of the World”.

In recent years, the traditional screw manufacturing industry of Taiwan is facing stiff pricing competition from counterparts in Southeast Asian countries and Mainland China, who are gaining advantage rapidly. This has caused the domestic fastener manufacturers to transfer their low-end production lines elsewhere. As such, in the future, within the country, the market opportunity for the screw industry lies with higher end fastener products, including aerospace, motor vehicle and other industrial high-value fasteners. Furthermore, in the global fastener market, especially international fastener brands are practicing a global operating strategy in constructing a global division of labor to reduce management, manufacturing and sales costs. Apart from focusing on core businesses with internal resources, they expedite the transfer of midstream and downstream production and sales processes to regions with lower production costs. This trend has caused the competition of the future fastener industry not to localize in competition between enterprises, but in competition between supply chains, or even between industrial systems.

2. The connection of upstream, midstream and downstream industries

Screws are indispensable fastener components in industrial products. Their manufacturing process involves shaping billets into wire rods. The wire rods are then subject to acid cleaning and drawing to wire form or spheroidized wires. They are then further subjected to heading and threading and surface treatment to become screws. The subsequent heat treatment will turn them into screws with high hardness. The related upstream industries are of wire and wire rod fabrication. The affiliated industries are manufacturing of screw forming machines, electroplating and heat treatment systems, while the downstream industries are the manufacturing of appliances, machinery, motor vehicles and construction. Therefore, as the economy grows and industrialization deepens, the demand for products and their upstream industries will grow accordingly.



3. Product development trends and competition

(1) Screws, nuts and bolts

Development trends: With the current machine-making technology in the country, the production capacity and precision have seen substantial improvements. Compounded by the fact that wire production has incorporated professional spheroidized heat treatment, the shortfall of screws and nuts initially brought by the quality of raw material has seen much improvement. As such, in the foreseeable future, we would still be the main supply source. As the technological and industrial structure is ever changing all over the world, the industries of advanced countries are becoming more cutting-edge and sophisticated. As developing and underdeveloped countries are playing catch-up in industrialization, they require the supply of large amounts of high quality and reasonably priced products. In the past 40 years, the domestic industry has been developing, making our country the main choice for many international markets. In the future, based on the current foundation, the manufacturers of our country shall combine different sorts of special steel and alloy steel to fabricate high-end products for military, motor vehicle, aerospace and other industries, in hopes of producing better quality and more value-adding products.

For screw and nut products, the US market is important to the Company, because it is the most important market for screw and nut products in the whole world. The Company has accumulated much reputation and acknowledgement in the US market.

Competition: Currently, our country is one of the main suppliers of screw and nut products for the global market, constituting 50% of the total exports.

Therefore, the fastener export of our country is closely related to the US market. Our main competitors in the US market are businesses from Mainland China. Currently, the top five countries that the US mainly imports from are Mainland China, Taiwan, Canada, Japan and South Korea, which constitute approximately 90% of US imports.

(2) Spheroidized wires:

Development trends: According to the classification of China Steel, wire with a diameter of 14 mm or more is called bar in coil. For wire with a diameter of 5.5 mm to 14 mm, in the traditional screw and nut making process, the wire is directly used for fabrication. The final product has less ruggedness and safety. With the upgrade of the industry, domestic manufacturers are moving toward developing high-end screws with more added value. Whereas the spheroidized wires not only make better quality products, they also have better ductility, which is beneficial for the fabrication in downstream industries. As such, the development of spheroidized heat treatment is also growing. The vertical integration of the production processes of upstream and downstream industries has become the development trend.

Competition: Currently, the companies that possess the professional technology to produce spheroidized wires are China Steel Corporation, Chun Yu Group, Tycoons and Dragon Steel Co., Ltd. Apart from China Steel which performs spheroidized heat treatment on alloy steel, medium and low carbon steel are the ideal material for other manufacturers. The Company has new spheroidization equipment, in which the main equipment is the electric bell-type heat treatment furnace that can provide flexible production. The production process is computer-controlled and, therefore, the wire can undergo a more complete production treatment. As the R&D department of the Company's investee Tycoons Worldwide Group (Thailand) continues to make improvements on its existing equipment and basic materials, shortening production processes with effective management and cost reduction, the Company can gain more competitive advantages than its counterparts.

(3) Wire rods:

Development trends: Wire rods are made from small billets. Further processing of the wire rods can produce screws, nuts, steel wires and other downstream products. The wire rods are classified into high, medium and low carbon wire rods according to their carbon content. Of these, wire rods with a carbon content of 0.45% or more are high carbon wire rods, wire rods with a carbon content between 0.22% to 0.45% are medium carbon wire rods, and wire rods with a carbon content of 0.22% or less are low carbon wire rods.

Meanwhile, as per the understanding of Taiwanese manufacturers on material A, material K and material R, material A refers to killed steel that undergoes aluminum deoxidation. As the metallographic composition is dense and fine, the surface of the wire rods has impeccable quality. It can be directly used for forging the components of final products without heating and is usually used for making high-end screws. Material R refers to rimmed steel, a.k.a. semi-killed steel. for its production billet steel, which is commonly known as cogging, is usually used for the fabrication. It has the smooth surface of billet steel, which is commonly known as soft material. It is commonly used in nut making and classified as low carbon steel. As for K material, it refers to killed steel, i.e. killed steel that undergoes aluminum or silicon deoxidation. It is made using continuous casting and is commonly known as hard material. It is commonly used in making hardware (e.g. wire nails, wire gauze, etc.) and also classified as low carbon steel. Of these, the raw material of material A wire rods is mainly made using small billets produced by blast furnace mills, whereas, the K and R materials are made from small billets produced by electric furnace mills. Therefore, the quality and unit sale price of A material wire rods are higher than K and R materials.

The price of raw material of wire rods, the billets, is subject to the international steel market. For the future development of the global steel and iron market, the supply side shall play a fairly important role. Currently, apart from Mainland China, it is difficult for other developed countries to increase their rough steel production. The speed of the capacity expected to be put into production and the corresponding demand of Mainland China are the largest impact on the global steel industry. The demand of steel in Mainland China fluctuates according to the macro-control of the government. As such, the steel policy of Mainland China and its supply and demand in the recent years have great impact on Taiwan.

Competition: As the production of wire rods is a capital intensive industry and the investment in equipment is substantial, the investment in wire rod production is largely made by large domestic manufacturers. The main manufacturers are China Steel Corporation, Yieh Hsing Enterprise Co., Ltd., Feng Hsin Steel Co., Ltd., Quintain Steel Co., Ltd. and Tycoons Worldwide Group (Thailand). Since the domestic market is open for import, wire rods from Mainland China have threatened the survival of domestic manufacturers and replaced part of the import from other foreign manufacturers. Apart from the import from Japan and Korea which is fairly steady, much of the import from other countries has fallen substantially.

(III) Technology and R&D:

1. Technology and R&D

The Company manufactures wire rods and wires, which are raw materials for the downstream screw production. The wire rods are manufactured by Tycoons Worldwide Group (Thailand). The R&D planning is made by the R&D team in Thailand. In recent years, due to the pricing competition posed by manufacturers from Southeast Asian countries and especially Mainland China, the Company has turned to manufacturing high-end products and the development of production technology, and has started to develop large screws and car parts to avoid low-end competitive convergence. Via the overall upgrade of technology and success in new product development, the Company has gained more competitive advantages in the screw market. The Company vertically integrates the upstream industry by investing in TY Steel to produce the raw material billets. The quality of the raw material is better controlled and the variety and stability of products can be increased.

2. R&D researchers and their qualifications: Nil.

The industry of the Company is one with mature technology. The main competitive advantages of the Company include its improved production technology which can better control product quality, the control of raw material sources and enhanced operating efficiency. Therefore, the Company currently has no designated specific personnel in its R&D department.

3. Successfully developed technologies or products: Nil.

Certificate authority of Tycoons Group Enterprise

Item	Content of certificate	Certification unit	Certificate number
1	ISO 9001：2015	SGS	TW14/10817
2	EN 14566：2008+A1：2009	EURO CERT	TW.CE.0425-05/12
3	EN 14592：2008, 3.0mm	EURO CERT	E-30-20366-12
4	EN 14592：2008, 3.5mm	EURO CERT	E-30-20367-12
5	EN 14592：2008, 4.0mm	EURO CERT	E-30-20368-12
6	EN 14592：2008, 4.5mm	EURO CERT	E-30-20369-12
7	EN 14592：2008, 5.0mm	EURO CERT	E-30-20370-12
8	EN 14592：2008, 6.0mm	EURO CERT	E-30-20371-12
9	Studs for drawn arc stud welding - concrete anchor and shear connectors	Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs	Tai-Zheng-Zi No. 7407
10	ISO 14067:2018	DNV	C660532-2022-AP-TWN-DNV

Certificate authority of Tycoons Worldwide Group (Thailand)

Item	Content of certificate	Certification unit
1	ISO 9001:2015	UKAS
2	ISO 14001:2015	UKAS
3	ISO/IEC 17025	Thai Industrial Standards Institute
4	EN 14566、EN 14592、EN 15048	CE
5	TIS 348-2559、TIS 24-2559、TIS 20-2559	TISI
6	CFO、CFP	Thailand Greenhouse Gas Management Organization: TGO
7	ISO 14064、ISO 14067	Bureau Veritas (BV)

4. Future R&D program:

No R&D program thus far. The Company shall continue to make improvements on production processes and implement ISO 9001:2015 and TAF certification on quality management systems to ensure the stability of quality and yield.

(IV) Short and long-term operating development plans:

1. Short-term operating development plans:

(1) We will continuously strengthen our business for wining wire rods orders. In addition, in response to the increase in electricity bills, we plan to adjust the working hours of wire processing to control costs. We will also provide on-time shipments, high-quality products, and comprehensive sales services.

(2) We intend to develop customized cooperation with customers and refine the acid cleaning process to reduce screw molding sludge pollution, lower production costs, and create win-win outcomes.

(3) As the government actively promotes public construction and government-led public urban renewal, the domestic demand for shear studs is steadily increasing. We intend to continuously enhance product quality to secure more orders.

2. Long-term operating development plans:

(1) Infrastructure development in Thailand will benefit the profitability of TYCN.

The Thai government has announced that it will invest THB 652 billion from 2024 to 2025 to promote about 150 transportation construction projects, fostering the development of infrastructure in Thailand. Among them, 64 projects are determined to be launched in 2024, and another 31 projects are still under planning stage, with a total budget of THB 389 billion; in 2025, it is expected to launch 57 projects with a total budget of THB 263 billion. It is expected that construction will commence gradually, leading to a continuous growth in the demand for steel.

(2) The Company shall adjust operating strategies and undertake vertical integration for its production model

In recent years, the Company has been actively transforming into a professional wire manufacturer, expanding our wire processing capacity and the acid cleaning wire OEM capacity, actively seizing the domestic OEM market, and demonstrating differential competitive advantages. In the future, we will continue to strengthen the one-stop production service from wire rods trading to wire processing. In addition, in response to the increase in electricity bills, we plan to adjust the working hours of wire processing to control costs. We will also provide on-time shipments and offer high-quality and comprehensive sales services.

The Group owns production and sales bases located in Taiwan, Thailand, and Mainland China. Our products include wire rods, wires, screws, bolts, and steel bars, plus billets produced by the associate. In the future, we will leverage the synergy of vertical integration, from top-to-bottom production, to respond to the rapidly changing market trend through our domestic and overseas bases in Taiwan, Thailand, and Mainland China. It is believed that the diversity and excellent quality of products will bring the Group with competitive advantages.

(3) Rigorous planning, paying attention to details and fostering an optimization culture consistently

The Company seeks to focus on main business operation and internal control. For expense control, yield enhancement and customer service, the Company has undertaken rigorous planning on various details on these fronts. Furthermore, the management team has cultivated a good culture of paying attention to details, which is beneficial for enhancing management efficiency.

II. Market and sales overview

(I) Market analysis:

1. The sales regions for main products and services are as follow:

(1) Wire rods: Wire rods are the main raw material for the spheroidized wires produced by the Company. They are mainly procured from Tycoons Worldwide Group (Thailand). The wire rods are then made into wires via roughing, spheroidization and annealing, acid cleaning and fine drawing before selling to downstream manufacturers within the country to make screws, nuts, hand tools and other hardware parts. Apart from taking the production capacity, market demand and inventory level reserved for spheroidized wire production into consideration, the Company also sells wire rods to customers directly, depending on the domestic market demand, to make up for the partial steel product supply gap in the country.

(2) Spheroidized wires: The spheroidized wires of the Company are mainly supplied to the screw makers within the country.

(3) Screws: Screws are usually made by subjecting wires to acid cleaning, wiredrawing, heading, thread rolling, heat treatment and surface treatment before they become screws. The self-tapping screws of Tycoons are made by subjecting wires to heat treatment in bell-type furnaces to turn them into spheroidized wires. Via heat treatment

fabrication, the internal structure of the steel is turned into a uniform spherical shape with a lower hardness. The self-tapping screws can be widely used for fastening in industrial machinery, electronics, appliances, furniture, construction, transportation equipment and many other industrial products. The screws of the Company are mainly exported to Europe and the US.

(4) Steel bar products:

A. Deformed bars: Deformed bars refer to bars in which the surface contains transverse ribs and longitudinal ribs or gaps that can strengthen the adhesion between concrete and cement. For the product category of SD40 and SD50, the specification is divided into DB10, DB12, DB16, DB20 and DB25. The billets are heated and drawn into steel bars which are then cut into bars with a diameter between 10 to 12 meters with the clipper system.

B. Round bars: Round bars refer to bars which have a smooth surface (specification of RB6 - RB25)

Apart from providing the usual deformed bars that the market requires, the Company also manufactures wire rods. The customers can do their own cutting according to their own needs. This can reduce the attrition rate and lower the cost, while satisfying the customer needs. In 2018, with the steel bar production of the affiliated company, TY Steel Co., Ltd., the Company shall be able to provide and sell construction-use steel of all sizes under the TY brand name, thus rapidly expanding market share.

2. Market share:

(1) Spheroidized wires:

Spheroidized wires are made by subjecting wires to spheroidized heat treatment in the bell-type furnace. They possess better ductility and can facilitate plastic working. They are mainly provided to make complicated and high value-added screws, and therefore have become an indispensable cold-headed steel. In recent years, they have replaced the usual rods and wires.

For the production of spheroidized wires, the Company possesses integrative production equipment for wiredrawing, acid cleaning, spheroidized heat treatment furnace. Therefore, not only can the Company fully control the product quality of the spheroidized wires, it can also make continuous improvements and carry out R&D of the production process and equipment. Through the steel mill in Thailand, the Company is able to provide sophisticated equipment and R&D technology to produce wire rods that cater directly to domestic customers. Therefore, the Company is able to maintain its position among its counterparts. Based on the current market demand, the market share of the Company constitutes approximately 0.3% to 1%.

(2) Wire rods:

Based on the demand of wires and the supply provided by other domestic manufacturer in Taiwan, the market share of the Company is not high and has room for improvement. Depending on the market demand, pricing and profitability in the Taiwanese and Thai markets, Tycoons Worldwide Group (Thailand) shall determine the sales regions for the wire rods it produces.

(3) Screws: According to the export of screws, the market share of the Company amounts to approximately 1% to 2%.

(4) Steel bars: The Company shall develop the ASEAN market, e.g. Myanmar, Laos and Cambodia, through wholesalers and traders.

3. Future market supply and demand, and growth:

Steel is the foundation of industrialization. It is the basic raw material of many infrastructures. The downstream industries include construction, motor vehicles, machinery, electrical appliances, personal computers, electromechanics and more. The usage is very wide. Therefore, the demand for steel is closely related to the global economy.

As the world is seeking to rebuild after the pandemic, demand from corporate investment and industrial production will increase. The number of industrialized countries is also growing. In the future, Africa, Asia and many more markets will have expanded potential. There shall be ample room for development.

4. Niche markets and targets for future revenue:

With existing products and technology, via the mills at Thailand, the Company shall provide:

(1) Technological niche:

The Company possesses sophisticated equipment and R&D technology in manufacturing wire rods to cater to domestic customers.

(2) Cost niche:

Through the integrated professional production of billets, wire rods, spheroidized wires, steel bars and screws, the Company is able to control costs and provide competitive price quotations to customers.

(3) Steady supply of materials:

The integrative upstream, midstream and downstream production enables the Company to produce steady product quality and quantity.

(4) Tycoons Group:

By making use of cost advantage by integrating the upstream and downstream production, the Company actively seeks to develop into a supplier of steel raw material.

(5) Expected sales volume:

Sales targets for 2024 are as follows:

Product name	Sales volume (metric ton)	%
Wire rods	143,804	33.77
Fabrication	105,760	24.83
Spheroidized wires	67,724	15.90
Screws	39,870	9.36
Steel bars	68,736	16.14
Total	425,894	100.00

5. Favorable and unfavorable factors in development prospect and countermeasures:

(1) Favorable factors:

A. Products are widely used and the market potential is high

Wires are the raw material for screws, hand tools, steel wires, and steel cables, while screws are indispensable fasteners for all sorts of equipment (for industrial, household and commercial use). The affiliated industries produce machine tools, industrial machineries, electronics, electrical machines, transport vehicles, household appliances, furniture, construction tools and equipment. They are widely used. Furthermore, the product has no replacement or product lifecycle issues. The demand for wires and screws will grow with the development of industries. The demand of industries can be fully catered to. Therefore, the future market has much room and potential for growth.

B. Build a flexible production system and develop the business

To effectively control supply stability, lower operating costs, increase quality and expand markets, the Company has located its operating base in Taiwan and established a professional mill that integrates the upstream, midstream and downstream processes to manufacture billets, wire rods, spheroidized wires, steel bars and screws. According to customer demands, the Company is able to arrange for the globally collaborative division of labor of its domestic and international bases in a flexible manner. The Company is thus able to expand its international markets, increase global market share, build an international marketing network and create more profitability for domestic industry.

C. Infrastructure and industry upgrade of Thailand

In the middle of 2016, the Thai government launched an economic development program, Thailand 4.0, which is a blueprint for industry upgrade that covers a 20-year period from 2017 to 2036. It contains six major areas for development and ten popular industries. In the coming eight years, the Thai government is expected to invest well over THB 3 trillion in infrastructure. A substantial expansion in the networks of railways and expressways and other core infrastructure shall be undertaken, which aims to lower logistic costs, make it more attractive to investors, and develop the Eastern Economic Corridor (EEC), thus bolstering the competitiveness of the country.

Of these, EEC is the flagship program of the Thai government. In May 2017, the Thai government cited Thailand’s Constitution of 2017, Section 44 and lifted certain restriction to accelerate the development of ECC. The items that were initiated at the end of 2018 included: U-Tapao International Airport, a bullet train that connects three international airports, the third container port of Laem Chabang Deep Sea Port, Map Ta Phut Third Industrial Port, six EEC double-track rails and Chonburi-Pattaya-Map Ta Phut expressway. Other projects include an airport in the east, U-Tapao’s aircraft maintenance, repair and operating center and a bullet train network from Bangkok to Rayong. It is estimated that at the end of 2021, the construction of infrastructure shall begin. The demand for steel is expected to grow. The future economic growth of Thailand is expected to drive its steel market.

D. Thailand banned expansion of production capacity for billets/steel bars

To resolve the issues of excess capacity and financial loss of steel companies, on January 29, 2019, the Thai cabinet approved the draft legislation from the Ministry of Industry. According to the Factory Act B.E. 2535, for the next five years, Thailand has banned the construction or expansion of the production capacity of steel bars and the billets that are used to produce steel bars, in hopes that steel makers in the country can make internal adjustments and accelerate technological development. Under the act, the product prices of TY Steel for billets and steel bars shall stabilize. Furthermore, with adjustments made to production processes and improvements on production technology, the profitability of the Company is expected to increase. The legislation has taken effect since January 11, 2020.

E. Dumping and Capacity cut of China

As China's economic growth slowed down. In recent years, steel production capacity has been expanded too much, coupled with the China's government's policy to incentive exports, causing dumping of steel products from China to the world Fortunately, China canceled its export tax rebate program for steel products in May 2021, greatly reducing the competitiveness of Chinese steel prices. In the future, under China's "Carbon Double" emission control target policy, China aims to peak emissions by 2030 and achieve carbon neutrality by 2060. It will continue to increase pressure on steel mills to reduce production and emissions. This will help stabilize supply and prices. of the steel market in Asia in the future.

(2) Unfavorable factors and countermeasures:

A. Growing production cost every year:

Currently, the supply of labor is in shortage. Labor costs are presenting an upward trend. With the increase in oil prices, production costs are growing every year. The Company follows its budget tightly. All procurement costs are examined one by one to avoid unnecessary spending.

B. Dumping from Mainland China and elimination of production capacity

For the past few years, as the Chinese economy slows down, the production capacity of the steel industry in Mainland China has been worsening. Compounded by government policy that encourages exporting, steel products from Mainland China are sold in every corner of the world.

After three years, China has reduced 150 million metric tons of excess capacity. The China Iron and Steel Association indicated that in 2020, it shall promote differential treatment in terms of “limitation of production for environmental protection” and “staggered production” pertaining to steel mills in Mainland China, so as to expedite their transformation to establishments with low pollutant emissions and to improve the control measures on environmental protection classification. Meanwhile, to solidify the transformation at the supply side, the government has banned the new addition of production capacity and strictly enforcing the Catalogue for Guiding Industry Restructuring, whereby all backward stainless steel, tools and die steel produced by medium-frequency furnaces must be eliminated before June 2020.

C. New production capacity of neighboring countries

In 2018, Vietnam completed a new steel mill with a yearly production capacity of 7.1 million metric tons. In the first quarter of 2019, Alliance Steel from Malaysia also completed a new steel mill with a yearly production capacity of 5 million metric tons. In 2019, the excess capacity of these two countries led them to dump their products in Thailand, causing the local steel prices in Thailand to fall. The Company has collaborated with other manufacturers in the country to request the government to launch an anti-dumping investigation, so as to prohibit illegal low-price dumping behavior.

(II) Important use of main products:

1. Wire rods:

Wire rods are the main raw material of the Company in manufacturing wires. They are mainly procured from Tycoons Worldwide Group (Thailand). Apart from the Company’s own production capacity needs, fluctuations in market demand and inventory level for self use, the rest are sold to serve existing customers.

2. Wires (including OEM services):

Wires are made by subjecting steel to spheroidizing and annealing. They have better ductility, which can facilitate the fabrication process of downstream industries. They are wire rods that have been subject to wiredrawing, heat treatment and spheroidization. The wires are supplied to downstream manufacturers for producing screws, nuts, hand tools and other hardware parts.

3. Screws (including heat treatment processing):

Screws are usually made by subjecting wires to acid cleaning, wiredrawing, heading, thread rolling, heat treatment and surface treatment before they become screws. The self-tapping screws of the Company are made by subjecting wires to heat treatment in bell-type furnaces to turn them into spheroidized wires. Via heat treatment fabrication, the internal structure of the steel is turned into a uniform spherical shape with a lower hardness. The self-tapping screws can be widely used for fastening in industrial machinery, electronics, appliances, furniture, construction, transportation equipment and many other industrial products.

4. Steel bars:

Construction steel bars, used in public constructions.

(III) Manufacturing process of main products:

1. Wire rods

(1) Examination of billets and straightening of production line:

After billets are straightened, steel shots are used to remove rust. The billets are then moved to a fluorescent magnetic particle flaw detector for examination of flaws. The flaws detected are marked.

(2) Grinding of billets:

Grinding wheels are used to remove flaws on the surfaces of billets. After thorough grinding, the billets are suitable to subject to cold heading, cold forging, cold drawing, cold twisting and other intensive fabrication processes that use billets as raw material and have high requirements in terms of quality.

(3) Heating furnace:

The billets are sent to the heating furnace for heating to the temperature required for hot rolling.

(4) Hot rolling production line:

The billets are sent to hot rolling mills (these mills include roughing mill, intermediate mill and finishing mill, totaling 18 mills). After hot rolling, the products go through bar reel for coiling. The products are then sent to the ventilation system for cooling. They are then turned into the finished products and known as “bar in coil”.

(5) Screw conveyor:

Afterward, if the steel material is subject to 10 wire finishing mills for rolling, the line winder equipment will turn the straight steel material into coils before sending them for cooling via the air-cooled conveyor belt. The coils are then sent to reshaping machine to form “wire rods”.

2. Spheroidized wires

(1) Roughing:

The wire rods go through machinery for rust removal, using dies for drawing to form wires with a smaller diameter.

(2) Spheroidization and annealing:

The wires that have undergone roughing are sent to a bell-type furnace to turn the internal structure of the steel into a uniform spherical shape.

(3) Acid cleaning and coating:

The spheroidized wires are subject to acid cleaning and coating with phosphate salt and metallic soap, which can serve as lubricant in the fine drawing of subsequent processing.

(4) Fine drawing:

Lastly, the wires are subject to skin pass processing for fine drawing to form spheroidized wires with the desired sizes.

3. Screws

(1) Heading and tapping:

The wires are sent to the molding mill and subject to heading and tapping machine.

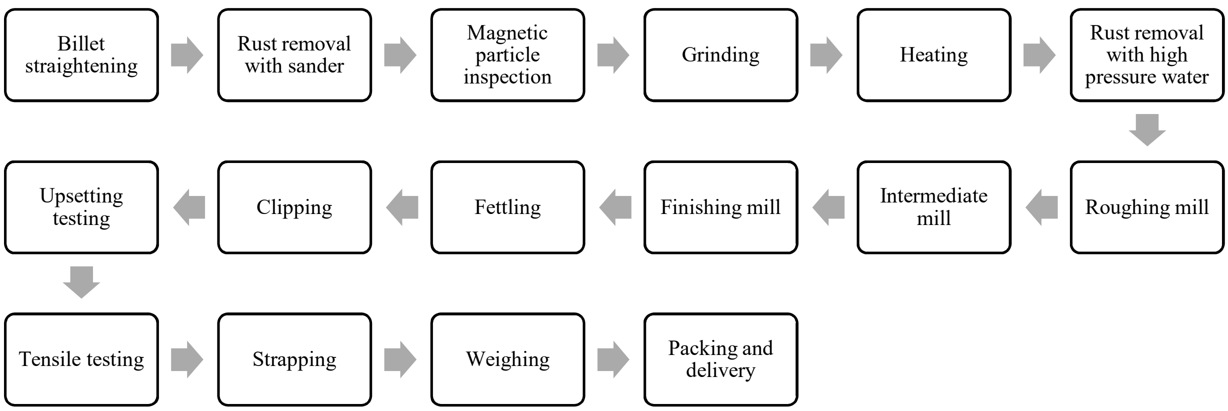
(2) Surface hardening:

After molding, the screws are subject to carbonization to improve their mechanical strength.

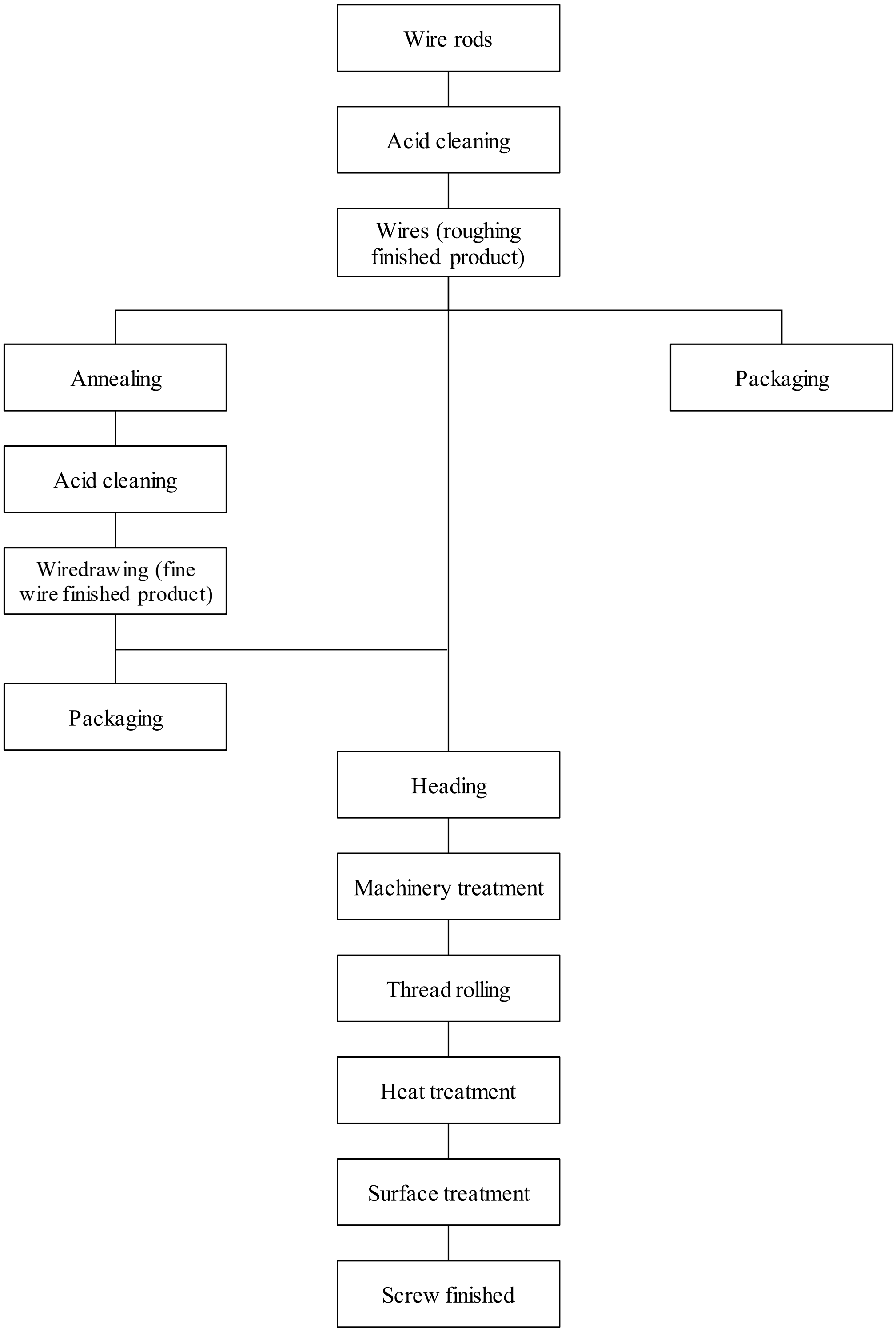
(3) Electroplating:

To avoid rusting and improve the exterior, the screws require surface treatment and coating. The surface treatment required depends on the customer needs, which may include phosphate coating, galvanization, dacromet and ruspert coating.

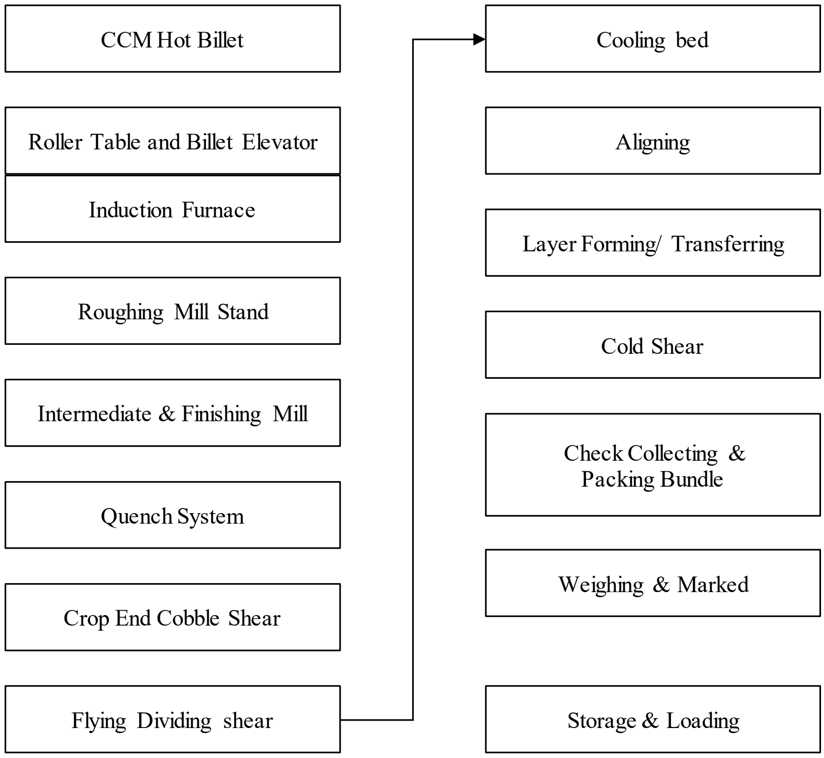
<<Wire rods production diagram:>>



<<Screw and wire rod production diagram>>



<<Steel bar production diagram>>



(IV) Supply status of main raw materials:

The main product of the Company (Tycoons Group Enterprise) is spheroidized wires. The raw material used is wire rods. They are mainly manufactured by Tycoons Worldwide Group (Thailand). Therefore, the material source is abundant and the quality is stable.

(V) List of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Information on major customers for the most recent 2 fiscal Years

Unit: NT$ thousand

	For the Year Ended December 31, 2023				For the Year Ended December 31, 2022			
Item	Company Name	Amount	Percent of Annual Net Sales (%)	Relation with the issuer	Company Name	Amount	Percent of Annual Net Sales (%)	Relation with the issuer
1	-	-	-	-	-	-	-	-
	Other	8,420,093	100.00		Other	9,616,117	100.00	None
	Net sales	8,420,093	100.00		Net sales	9,616,117	100.00	

(1) Reason of changes: The Company's sales targets are less concentrated, and the amount sold per single target has not exceeded 10% in 2023 and 2022.

(2) The publication date of the Company's annual report is April 8, 2024. Therefore, the latest financial statements audited, certified, or reviewed by the CPAs are the 2023 statements.

2. Information on major suppliers for the most recent 2 years

Unit: NT$ thousand

	For the Year Ended December 31, 2023				For the Year Ended December 31, 2022			
Item	Company Name	Amount	Percent of Annual purchases (%)	Relation with the issuer	Company Name	Amount	Percent of Annual purchases (%)	Relation with the issuer
1	A	1,451,513	26.23	Associate	A	1,753,436	21.58	Associate
2	-	-	-	-	B	1,674,212	20.60	None
	Other	4,082,417	73.77		Other	4,698,633	57.82	None
	Net purchases	5,533,930	100.00		Net purchases	8,126,281	100.00	

(1) Reason of changes: Procurement plans were adjusted to adapt to the changes of the supply-demand situation and prices.

(2) The publication date of the Company's annual report is April 8, 2024. Therefore, the latest financial statements audited, certified, or reviewed by the CPAs are the 2023 statements.

(VI) Production volume and sales of major products in the most recent two years:

1. Table of production volume

Unit: Metric ton/NT$ thousand

Main Products \ Year	For the Year Ended December 31, 2023			For the Year Ended December 31, 2022		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Wire rods	360,000	153,969	2,738,218	360,000	271,855	5,021,048
Wires	231,600	117,805	2,782,973	231,600	124,316	3,151,272
Screws	66,000	44,252	1,739,227	66,000	44,167	1,631,760
Steel bars	-	34,553	563,228	-	46,466	787,735
Revenue from fabrication	-	58,636	236,010	-	61,574	221,678
Total	657,600	409,215	8,059,656	657,600	548,378	10,813,493

Note: (1) Wire capacity includes wire production and wire processing.
(2) Processing income includes wire processing and screws heat treatment processing.

2. Table of sales

Unit: Metric ton/NT$ thousand

Main Products \ Year	For the Year Ended December 31, 2023				For the Year Ended December 31, 2022			
	Domestic Sales		Exports		Domestic Sales		Exports	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Screws	8,440	682,127	46,911	2,479,507	4,456	145,971	42,064	1,800,310
Wires	53,101	1,462,931	16,222	419,196	45,210	1,417,170	17,038	553,207
Revenue from fabrication	59,450	218,462	-	-	73,227	277,390	-	-
Wire rods	118,095	2,326,957	133	3,014	199,894	4,360,468	76	1,767
Steel bars	34,203	640,971	-	-	46,422	926,867	-	-
others	11,665	184,647	-	2,281	12,227	132,967	-	-
Total	284,954	5,516,095	63,266	2,903,998	381,436	7,260,833	59,178	2,355,284

III. Employees for the most recent two years and up to the publication of the annual report

Year		2022	2023	March 31, 2024
Number of employees	Management	95	96	93
	R&D staff	3	3	3
	Staff	245	252	249
	Operator	813	785	746
	Total	1,156	1,136	1,091
Average age		37.89	37.89	39.02
Average years of service		8.63	8.63	9.75
Distribution of academic qualifications	Master's degree	1%	1%	1%
	Bachelor's degree	17%	19%	19%
	High school	42%	42%	42%
	Below high school	40%	38%	38%

IV. Expenditure on environmental protection

The main scope of business of the Company includes the manufacturing, trading and fabrication of wire rods, screws and wires. This is not a highly polluting industry. The manufacturing involves performing wiredrawing, acid cleaning, spheroidization and heat treatment of raw materials. For the prevention of pollution sources, the Company has installed a dust removal system, waste water and gas treatment facilities, exhaust equipment and other equipment. Furthermore, as per the Occupational Safety and Health Act, the Company has designated personnel to undertake pollution prevention measures depending on the on-site operations, and engaged inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time. Therefore, with appropriate control engineering, the Company meets the emission standards stipulated by the Environmental Protection Administration.

For the permits for installing pollutant treatment facilities, pollutant emission permits, or payment of pollution control fees, or specific units and personnel responsible as per laws and regulations, please elaborate the status of permit applications, payments and designations:

In accordance with the law and regulations, the Company has applied for installation and operation permits for stationary air and water pollution control facilities, and paid air pollution control fees, soil and groundwater remediation fees, industrial and sewage pollution control fees, as well as designated specific personnel to take charge of gas emission, waste water and industrial waste management.

(I) Losses and penalties imposed on the Company due to pollution in the most recent year:

On February 14, 2023, personnel from the Air Quality Protection and Noise Control Division of the Environmental Protection Bureau conducted an inspection of the prevention and control equipment at Plant III. During the inspection, it was discovered that the differential pressure meter value exceeded the permitted range, recording at 170 (70-100). Subsequent examination by our operators revealed that this was due to an inaccurate reading caused by a plastic sheet obstructing the meter's entry. Upon clearing the obstruction, the value returned to approximately 80 mmH2O. Nevertheless, the Environmental Protection Bureau imposed a fine of $225,000 in accordance with the laws.

(II) Countermeasures and potential expenditures in the future:

1. Proposal for improvement measures:
   (1) Improvement program: The Company regularly performs maintenance on its equipment so that the equipment can work at the optimal level, in hopes of avoiding energy wastage and pollution due to old or broken machinery.
   (2) Environmental protection expenditure: We replaced one natural gas boiler, which cost $2,340 thousand, and three 10-ton inverter air conditioners for spheroidization and heat treatment, totaling $964 thousand. Additionally, we replaced the diversion scrubber for heat treatment and renewed the electrostatic air duct, which cost $4,580 thousand.
   (3) Potential expenditures in the future: Improving acid cleaning equipment with an expense of approximately NT$30,000,000.
2. Countermeasures: The Company shall continue to provide training and hold awareness campaigns to educate employees and raise their awareness of environmental protection.

V. Labor-capital relations

(I) The company's employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

1. Employee welfare measures:

(1) Labor and health insurance

A. From the first day of work, all employees take part in labor and health insurance in accordance with law.

B. The labor insurance includes premiums for accidents and occupational hazards, of which the Company has covered 70% of the premium for traffic accidents. The insured only has to pay 20% and the government subsidizes 10%. The premium for occupational hazards is covered entirely by the Company.

(2) Group insurance

From the first day of work, all employees are provided with group insurance. The premium is covered entirely by the Company.

(3) Education and training of employees

A. Every year, each department will list the training required for its employees according to the nature of their work. After approval is given, the yearly training program is prepared and the estimation of the expenditure is made.

B. After the budget is prepared, the training program is executed as scheduled. All information on training results is documented in the individual training record, which shall serve as a reference for future promotion.

(4) Year-end bonus: The Company shall take into consideration the yearly operating performance and determine the year-end bonus to be disbursed.

(5) Staff Benefit Committee

The Company has established the Staff Benefit Committee in accordance with the law and holds open election to select the committee members. The Company also appropriates funding for the committee as required by the law, holds staff retreats, sports and chess competitions, gives out birthday gifts, holds year-end parties and provides festival allowances.

(6) Stock bonus

A. The Company has appropriated employee compensation in accordance with the Articles of Incorporation and distributed remuneration in accordance with the earnings distribution procedures to thank the employees for their contribution to the Company.

B. When undertaking cash capital increase, the Company appropriates a certain percentage for the subscription by employees, so as to foster a harmonious labor-capital relationship.

2. Pension system:

(1) To care for the retirement lives of employees, and to promote labor-capital relations and work efficiency, the Company has established "Procedures for Employee Retirement".

(2) The Procedures for Employee Retirement are established in accordance with the Labor Standards Act, Article 53 and 54. In response to the Ministry of Labor's policy in hiring senior citizens, the Company has implemented the hiring regulations of middle-aged and elderly employees. For willing employees, the Company shall continue their employment after holding labor-capital negotiations.

(3) In accordance with the Labor Pension Act, the Company has established procedures for pension appropriation, which are applicable to employees with a Taiwanese nationality. Every month, the Company pays 6% of employees' salary to their individual accounts at the Bureau of Labor Insurance. A total of $3,488,378 was appropriated in 2023.

3. Maternal health protection measures

The implementation of maternal health protection was supported through multiple dimensions such as organization, supervisors, and workplace culture. As for organization, a friendly workplace is built with the support of the Company and senior executives, including a series of activities such as flexible working hours, gender equality, maternity leave, health promotion, and employee care and support. Understanding and support from supervisors, as well as assistance of labors in addressing challenges and conflicts within workplace, also play an important role. In terms of workplace culture, all employees need to be involved so that the Company, the employees themselves, and their peers can recognize the value of all workers and their roles, and understand the characteristics of gender differences in the workplace, thereby eliminating discrimination against female workers in childbirth.

4. Establishment of Regulations for Prevention and Management of Unlawful Infringement in the Performance of Duties

   These Regulations aim to prevent employees of the Company from suffering unlawful infringement, whether physical or mental, in the workplace caused by their employers, supervisors, colleagues, service recipients, or other third parties, which may result in physical or mental injuries. Proper prevention and handling of unlawful infringement in workplace are adopted to ensure the physical and mental health of workers.

5. Establishment of Regulations for Preventing and Managing Ergonomic Hazards

   In accordance with Subparagraph 1, Paragraph 2, Article 6 of the Occupational Safety and Health Act, employer shall adequately plan and adopt the necessary safety and health measures to prevent musculoskeletal disorders induced by repetitive operations and related works, as well as prevent musculoskeletal disorders caused by ergonomic hazards to maintain the safety, health, and welfare of its employees.

(II) Losses incurred due to labor-capital disputes in the most recent two years:

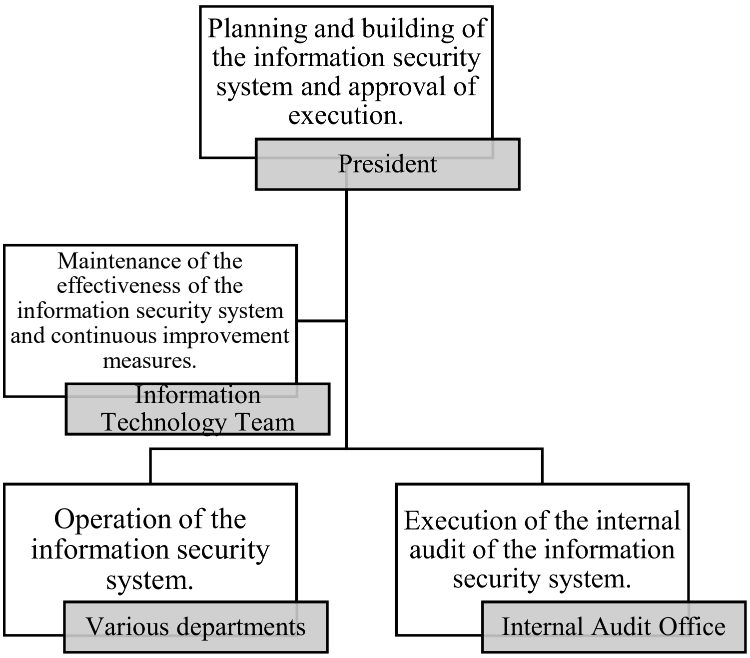
There were no major labor-capital disputes. For various welfare measures, the Company has conformed to the regulations governing labor insurance and established the Staff Benefit Committee to promote employee welfare. Labor-capital relations are harmonious and therefore no losses due to labor-capital disputes were incurred in the most recent two years.

(III) Current and future estimated losses and countermeasures: Nil.

VI. Information security management

(I) Risk management framework for information security

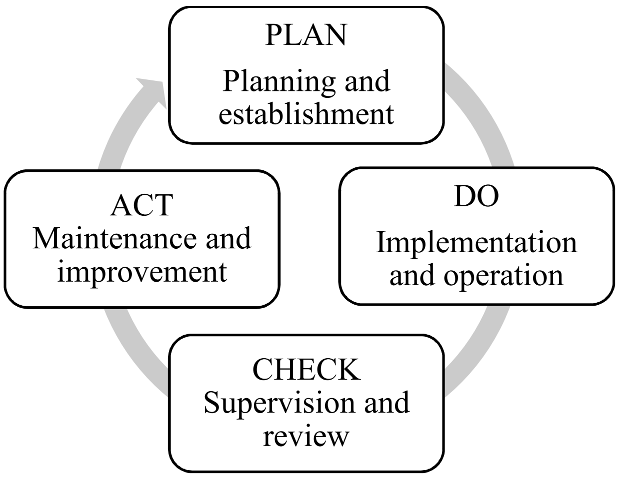
To effectively carry out information security work, the Information Technology Team is in charge of establishing the information security policy, planning information security measures and executing the related information security processes, as well as regularly reporting the information security governance status to the Board of Directors. On November 13, 2023, the Information Technology Team reported information security operation for 2023 to the Board of Directors meeting.



(II) Information security policy

1. Corporate information security management strategy and framework
   (1) Information security governance: Review and upgrade network infrastructure environment on a regular basis. Continue to fix the potential vulnerabilities of the internal system. Conduct training and education on information security for employees. Strengthen the overall defense foundation of information security.
   (2) System regulations: Establish the information security management system. Regularly review and examine the effectiveness of the internal control of information security. Conforming to international information security regulations, implementing the control mechanism of information security.
   (3) Technological applications: Continue to install information security equipment and technological applications. Keep informed on the anticipated information security risks. Heighten the defense and resilience of information security.
2. Corporate information security management and continuous improvement framework

   Using the concept of continuous improvement represented by the plan-do-check-act cycle (PDCA) and due to internal and external changes in the environment in the process, the Internal Audit Office is responsible for continuously adjusting the evaluation of the management direction and providing improvement measures to maintain the information security system.



(III) Risk management measures

Type	Risk assessment	Existing control measure
Access management	Unauthorized access to information	➢ Control and review of employee account access rights ➢ Regular count of employee account access rights
Access control	Insufficient control on access to internal and external systems and data transmission, causing data corruptions and leaks	➢ For access to internal and external systems and data leaks, set up tighter control on access rights ➢ Perform logging analysis
External threats	Virus attacks on servers and PCs	➢ Vulnerability detection of servers/PCs ➢ Anti-virus protection and detection of malware ➢ Regular updates of antivirus programs
Application system	When system and service are interrupted,	➢ the monitoring and notification mechanism of the system or network availability status ➢ Initiation of emergency response measures

		➢ Support of data backup, local or remote backup mechanism ➢ Disaster recovery drills on regular basis
E-mail system	Attacks on e-mails, spam	➢ Installation of spam filter (implement spam filter system)
Due to insufficient awareness in information security,	employees may cause virus infections.	➢ Strengthen awareness in information security and training ➢ Control software installation on PCs to prevent the use of unauthorized software

(IV) Resources invested into information security management

Year	Content	Resources invested
2023	- Update endpoint and gateway anti-virus software - Update backup server - Update transmission software	895,000
2024	- Update endpoint and gateway anti-virus software - Update backup server	600,000 (Budget)

The Information Technology Team organized an Information Security Education and Training Course on August 16, 2023, with 20 participants and 20 hours of training. The important content is as follows:

1. Chronology of events and important regulations of new system
2. Case study of violations and description of conception
3. Whistle-blowing avenue to report information security violations

(V) Information security risks and countermeasures

1. The Company has established a comprehensive network and computer related information security protection measures. However, the Company is unable to guarantee shielding its control or maintenance of major corporate functions, such as the Company's production operation and accounting systems, from all third party cyber attacks that may paralyze the systems. The Company ensures the appropriateness and effectiveness of information security regulations and procedures via continuous review and assessment. However, it is unable to guarantee not be affected by new risks and attacks in the midst of the ever-changing information security threats.
2. The Company shall strengthen network firewall and control to prevent the spread of computer viruses cross-computer and cross-plant area; the Company shall install terminal anti-virus measures according to types of computers; the Company shall adopt advanced solutions to detect and dispose of malicious software; the Company shall design and develop information security software to strengthen for personal computers used by employees; the Company shall establish a comprehensive automatic information security maintenance platform to give employees tests to help them remain alert on a regular basis.

(VI) For the most recent year up to the publication date of the annual report, the total losses incurred by the company due to major information security incidents, potential influences and countermeasures. If an estimation cannot be made, the reason should also be disclosed: In 2023, there was no major information security incident.

VII. Important contracts: Nil.

Six. Financial Information

I. Most Recent 5-Year Concise Balance Sheet and Comprehensive Income Statement

(I) Concise Balance Sheet - IFRS adopted

Standalone

Unit: NT$ thousand

Item \ Year		Financial information for the most recent five years					Financial information for the current year as of March 31, 2024 (Note 1)
		2023	2022	2021	2020	2019	
Current assets		853,532	864,855	1,032,792	1,430,476	554,330	
Property, plant and equipment		604,636	603,785	540,756	521,210	530,327	
Intangible assets		-	-	-	-	-	
Other assets		2,352,297	2,221,806	2,025,003	3,350,914	4,171,631	
Total assets		3,810,465	3,690,446	3,598,551	5,302,600	5,256,288	
Current liabilities	Prior to distribution	182,420	137,413	132,219	932,731	1,440,986	
	After distribution (Note 2)	249,854	137,413	132,219	932,731	1,440,986	
Non-current liabilities		11,926	82,562	1,442	283,769	561,427	
Total liabilities	Prior to distribution	194,346	219,975	133,661	1,216,500	2,490,092	
	After distribution (Note 2)	261,780	219,975	133,661	1,216,500	2,490,092	
Equity attributable to owners of parent company		3,616,119	3,470,471	3,464,890	4,086,100	4,320,957	
Share capital		3,371,682	4,797,520	4,797,520	4,797,520	4,797,520	
Capital reserve		129,054	30,629	7,722	340,560	206,365	
Retained earnings	Prior to distribution	81,298	(1,425,838)	(1,305,074)	(1,468,598)	(524,832)	
	After distribution (Note 2)	13,864	(1,425,838)	(1,305,074)	(1,468,598)	(524,832)	
Other equity interests		34,085	68,160	(35,278)	416,618	571,238	
Treasury stock		-	-	-	-	-	
Non-controlling interests		-	-	-	-	-	
Total equity	Prior to distribution	3,616,119	3,470,471	3,464,890	4,086,100	4,320,957	
	After distribution (Note 2)	3,548,685	3,470,471	3,464,890	4,086,100	4,320,957	

Note 1: Not applicable.

Note 2: The amounts after distribution in 2023 were calculated based on the distribution resolved by the Board of Directors, while the distribution of profits is subject to the approval of Shareholders' Meeting.

Consolidated

Unit: NT$ thousand

Item \ Year		Financial Information for the most recent 5 years					Financial information for the current year as of March 31, 2024 (Note 1)
		2023	2022	2021	2020	2019	
Current assets		4,603,600	4,374,352	4,805,534	3,887,661	3,990,924	
Property, plant and equipment		3,172,411	3,101,082	3,001,613	3,694,924	3,952,038	
Intangible assets		12,203	8,806	9,221	10,518	11,763	
Other assets		1,122,870	1,036,773	917,615	569,105	899,312	
Total assets		8,911,084	8,521,013	8,733,983	8,162,208	8,854,037	
Current liabilities	Prior to distribution	1,693,174	1,948,749	2,367,501	2,551,962	2,780,184	
	After distribution (Note 2)	1,760,608	1,948,749	2,367,501	2,551,962	2,780,184	
Non-current liabilities		313,147	85,230	48,798	159,048	624,117	
Total liabilities	Prior to distribution	2,006,321	2,033,979	2,416,299	2,711,010	3,404,301	
	After distribution (Note 2)	2,073,755	2,033,979	2,416,299	2,711,010	3,404,301	
Equity attributable to owners of parent company		3,619,119	3,470,471	3,464,890	4,086,100	4,320,957	
Share capital		3,371,682	4,797,520	4,797,520	4,797,520	4,797,520	
Capital reserve		129,054	30,629	7,722	340,560	206,365	
Retained earnings	Prior to distribution	81,298	(1,425,838)	(1,305,074)	(1,468,598)	(1,254,166)	
	After distribution (Note 2)	13,864	(1,425,838)	(1,305,074)	(1,468,598)	(1,254,166)	
Other equity interests		34,085	68,160	(35,278)	416,618	571,238	
Treasury stock		-	-	-	-	-	
Non-controlling interests		3,288,644	3,016,563	2,852,794	1,365,098	1,128,779	
Total equity	Prior to distribution	6,904,763	6,487,034	6,317,684	5,451,198	5,449,736	
	After distribution (Note 2)	6,837,329	6,487,034	6,317,684	5,451,198	5,449,736	

Note 1: Not applicable.

Note 2: The amounts after distribution in 2023 were calculated based on the distribution resolved by the Board of Directors, while the distribution of profits is subject to the approval of Shareholders' Meeting.

(II) Comprehensive Income Statement - IFRS adopted

Comprehensive Income Statement - Standalone

Unit: NT$ thousand

Item \ Year	Financial information for the most recent five years					Financial information for the current year as of March 31, 2024 (Note)
	2023	2022	2021	2020	2019	
Operating revenue	903,411	1,225,298	2,492,433	1,178,471	1,431,635	
Operating gross profit	29,479	(5,714)	278,330	149,862	44,651	
Operating profit	(79,934)	(117,768)	163,264	45,394	(71,996)	
Non-operating income and expenses	154,628	3,319	304,937	(239,337)	(693,174)	
Profit (loss) before tax	74,694	(114,449)	468,201	(193,943)	(765,170)	
Continuing operations Current net income (loss)	80,877	(120,371)	425,914	(185,640)	(786,105)	
Loss from discontinued departments	-	-	-	-	-	
Current net income (loss)	80,877	(120,371)	425,914	(185,640)	(786,105)	
Current period other comprehensive income (net after tax)	(33,654)	103,045	(266,644)	(166,564)	249,493	
Total current period comprehensive income	47,223	(17,326)	159,270	(352,204)	(536,612)	
Net profit attributed to owners of parent company	80,877	(120,371)	425,914	(185,640)	(786,105)	
Net profit attributable to non-controlling interest	-	-	-	-	-	
Comprehensive income attributed to owners of parent company	(33,654)	103,045	(266,644)	(166,564)	249,493	
Comprehensive income attributed to non-controlling interests	-	-	-	-	-	
Earnings per share	0.24	(0.36)	0.89	(0.39)	(1.64)	

Note: Not applicable.

Comprehensive Income Statement - Consolidated

Unit: NT$ thousand

Item \ Year	Financial information for the most recent five years					Financial information for the current year as of March 31, 2024 (Note)
	2023	2022	2021	2020	2019	
Operating revenue	8,420,093	9,573,616	10,700,393	7,930,384	11,519,202	
Operating gross profit	1,187,375	617,865	1,406,008	532,957	250,354	
Operating profit	403,772	119,766	923,313	117,682	(263,211)	
Non-operating income and expenses	(33,033)	(147,096)	(378,575)	(323,764)	(563,486)	
Profit before tax	370,739	(27,330)	542,738	(206,082)	(826,697)	
Continuing operations Current profit	343,084	(59,143)	472,245	(219,823)	(893,365)	
Loss from discontinued departments	(147,664)	(9,452)	2,189	-	(114,061)	
Current net income (loss)	195,420	(68,595)	474,434	(219,823)	(1,007,426)	
Current period other comprehensive income (net after tax)	(18,132)	274,758	(375,358)	(172,533)	319,475	
Total current period comprehensive income	177,288	206,163	99,076	(392,356)	(687,951)	
Net profit attributed to owners of parent company	80,877	(120,371)	425,914	(185,640)	(786,105)	
Net profit attributable to non-controlling interest	114,543	51,776	48,520	(34,183)	(221,321)	
Comprehensive income attributed to owners of parent company	47,223	(17,326)	159,270	(352,204)	(536,612)	
Comprehensive income attributed to non-controlling interests	130,065	223,489	(60,194)	(40,152)	(151,339)	
Earnings per share	0.24	(0.36)	0.89	(0.39)	(1.64)	

Note: Not applicable.

(III) Names of independent auditors for the past five years and the auditors' opinions

Year	Independent auditor name (Note1)	Audit opinion (Note 2)
2023	Lin, Chi-Ping and Wu, Hsin-Liang	Unqualified opinion and other matters paragraph
2022	Lin, Chi-Ping and Wu, Hsin-Liang	Unqualified opinion and other matters paragraph
2021	Lin, Chi-Ping and Wu, Hsin-Liang	Unqualified opinion and other matters paragraph
2020	Lai, Yung-Chi and Ting, Hung-Sun	Unqualified opinion and other matters paragraph
2019	Lai, Yung-Chi and Ting, Hung-Sun	Unqualified opinion and other matters paragraph

Note 1: The public accounting firm is Baker Tilly Clock & Co.
Note 2: The financial statements of investees accounted for using the equity method have not been audited by the Company's independent auditors, but are based on audit reports of other independent auditors.

II. Financial Analysis for the Most Recent Five Years

(I) Financial Analysis - IFRS adopted

Consolidated

Analysis item		Year	2023	2022	2021	2020	2019	Current year as of March 31, 2024 (Note)
			Financial Analysis for the Most Recent Five Years					
Financial structure (%)	Liabilities to assets ratio		22.51	23.87	27.67	33.21	38.45	
	Long-term capital to property, plant and equipment		217.65	209.19	210.48	148.55	149.09	
Debt-paying ability (%)	Current ratio		271.89	224.47	202.98	152.34	143.55	
	Quick ratio		128.33	100.96	85.71	47.59	57.34	
	Interest protection multiples		3.76	0.44	12.19	(2.32)	(4.07)	
Operating ability	Accounts receivable turnover (times)		14.12	13.82	14.81	10.21	14.31	
	Average collection days		26	26	25	36	26	
	Inventory turnover (times)		3.16	3.63	3.69	3.21	4.41	
	Accounts payable turnover (times)		31.2	33.12	29.37	17.85	21.62	
	Average inventory turnover days		115	101	99	114	83	
	Property, plant and equipment turnover (times)		2.68	3.15	3.20	2.07	2.72	
	Total asset turnover (times)		0.97	1.11	1.27	0.93	0.93	
Profitability	Return on assets (%)		2.98	(0.18)	6.08	(2.00)	(6.95)	
	Return on equity (%)		2.92	(1.07)	8.06	(4.03)	(17.22)	
	Percentage to paid-in capital (%)	Operating income	11.98	2.39	19.16	2.45	(5.49)	
		Net income before tax	6.62	(0.68)	11.38	(4.30)	(19.61)	
	Net profit margin (%)		2.32	(0.71)	4.43	(2.77)	(8.75)	
	Earnings per share (NT$)		0.24	(0.25)	0.89	(0.39)	(1.64)	
Cash flow	Cash flow ratio (%)		76.59	44.13	31.08	5.01	25.42	
	Cash flow adequacy (%)		199.44	95.45	21.32	14.56	44.66	
	Cash flow reinvestment ratio (%)		10.09	7.11	6.28	1.15	6.01	
Leverage	Operating leverage		1.77	3.49	1.33	3.84	(1.05)	
	Financial leverage		1.25	2.36	1.06	2.11	0.59	

Please explain the reasons for the financial ratio fluctuations for the most recent two years. (Increase or decrease lower than 20% is exempted from the analysis)

1. Financial structure: The long-term capital to property, plant and equipment ratio increased compared to the previous period was mainly caused by the increase in equity resulting from net profits generated in the current period.
2. Debt-paying ratios: the current and quick ratios increased as compared to the previous period mainly due to the decrease in current liabilities as a result of the repayment of short-term loans; interest protection multiples decreased as compared to the previous period mainly due to increase in net income before interest and tax.
3. Profitability: profitability increased for the current period, mainly due to the increase in net operating income and net income after tax as compared to the previous period.
4. Cash flow: cash flow fair ratio increased mainly due to an increase in cash inflow from operating activities.
5. Leverage: operating and financial leverages decreased mainly due to the increase in operating profit for the current period.

Note: Not applicable.

(II) Financial Analysis - IFRS adopted

Standalone

Analysis item		Year	2023	2022	2021	2020	2019	Current year as of March 31, 2024
			Financial Analysis for the Most Recent Five Years					
Financial structure (%)	Liabilities to assets ratio		5.10	5.96	3.71	22.89	17.79	
	Long-term capital to property, plant and equipment		598.07	574.79	640.75	793.29	890.20	
Debt-paying ability (%)	Current ratio		467.89	629.38	781.12	153.36	148.26	
	Quick ratio		359.89	437.20	511.01	52.58	48.64	
	Interest protection multiples		101.8	(324.14)	98.99	(25.58)	(40.55)	
Operating ability	Accounts receivable turnover (times)		8.10	7.08	19.47	15.09	15.14	
	Average collection days		45	52	19	24	24	
	Inventory turnover (times)		4.18	6.48	17.63	4.52	2.62	
	Accounts payable turnover (times)		10.40	14.42	27.39	11.27	5.60	
	Average inventory turnover days		87	56	21	81	139	
	Property, plant and equipment turnover (times)		1.50	2.14	4.69	2.24	2.62	
	Total asset turnover (times)		0.24	0.34	0.56	0.22	0.23	
Profitability	Return on assets (%)		2.17	(3.30)	9.66	(3.40)	(12.23)	
	Return on equity (%)		2.28	(3.47)	11.28	(4.41)	(17.10)	
	Percentage to paid-in capital (%)	Operating income	(2.37)	(2.45)	3.40	0.95	(1.50)	
		Net income before tax	2.22	(2.39)	9.76	(4.04)	(15.95)	
	Net profit margin (%)		8.95	(9.82)	17.09	(15.75)	(54.91)	
	Earnings per share (NT$)		0.24	(0.25)	0.89	(0.39)	(1.64)	
Cash flow	Cash flow ratio (%)		60.64	70.97	518.81	(47.36)	(32.43)	
	Cash flow adequacy (%)		125.80	78.13	59.99	(111.80)	20.75	
	Cash flow reinvestment ratio (%)		2.75	2.48	17.95	(9.31)	(2.31)	
Leverage	Operating leverage		0.34	0.67	1.15	1.55	(0.58)	
	Financial leverage		0.99	1	1.03	1.19	0.80	

Please explain the reasons for the financial ratio fluctuations for the most recent two years. (Increase or decrease lower than 20% is exempted from the analysis)

1. Financial structure: The increase in long-term capital to property, plant and equipment ratio was mainly caused by the increase in equity resulting from net profits generated in the current period.

2. Debt-paying ratios: Current ratio and quick ratio decreased as compared to the previous period mainly due to the increase in advanced receipts; interest protection multiples increased as compared to the previous period mainly due to the increase in net income before interest and tax.
3. Operating capacity: Inventory turnover rate decreased mainly due to the decrease of cost of goods sold; property, plant and equipment turnover decreased mainly due to the decrease of net sales in the current period.
4. Profitability: Profitability increased for the current period, mainly due to a decrease in net operating loss and an increase in net income after tax as compared to the previous period.
5. Cash flow: Cash flow ratio increased for the current period mainly due to the increase in net cash inflow from operating activities and net cash inflow from investing activities, which was greater than the net cash outflow from financing activities.
6. Leverage: Operating leverages decreased mainly due to a decrease in operating losses for the current period.

Note 1: The formulas for financial analysis are listed as follows:

1. Financial structure
   (1) Liabilities to assets ratio = Total liabilities / Total assets.
   (2) Long-term capital to fixed assets ratio = (Net shareholder equity + Long-term liabilities) / Net fixed assets.
2. Debt-paying ability
   (1) Current ratio = Current assets / Current liabilities.
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities.
   (3) Interest protection multiples = Net income before income tax and interest expense / Interest expense for the current period.
3. Operating ability
   (1) Accounts receivable (including accounts receivable and notes receivable from operations) turnover = Net sales / Average balance of accounts receivable (including accounts receivable and notes receivable from operations).
   (2) Average collection days = 365 / accounts receivable turnover.
   (3) Inventory turnover = Cost of goods sold / Average inventory.
   (4) Accounts payable (including accounts payable and notes payable from operations) turnover = Net sales / Average balance of accounts payable (including accounts payable and notes payable from operations).
   (5) Average inventory turnover days = 365 / Inventory turnover.
   (6) Fixed assets turnover = Net sales / Average net fixed assets.
   (7) Total assets turnover = Net sales / Average total assets.
4. Profitability
   (1) Return on assets = [Profit or loss after tax + Interest expense × (1 - Interest rate)] / Average total assets.
   (2) Return on shareholder equity = Profit or loss after tax / Average net shareholder equity.
   (3) Net income ratio = Profit or loss after tax / Net sales.
   (4) Earnings per share = (Net income after tax - Dividend for preferred stock) / Weighted average outstanding shares.
5. Cash flow
   (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities.
   (2) Cash flow adequacy ratio = Cash flow from operating activities for the most recent 5 years / (Capital expenditure + Increase of inventory + Cash dividend) for the most recent 5 years.
   (3) Cash investment ratio = (Cash flow from operating activities - Cash dividend) / (Gross fixed assets + Long-term investment + Other assets + Working capital).
6. Leverage:
   (1) Operating leverage = (Net revenue - Variable cost of goods sold and operating expense) / Operating income.
   (2) Financial leverage = Operating income / (Operating income - Interest expenses)

III. Audit Report Issued by the Audit Committee for the Most Recent Financial Statements

Audit Committee's Review Report

The Board of Directors have passed the business report, financial statements, and profit distribution proposal for the year 2023, among which the financial statements have been audited and reviewed by Lin Chi-Ping and Wu Hsin-Liang, who are both certified accountants from the CPA firm of Baker Tilly Clock & Co., and they have issued an audit report. The above mentioned business report, financial statements, and profit distribution proposal were reviewed by the Audit Committee and considered that there was no discrepancy. The above mentioned reports are presented as required by Securities and Exchange Act and Company Act, for further inspection.

To:

2024 Annual General Shareholders' Meeting of Tycoons Group Enterprise Company Limited

Convener of Audit Committee: Wei, Kung-Ao

March 13, 2024

IV. Most Recent Consolidated Financial Statements Audited by Independent Auditors

INDEPENDENT AUDITORS' REPORT

NO.11351120ECA

To the Board of Directors of Tycoons Group Enterprise Co., Ltd.,

Opinion

We have audited the accompanying consolidated financial statements of Tycoons Group Enterprise Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows.

1. **Inventories Valuation**

   Refer to Note 4(6) and 6(6) to the consolidated financial statements for the accounting policies and the details of the information about inventories.

   Description of the key audit matter

   In the consolidated financial report, the inventory is measured at the lower cost or net realizable value. The Group is principally engaged in the production of metal products such as screws, nuts and washers. The value of inventories is susceptible to fluctuations in the price of the demand market and the speed of change of the respective industries. The sales of products may fluctuate violently, resulting in inventory obsolescence losses and expired losses, there is a risk that inventory costs may exceed the net realizable value.

   How the matter was addressed in our audits

   - Review the aging schedule of inventories and analysis the changes.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.
   - Obtain the quantity data of inventory at the end of the period and compare it with the inventory and actually observe the inventory to verify the existence and completeness of inventory.
   - By understanding the sale price made by management and the situation of market price after the accounting period to evaluate the reasonableness of inventory net realizable value and compare the recent sales price or purchase cost of the inventories with the cost of the book to confirm that the inventories have been evaluated at the lower of cost or realizable value.
   - Evaluate the fairness of the disclosure of allowance for inventories valuation.

2. **Revenue recognition**

   Refer to Notes 4(16) and 6(17) to the consolidated financial statements for the accounting policies and the details of information about revenue recognition.

   Description of the key audit matter

   Revenue recognition is when the risks and rewards of product transfer and recorded amount directly affects the annual profit and loss of the Group. The Group and its clients have different trading conditions, we should identify the transfer of risks and rewards in accordance with trading conditions to recognize revenue. Therefore, there is a risk of revenue being recognized at an inappropriate amount or earlier than appropriate.

   How the matter was addressed in our audits

   - Understand and test the Group's internal control related of revenue recognition.
   - Understand the income types and trading conditions of the Group, to assess whether the accounting policies of revenue being recognized at the time is appropriate.

- By the sampling method, examine supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.

Other Matter

Making reference to the audits of component auditors

We did not audit the financial statements of certain consolidated subsidiaries of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements relative to these consolidated subsidiaries, was based solely on the reports of other auditors. The total assets of the subsidiaries `amounted to NT$1,529,115 thousand and NT$366,229 thousand, representing 17% and 4% of total consolidated assets as of December 31, 2023 and 2022, respectively. And the total revenues of the subsidiaries amounted to NT$1,215,687 thousand and NT$42,501 thousand, representing 14% and 0% of total consolidated revenues for the years ended December 31, 2023 and 2022, respectively.

We did not audit the financial statements of associates and joint ventures accounted for under the equity method. These financial statements were audited by other auditors, Whose reports thereon have been furnished to us, and our opinion expressed herein were based solely on the reports of other auditors. These associates and joint ventures accounted for under the equity method amounted to $444,725 thousand and $544,596 thousand, representing 5% and 6% of total consolidated assets as of December 31, 2023 and 2022, respectively. And the related share of profit from the associates and joint ventures accounted for under the equity method amounted to $(97,289) thousand and $(130,788) thousand, representing (55)% and (63)% of the consolidated comprehensive loss for the years ended December 31, 2023 and 2022, respectively.

Parent company only financial statements

We have also audited the parent company only financial statements of Tycoons Group Enterprise Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Baker Tilly Clock & Co
Chi-Ping Lin, CPA
Hsin-Liang Wu, CPA
March 13,2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flow 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 financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent accountants' 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 independent auditors' report and consolidated financial statements in Chinese shall prevail.

TYCOONS GROUP ENTERPRISE CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2023		December 31,2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	$ 1,144,612	13	$ 1,206,169	14
Financial assets at fair value through profit or loss, current	6(2)	11,687	—	5,931	—
Notes receivable, net	6(5)	36,704	—	63,118	1
Accounts receivable, net	6(5),7	549,939	6	543,240	6
Other receivables	7	126,281	2	92,295	1
Current tax assets	6(20)	2,171	—	118	—
Inventories	6(6),8	2,271,293	26	2,304,326	27
Prepayments		159,458	2	102,633	1
Non-current assets or disposal groups classified as held for sale	6(7)	278,718	3	48,959	1
Other current assets		18,773	—	7,563	—
Other current financial assets	8	3,964	—	—	—
Total current assets		4,603,600	52	4,374,352	51
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income, non-current	6(3)	101,371	1	98,071	1
Financial assets at amortized cost, non-current	6(4),8	63,466	1	31,056	—
Investments accounted for using the equity method	6(8)	444,725	5	544,596	7
Property, plant and equipment	6(9),8	3,172,411	36	3,101,082	36
Right-of-use assets	6(10),8	28,599	—	36,076	1
Investment property	6(11)	294,389	3	202,083	2
Intangible assets		12,203	—	8,806	—
Deferred tax assets	6(20)	67,514	1	40,108	1
Guarantee deposits paid		5,421	—	5,413	—
Other non-current financial assets		—	—	20,662	—
Other non-current assets, other		117,385	1	58,708	1
Total non-current assets		4,307,484	48	4,146,661	49
TOTAL		$ 8,911,084	100	$ 8,521,013	100

(Continued)

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

TYCOONS GROUP ENTERPRISE CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31,2023		December 31,2022	
		Amount	%	Amount	%
CURRENT LIABILITIES					
Current borrowings	6(12),8	$ 945,652	11	$ 1,319,373	16
Financial liabilities at fair value through profit or loss, current	6(2)	6,691	—	53,694	1
Contract liabilities, current		176,193	2	113,164	1
Notes payable		80,456	1	106,294	1
Accounts payable		168,597	2	108,335	1
Other payables		139,647	2	149,477	2
Current tax liabilities	6(20)	4,687	—	28,841	—
Liabilities related to non-current assets or disposal groups classified as held for sale	6(7)	120,005	1	7,609	—
Lease liabilities, current	6(10)	5,639	—	6,887	—
Long-term loans payable due within one year	6(13),8	9,325	—	—	—
Other current liabilities, other		36,282	—	55,075	1
Total current liabilities		1,693,174	19	1,948,749	23
NON-CURRENT LIABILITIES					
Long-term loans payable	6(13),8	214,687	3	—	—
Deferred tax liabilities	6(20)	36,130	—	17,407	—
Lease liabilities, non-current	6(10)	3,322	—	8,962	—
Net defined benefit liabilities, non-current	6(14)	50,859	1	46,763	1
Guarantee deposits received		8,149	—	12,098	—
Total non-current liabilities		313,147	4	85,230	1
Total liabilities		2,006,321	23	2,033,979	24
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT					
Share capital	6(15)	3,371,682	38	4,797,520	57
Capital surplus	6(15)	129,054	1	30,629	—
Retained earnings	6(15)				
Legal reserve		—	—	16,248	—
Unappropriated earnings (Accumulated deficit)		81,298	1	(1,442,086)	(17)
Other equity interests	6(15)	34,085	—	68,160	1
Total equity attributable to owners of the parent		3,616,119	40	3,470,471	41
NON-CONTROLLING INTERESTS	6(15)	3,288,644	37	3,016,563	35
Total equity		6,904,763	77	6,487,034	76
TOTAL		$ 8,911,084	100	$ 8,521,013	100

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

TYCOONS GROUP ENTERPRISE CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED ON DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars, Except for Earnings per share)

ITEMS	NOTE	For the Years Ended December 31					
		2023			2022		
		Amount		%	Amount		%
OPERATING REVENUES	6(17),7	$	8,420,093	100	$	9,573,616	100
OPERATING COSTS	6(21),7		(7,232,718)	(86)		(8,955,751)	(94)
GROSS PROFIT FROM OPERATIONS			1,187,375	14		617,865	6
OPERATING EXPENSES	6(21)						
Selling expenses			(516,505)	(6)		(213,055)	(1)
Administrative expenses			(288,004)	(3)		(284,083)	(4)
Research and development expenses			(11,868)	—		(9,421)	—
Expected credit impairment gain	6(5)		32,774	—		8,460	—
Total operating expenses			(783,603)	(9)		(498,099)	(5)
NET OPERATIONS INCOME			403,772	5		119,766	1
NON-OPERATING INCOME AND EXPENSES							
Interest income			12,815	—		3,840	—
Other income	6(22)		108,963	1		1,081	—
Other gains and losses	6(18)		22,506	—		45,242	—
Finance costs	6(19)		(80,811)	(1)		(65,872)	—
Share of loss of associates accounted for using the equity method	6(8)		(96,506)	(1)		(131,387)	(1)
Total non-operating income and expenses			(33,033)	(1)		(147,096)	(1)
INCOME (LOSS) BEFORE INCOME TAX			370,739	4		(27,330)	—
INCOME TAX EXPENSE	6(20)		(27,655)	—		(31,813)	(1)
PROFIT (LOSS) FROM CONTINUING OPERATION			343,084	4		(59,143)	(1)
LOSS FROM DISCONTINUED OPERATIONS	6(7)		(147,664)	(2)		(9,452)	—
PROFIT (LOSS)			195,420	2		(68,595)	(1)
OTHER COMPREHENSIVE INCOME (LOSS)							
Components of other comprehensive income that will not be reclassified to profit or loss							
Remeasurements of defined benefit plans			—	—		(1,542)	—
Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income			870	—		5,805	—
Share of other comprehensive income of associates accounted for using equity method,			1,078	—		91	—
Income tax benefit related to items that will not be reclassified subsequently to profit or loss	6(20)		361	—		18	—
Components of other comprehensive income that will be reclassified to profit or loss							
Exchange differences arising on translation of foreign operation			(23,461)	—		297,493	3
Equity related to non-current assets or disposal groups classified as held for sale	6(7)		(3,383)	—		(2,733)	—
Income tax benefit (expense) related to items that may be reclassified subsequently to profit or loss	6(20)		6,403	—		(24,374)	—
Other comprehensive (loss) income			(18,132)	—		274,758	3
TOTAL COMPREHENSIVE INCOME		$	177,288	2	$	206,163	2
PROFIT (LOSS) ATTRIBUTABLE TO :							
Owners of parent		$	80,877	1	$	(120,371)	(1)
Non-controlling interests			114,543	1		51,776	—
TOTAL PROFIT (LOSS)		$	195,420	2	$	(68,595)	(1)
COMPREHENSIVE INCOME ATTRIBUTABLE TO：							
Owners of parent		$	47,223	1	$	(17,326)	—
Non-controlling interests			130,065	1		223,489	2
TOTAL COMPREHENSIVE INCOME		$	177,288	2	$	206,163	2
BASIC EARNING (LOSS) PER SHARE	6(16)						
Continuing operations		$	0.68		$	(0.33)	
Discontinued operations			(0.44)			(0.03)	
TOTAL BASIC EARNINGS PER SHARE		$	0.24		$	(0.36)	
DILUTED EARNING (LOSS) PER SHARE							
Continuing operations		$	0.68		$	(0.33)	
Discontinued operations			(0.44)			(0.03)	
TOTAL DILUTED EARNINGS PER SHARE		$	0.24		$	(0.36)	

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

TYCOONS GROUP ENTERPRISE CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Total equity attributable to owners of the parent company								Non-controlling interests	Total equity
			Retained earnings		Other equity interests					
	Common stock	Capital surplus	Legal reserve	Unappropriated Earnings (Accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized (losses) gains on financial assets measured at fair value through other comprehensive income	Equity directly related to non-current assets held for sale	Subtotal		
BALANCE, JANUARY 1, 2022	$ 4,797,520	$ 7,722	$ 16,248	$ (1,321,322)	$ (27,868)	$ (7,410)	$ –	$ 3,464,890	$ 2,852,794	$ 6,317,684
Net loss for the year ended December 31, 2022	–	–	–	(120,371)	–	–	–	(120,371)	51,776	(68,595)
Other comprehensive income for the year ended December 31, 2022, net of income tax	–	–	–	(393)	98,682	5,942	(1,186)	103,045	171,713	274,758
Total comprehensive (loss) income for the period	–	–	–	(120,764)	98,682	5,942	(1,186)	(17,326)	223,489	206,163
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	–	22,907	–	–	–	–	–	22,907	(880)	22,027
Reclassified as discontinued operations	–	–	–	–	20,760	–	(20,760)	–	–	–
Decrease in non-controlling interest	–	–	–	–	–	–	–	–	(58,840)	(58,840)
BALANCE, DECEMBER 31, 2022	4,797,520	30,629	16,248	(1,442,086)	91,574	(1,468)	(21,946)	3,470,471	3,016,563	6,487,034
BALANCE, JANUARY 1, 2023	4,797,520	30,629	16,248	(1,442,086)	91,574	(1,468)	(21,946)	3,470,471	3,016,563	6,487,034
Net income for the year ended December 31, 2023	–	–	–	80,877	–	–	–	80,877	114,543	195,420
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	–	–	–	421	(32,247)	1,555	(3,383)	(33,654)	15,522	(18,132)
Total comprehensive income (loss) for the period	–	–	–	81,298	(32,247)	1,555	(3,383)	47,223	130,065	177,288
Capital reduction to offset losses	(1,425,838)	–	(16,248)	1,442,086	–	–	–	–	–	–
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	–	33,122	–	–	–	–	–	33,122	1,332	34,454
Restructuring	–	65,303	–	–	–	–	–	65,303	–	65,303
Reclassified as discontinued operations	–	–	–	–	3,954	–	(3,954)	–	–	–
Decrease in non-controlling interest	–	–	–	–	–	–	–	–	140,684	140,684
BALANCE, DECEMBER 31, 2023	$ 3,371,682	$ 129,054	$ –	$ 81,298	$ 63,281	$ 87	$ (29,283)	$ 3,616,119	$ 3,288,644	$ 6,904,763

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

TYCOONS GROUP ENTERPRISE CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before income tax from continuing operations	$ 370,739	$ (27,330)
Loss before tax from discontinued operations	(146,666)	(9,058)
Adjustments to reconcile net income (loss) before tax to net cash provide by operating activities.		
Depreciation expense	288,532	273,533
Amortization expense	22,324	11,519
Expected credit impairment reversal	(32,774)	(8,460)
Net (loss) gain on financial assets and liabilities at fair value through profit or loss	(49,058)	63,530
Interest expense	83,319	65,872
Interest income	(12,880)	(4,119)
Dividend income	(571)	(1,081)
Share of loss of associates accounted for using the equity method	96,506	131,387
Loss on disposal and write-off of property, plant and equipment	41,095	2,633
Property, plant and equipment transferred to expenses	8,977	4,803
Loss on disposal of investments	—	95
Loss (gain) on impairment of non-financial assets	7,582	(7,572)
Purchase of bargin gain	(106,228)	—
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(3,701)	(1,645)
Notes receivable	26,414	55,607
Accounts receivable	286,085	130,087
Other receivables	(31,827)	(1,328)
Inventories	670,618	351,193
Prepayments	(95,060)	21,010
Other current assets	15,890	(3,015)
Contract liabilities	62,167	(20,435)
Notes payable	(25,838)	1,656
Accounts payable	(86,160)	(113,280)
Other payables	98,142	9,355
Other current liabilities, other	(80,551)	50,284
Net defined benefit liabilities, non-current	3,560	5,624
Cash generated from operations	1,410,636	980,865
Interest received	12,032	4,307
Interest paid	(70,044)	(65,620)
Income taxes paid	(55,760)	(59,619)
Net cash generated from operating activities	1,296,864	859,933

(Continued)

TYCOONS GROUP ENTERPRISE CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets measured at amortized cost	(32,410)	—
Proceeds from disposal of financial assets measured at amortized cost	—	35,946
Net cash flow from acquisition of subsidiaries	(249,424)	—
Acquisition of investment accounted for using the equity method	—	(177,472)
Acquisition of property, plant and equipment	(375,505)	(197,130)
Proceeds from disposal of property, plant and equipment	28,219	3,008
Increase in refundable deposits	(779)	(5,425)
Acquisition of intangible assets	(3,007)	(804)
Acquisition of right-of-use assets	(5,559)	(33)
Acquisition of investment properties	(91,433)	—
Decrease (Increase) in other financial assets	16,698	(727)
Increase in other non-current assets	(114,720)	(99,407)
Dividend received	9,321	1,081
Net cash used in investing activities	(818,599)	(440,963)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(489,424)	(506,775)
Repayment of long-term loan	54,398	—
(Decrease) increase in guarantee deposits received	(3,633)	962
Repayment of the principal portion of the lease liability	(6,888)	(3,387)
Acquisition of ownership interest in subsidiaries	(6,571)	(14,632)
Changes in non-controlling interests	37,253	(20,536)
Net cash used in financing activities	(414,865)	(544,368)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(115,539)	221,732
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(52,139)	96,334
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,206,169	1,114,549
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,154,030	$ 1,210,883
RECONCILIATION OF THE CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and cash equivalents on the consolidated balance sheets	$ 1,144,612	$ 1,206,169
Cash and cash equivalents included in non-current assets held for sale	9,418	4,714
Cash and cash equivalents at the end of the period	$ 1,154,030	$ 1,210,883

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

TYCOONS GROUP ENTERPRISE CO., LTD. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts in thousands of New Taiwan dollars, unless otherwise stated)

1. HISTORY AND ORGANIZATION

Tycoons Group Enterprise Co., Ltd. (the "Company") was incorporated under the Company Law in November, 1980. The address of its registered office and principal place of business is No. 79-1, Sinle St., Gangshan Dist., Kaohsiung City, Taiwan. The main business of the Company and its subsidiaries (the "Group") is to produce, process, commerce, export screws, screw nuts, washer, steel thread, heat-processing of metal-blazed, mechanical parts, press-modeling machines as well as heat-processing equipment, and to manufacture, process and export various metal-models, general international trade business excluding futures transactions and investment.

On March 27, 1995, the Company's stocks were approved for listing on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 13, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 consolidated financial statements shall prevail.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issues" and the IFRSs, IASs, IFRIC and SIC, which are endorsed by the FSC (TIFRSs).

(2) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(3) Basis of Consolidation

A. The basis for the consolidated financial statements

The consolidated financial statements incorporated the financial statements of Tycoons Group Enterprise Co., Ltd. and its controlled entities (the subsidiaries).

Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Company losses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

(A) the aggregate of the fair value of the consideration received and the fair value of any retained interest at the date when control is lost; and

(B) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interest.

The Company shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost of initial recognition of an investment in an associate.

B. Subsidiaries included in the consolidated financial statements:

Investing Company	The name of subsidiary	Nature of operations	Location
Tycoons Group Enterprise Co., Ltd.	Tycoons Group International Co., Ltd.	Investing	British Cayman Island
〃	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Manufacturing industry	Thailand
〃	Tycoons Group (Samoa) Holding Ltd.	Investing	Samoa
〃	Green Engineering Holding Co., Ltd.	Investing	Thailand
〃	Kingford International Limited	Investing	Samoa
〃	Fastbolt International Pte. Ltd.	Investing	Singapore
Tycoons Group International Co., Ltd.	Viettycoons Steel Co., Ltd.	Manufacturing industry	Vietnam
〃	Grand World Enterprises Co., Ltd.	Investing	Samoa
Kingford International Limited	HuangHua Jujin Hardware Products Co.,Ltd.	Manufacturing industry	China
HuangHua Jujin Hardware Products Co.,Ltd.	Huanghua Jujin Trading Co., Ltd.	Trade	China
Tycoons Group (Samoa) Holding Ltd.	Tycoons Vietnam Co., Ltd.	Manufacturing industry	Vietnam
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	KDB Co., Ltd.	Invest in real estate projects	Thailand
〃	Fastbolt International Pte. Ltd.	Investing	Singapore
〃	Green Engineering Holding Co., Ltd.	Investing	Thailand
Grand World Enterprises Co., Ltd.	Fortune Gain Enterprises Co., Ltd.	Investing	Samoa
Fastbolt International Pte. Ltd.	Fastbolt Group GmbH	Investing	Germany
Fastbolt Group GmbH	Fastbolt Schraubengroßhandels GmbH	Trade	Germany
〃	Fastbolt Distributors (UK) Ltd.	Trade	Britain
〃	FB Ibérica Unipessoal Lda.	Trade	Portugal
〃	FQC Mechanical Technology Consultancy Co. Ltd.	Trade	China
〃	Fastbolt Trading (Shanghai) Co. Ltd.	Trade	China

The name of subsidiaries	Shareholding %		Note
	December 31, 2023	December 31, 2022	
Tycoons Group International Co., Ltd.	100%	100%	
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	1.42%	0.98%	1
〃	30.24%	30.24%	3&10
Viettycoons Steel Co., Ltd.	100%	100%	2&12
Kingford International Limited	100%	100%	10
Tycoons Group (Samoa) Holding Ltd.	100%	100%	9
Huanghua Jujin Hardware Products Co., Ltd.	60%	60%	
Huanghua Jujin Trading Co., Ltd.	60%	60%	
Tycoons Vietnam Co., Ltd.	100%	100%	2&12
KDB Co., Ltd.	14.24%	14.05%	2
Fastbolt International Pte. Ltd.	49.41%	51%	10&13&15
〃	47.47%	49%	4&14
Grand World Enterprises Co., Ltd.	—	100%	11
Fortune Gain Enterprises Co., Ltd.	—	100%	11
Fastbolt Group GmbH	48.26%	—	5&8
Fastbolt Schraubengroßhandels GmbH	48.26%	—	6&8
Fastbolt Distributors (UK) Ltd.	48.26%	—	6&8
FB Ibérica Unipessoal Lda.	48.26%	—	6&8
FQC Mechanical Technology Consultancy Co. Ltd	24.13%	—	6
Fastbolt Trading (Shanghai) Co. Ltd.	48.26%	—	6
Green Engineering Holding Co., Ltd.	45.00%	—	1&7&8
〃	55.00%	—	7&8

Note 1: The Company holding.

Note 2: Incorporated the financial statements of the subsidiary audited by other auditor in the same period into the consolidated financial statements.

Note 3: This subsidiary was originally held by the subsidiary, Tycoons Groups International Co., Ltd.. The Group disposed of a portion of the subsidiary's equity in late September and mid-December of the 2021, completing the transaction within the same month. The Company determined that despite holding less than 50% of the voting rights, it still has control over Tycoons Worldwide Group (Thailand) Public Co., Ltd. This is because the Company acquired a majority of the board seats in Tycoons Worldwide Group (Thailand) Public Co., Ltd., enabling us to obtain proxies representing a majority of the voting rights, and we can appoint key management personnel capable of dominating relevant activities in Tycoons Worldwide Group (Thailand) Public Co., Ltd. Therefore, The consolidated financial statements of Tycoons Worldwide Group (Thailand) Public Co., Ltd. and its subsidiaries included in the Group’s consolidated financial statements. The transfer of these equities to The Company occurred in the 2023.

Note 4: The Subsidiary, Tycoons Worldwide Group (Thailand) Public Co., Ltd, invests in the third quarter of 2022.

Note 5: This subsidiary, Fastbolt International Pte. Ltd., invests in the first quarter of the 2023.

Note 6: These subsidiaries are Fastbolt Group GmbH’s. Because Fastbolt International Pte. Ltd. acquisited the investment of Fastbolt Group GmbH in 2023.

Note 7: This subsidiary, Tycoons Worldwide Group (Thailand) Public Co., Ltd., invests in the second quarter of the 2023.

Note 8: This subsidiary’s financial statements for the year ended December 31 2023 were audited by other auditors.

Note 9: The Group originally held through Tycoons Group International Co., Ltd., was transferred to the Company in the second quarter of the 2023.

Note 10: The Group originally held through Tycoons Group International Co., Ltd., was transferred to the Company in the third quarter of the 2023 to simplify the investment structure.

Note 11: This subsidiary completed liquidation as of August 31 2023.

Note12: On March 13, 2024, the Company’s Board of Directors approved the Group sell 100% of Tycoons Group International Co., Ltd. and its Subsidiary, Viettycoons steel Co., Ltd., and Tycoons Group Samoa Holding Ltd. and its Subsidiary, Tycoons Vietnam Co., Ltd. Therefore, the assets and liabilities related to those companies have been reclassified as held for sale and presented as discontinued operations. And according to the IFRS5, the Group restated the consolidated statement of comprehensive income for the year ended December 31, 2022.

Note13: On 15 August 2023, Fastbolt International Pte. Ltd. increased its share capital from 9,300,000 euros (9,300,000 ordinary shares with a par value of 1 euro per share) to 9,600,000 euros (9,600,000 ordinary shares with a par value of 1 euro per share) through the issuance of new ordinary shares, raising 300,000 euros (300,000 ordinary shares with a par value of 1 euro per share). The Company did not subscribe to the newly issued ordinary shares. As a result, its equity stake in Fastbolt International Pte. Ltd. decreased from 51.00% to 49.41%.

Note14: On 15 August 2023, Fastbolt International Pte. Ltd. increased its share capital from 9,300,000 euros (9,300,000 ordinary shares with a par value of 1 euro per share) to 9,600,000 euros (9,600,000 ordinary shares with a par value of 1 euro per share) through the issuance of new ordinary shares, raising 300,000 euros (300,000 ordinary shares with a par value of 1 euro per share). The consolidated company did not subscribe to the newly issued ordinary shares. As a result, its equity stake in Fastbolt International Pte. Ltd. decreased from 49.00% to 47.47%.

Note 15: The subsidiary invested by Grand World Enterprises Co., Ltd. in 2022.

C. Details of subsidiaries that have material non-controlling interests:

Name of subsidiary	Principal place of business	Proportion of Ownership Interests and Voting Rights Held by Non-controlling Interests	
		December 31,2023	December 31,2022
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Thailand	68.34%	68.78%

Name of subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated non-controlling interest	
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	December 31,2023	December 31,2022
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	$ 43,966	$ 31,793	$ 2,845,286	$ 2,737,480

The summarized financial information below represents amounts before intracompany eliminations.

Tycoons Worldwide Group (Thailand) Public Co., Ltd.

	December 31,2023	December 31,2022
Current assets	$ 1,986,134	$ 2,500,257
Non-current assets	3,210,555	3,019,525
Current liabilities	(954,773)	(1,492,965)
Non-current liabilities	(78,489)	(46,764)
Equity	$ 4,163,427	$ 3,980,053
Equity attributable to:		
Shareholders of the parent company	$ 1,318,141	$ 1,242,573
Non-controlling interests	2,845,286	2,737,480
	$ 4,163,427	$ 3,980,053

	For the Years Ended December 31	
	2023	2022
Operating Revenues	$ 5,023,574	$ 7,967,634
Net income	64,334	46,223
Other comprehensive income (loss)	7,737	(1,942)
Total comprehensive income	$ 72,071	$ 44,281
Net income attributable to:		
Shareholders of the parent company	$ 20,368	$ 14,430
Non-controlling interests	43,966	31,793
	$ 64,334	$ 46,223
Total comprehensive income attributable to：		
Shareholders of the parent company	$ 22,818	$ 13,825
Non-controlling interests	49,253	30,456
	$ 72,071	$ 44,281

	For the Years Ended December 31	
	2023	2022
Cash flow		
Operation activities	$ 816,929	$ 782,075
Investing activities	(250,758)	(333,464)
Financing activities	(489,014)	(498,887)
Net increase (decrease) in cash and cash equivalents	$ 77,157	$ (50,276)

(4) Classification of Current and Noncurrent Assets and Liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.

B. The Group holds the asset primarily for the purpose of trading.

C. The Group expects to realize the asset within twelve months after the reporting period.

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent:

A. The Group expects to settle the liability in its normal operating cycle.

B. The Group holds the liability primarily for the purpose of trading.

C. The liability is due to be settled within twelve months after the reporting period.

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

(5) Foreign Currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including the subsidiaries, associates and joint ventures operating in other countries or using currencies different from the Company's) are translated into New Taiwan Dollars using exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the shareholders of the Company and non-controlling interests as appropriate).

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(6) Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at weighted-average cost. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

(7) Noncurrent Assets Held for Sale and Discontinued operations

A. Non-current assets held for sale

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

Noncurrent assets classified as held for sale are measured at the lower of their previous carrying amount and fair value with fewer costs to selling. Recognition of depreciation would cease. When the assets classified as held for sale or held for distribution to owners are intangible assets or property, plant and equipment, they are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted, except for investment subsidiaries.

B. Discontinued operations

An operation will be classified as a discontinued operation upon disposal or when the operation meets the criteria to be classified as held for sale or held for distribution to owners, whichever comes first. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented as if the operation had been discontinued from the beginning of the comparative year.

(8) Investments accounted for under the equity method

An associate is an entity over which the Company and its subsidiaries have significant influence and that is neither a subsidiary nor an interest in a joint venture.

The operating results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the share of the equity of associates.

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

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

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

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with the carrying amount. An impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

When the Group ceases to have significant influence over the associate, the Group will measure the retained investment at fair value at that date. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Group transacts with their associates, profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(9) Property, Plant and Equipment

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

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

Depreciation is computed by the straight-line method over the estimated useful lives. The estimated useful lives are as follows:

Land improvement	5～30 years
Buildings	3～50 years
Machinery and equipment	4～25 years
Transportation equipment	3～10 years
Furniture and fixtures	19 years
Miscellaneous equipment	2～25 years
Leasehold improvements	15 years

If each component of property, plant and equipment is significant, it is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in the current year.

(10) Leasing

A. Identifying lease

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(A) The contract involves the use of identified asset-this may be specified explicitly implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

(B) The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

(C) The customer has the right to direct the use of the asset throughout the period of use only if either:

a. The customer has the right to direct how and for what purpose the asset is used throughout the period of use; or

b. The relevant decisions about how and for what purpose the asset is used are predetermined and:

(a) the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or

(b) the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

At inception or on the reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

B. As a lease

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(A) Fixed payments.

(B) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

(C) Amounts expected to be payable under a residual value guarantee.

(D) Payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(A) There is a change in future lease payments arising from the change in an index or rate.

(B) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

(C) There is a change in its assessment of whether it will exercise a purchase, extension or termination option.

(D) There is a change in its assessment of whether it will exercise an extension or termination options.

(E) There are any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease. The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

C. As a lessor

When the Group acts as a lessor, it determines, at lease commencement, whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(11) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition. Subsequent to initial recognition, investment properties are measured using the cost model. Depreciation is charged based on the depreciable amount. Depreciation methods, useful lives, and residual values are in accordance with the policy of property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Self-built investment property cost includes raw materials, direct labor, any other directly attributable costs for bringing the investment property into a usable condition and borrowing costs eligible for capitalization.

An investment property is reclassified to property, plant and equipment at its carrying amount when the use of the investment property changes.

(12) Impairment of Non-Financial Assets

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

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

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

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

(13) Financial instruments

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

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

A. Financial assets

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

a. Measurement category

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Group shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

Cash equivalents include time deposits that are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the dividend date.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

b. Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which is measured as the 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date.
- Other debt securities and bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default.
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that

the lender would not otherwise consider.

- It is probable that the borrower will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

c. Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

B. Equity Instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

C. Financial liabilities

a. Subsequent measurement

Financial liabilities are subsequently measured either at amortized cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

b. Derecognition of financial liabilities

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

(14) Business combinations

A business combination must be accounted for by applying the acquisition method beginning from the acquisition date in which the acquirer acquired the control of the acquiree. Goodwill, which the acquirer recognized at the acquisition date, is measured as an aggregation of the consideration transferred (which is generally measured at fair value at the acquisition date) and the amount of non-controlling interest of the acquiree, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the business combination is achieved in stages, the Group shall measure any non-controlling equity interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. If the residual balance stated above is negative, the Group should recognize a gain on the bargain purchase thereafter.

All the transaction costs incurred for business combination are recognized immediately as the Group's expenses when incurred, except for the issuance of debt or equity instruments.

The Group shall measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation. Other non-controlling interests are evaluated by their fair value or by another basis permitted by the IFRSs endorsed by the FSC.

(15) Employee benefits

A. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

B. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Corporation and its subsidiaries' defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(16) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a customer. The accounting policies for the Group's main types of revenue are explained below.

A. Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Rent income, dividend income and interest income are recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured, recognized as follows:

(a) Rent income is recognized during the rental period at the straight method.

(b) Dividend income is recognized when the shareholder’s right to receive payment has been established.

(c) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(17) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

A. Current income tax

The Group determines the income (loss) of the year in accordance with the laws and regulations in each jurisdiction for income tax declaration and calculates the income tax payable (recoverable) accordingly.

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. and is recognized via the resolution at the annual shareholders' meeting.

Adjustments to income tax payable from prior years are recognized in the current income tax.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized are also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

C. Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the Group has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

(1) Revenue Recognition

The Group recognizes revenue when the conditions described in Note 4 are satisfied. The Group also records a provision for estimated future returns and other allowances in the same period the related revenue is recorded. Provision for estimated sales returns and other allowances is generally made and adjusted at a specific percentage based on historical experience and any known factors that would significantly affect the allowance, and our management periodically reviews the adequacy of the estimation used.

(2) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid industrial changes, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

(3) Estimated impairment of financial assets

The Group has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs.

(4) Impairment assessment of non-financial assets

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

(5) Recognition and measurement of defined benefit plans

Net defined benefit liability and the resulting defined benefit costs under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and future salary increase rate. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

(6) Realization of deferred income tax assets

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realization of deferred income tax assets involves critical accounting judgments and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, tax-exempt duration, available tax credits, tax planning, etc. Any variations in the global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 611	$ 794
Bank deposits	881,231	913,850
Cash equivalents		
Time deposits	262,770	291,525
Total	$ 1,144,612	$ 1,206,169

(2) Financial assets and liabilities at fair value through profit or loss, current

	December 31, 2023	December 31, 2022
Financial assets-current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets		
Forward exchange contracts	$ 128	$ —
Non-derivative financial assets		
Listed shares	2,300	2,221
Funds	9,259	3,710
Total	$ 11,687	$ 5,931

	December 31, 2023	December 31, 2022
Financial liabilities-current		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities		
Forward exchange contracts	$ 6,691	$ 53,694

The main purpose for the Group to engage in forwarding exchange contract transactions is to evade the risk resulting from the fluctuation of the currency exchange rate. However, those derivative assets and liabilities did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

The undue derivative financial products were as follows:

December 31, 2023	Currency	Maturity Period	Contracted Amount (in thousands)	
Buy forward exchange	United States dollars	2023.08.30～2024.03.01	USD	368
〃	〃	2023.09.19～2024.03.21	USD	500
〃	〃	2023.09.29～2024.04.03	USD	500
〃	〃	2023.12.20～2024.06.24	USD	630
〃	China yuan	2023.07.18～2024.01.22	CNY	10,000
〃	〃	2023.07.18～2024.01.22	CNY	5,000
〃	〃	2023.08.22～2024.02.16	CNY	5,000
〃	〃	2023.10.24～2024.02.16	CNY	5,000
〃	〃	2023.10.30～2024.02.16	CNY	5,000
〃	〃	2023.11.03～2024.02.16	CNY	5,000
〃	United States dollars	2023.08.18～2024.02.20	USD	312
〃	〃	2023.08.29～2024.02.29	USD	560
〃	〃	2023.09.11～2024.03.11	USD	499
〃	〃	2023.09.28～2024.03.28	USD	500
〃	〃	2023.10.12～2024.04.17	USD	760
〃	〃	2023.12.21～2024.06.21	USD	500
〃	〃	2023.11.17～2024.01.30	USD	110
〃	〃	2023.11.17～2024.02.20	USD	20
〃	〃	2023.12.14～2024.02.15	USD	20
〃	〃	2023.12.14～2024.03.05	USD	30
〃	〃	2023.12.14～2024.03.15	USD	20

December 31, 2022	Currency	Maturity Period	Contracted Amount (in thousands)	
Buy forward exchange	United States dollars	2022.08.24～2023.02.17	USD	390
〃	〃	2022.09.19～2023.03.17	USD	600
〃	〃	2022.09.28～2023.03.27	USD	640
〃	〃	2022.10.26～2023.04.24	USD	500
〃	〃	2022.10.27～2023.04.25	USD	600
〃	〃	2022.11.02～2023.04.28	USD	500
〃	〃	2022.11.04～2023.05.03	USD	500
〃	〃	2022.11.07～2023.05.05	USD	500
〃	〃	2022.11.07～2023.05.05	USD	500
〃	〃	2022.11.07～2023.05.05	USD	500
〃	〃	2022.11.09～2023.05.08	USD	500
〃	〃	2022.11.09～2023.05.08	USD	500
〃	〃	2022.11.11～2023.05.10	USD	500

December 31, 2022	Currency	Maturity Period	Contracted Amount (in thousands)	
Buy forward exchange	United States dollars	2022.11.11～2023.05.10	USD	1,000
〃	〃	2022.11.11～2023.05.10	USD	1,000
〃	〃	2022.11.16～2023.05.15	USD	1,000
〃	〃	2022.11.22～2023.05.19	USD	500
〃	〃	2022.12.01～2023.05.30	USD	1,000
〃	〃	2022.12.19～2023.06.16	USD	600
〃	〃	2022.10.17～2023.04.19	USD	500
〃	〃	2022.10.25～2023.04.27	USD	500
〃	〃	2022.10.26～2023.04.28	USD	1,000
〃	〃	2022.11.02～2023.05.05	USD	500
〃	〃	2022.11.02～2023.05.05	USD	500
〃	〃	2022.11.04～2023.05.08	USD	1,000
〃	〃	2022.11.07～2023.05.09	USD	500
〃	〃	2022.11.09～2023.05.15	USD	500
〃	〃	2022.11.09～2023.05.15	USD	500
〃	〃	2022.11.10～2023.05.15	USD	700
〃	〃	2022.11.11～2023.05.15	USD	500
〃	〃	2022.11.11～2023.05.15	USD	500
〃	〃	2022.11.16～2023.05.18	USD	500
〃	〃	2022.11.30～2023.06.02	USD	1,000
〃	〃	2022.12.19～2023.06.21	USD	1,500
〃	〃	2022.10.19～2023.04.21	USD	58
〃	〃	2022.10.26～2023.04.28	USD	500
〃	〃	2022.11.02～2023.05.05	USD	500
〃	〃	2022.11.04～2023.05.08	USD	500
〃	〃	2022.11.04～2023.05.08	USD	500
〃	〃	2022.11.04～2023.05.08	USD	500
〃	〃	2022.11.04～2023.05.08	USD	500
〃	〃	2022.11.04～2023.05.08	USD	500
〃	〃	2022.11.08～2023.05.10	USD	500
〃	〃	2022.11.09～2023.05.10	USD	500
〃	〃	2022.11.10～2023.05.10	USD	500
〃	〃	2022.11.11～2023.05.15	USD	1,000
〃	〃	2022.12.01～2023.06.06	USD	1,000
〃	〃	2022.12.19～2023.06.21	USD	570
〃	〃	2022.11.11～2023.05.15	USD	1,000

(3) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income		
Unlisted shares	$ 101,371	$ 98,071

(4) Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Pledge time deposits	$ 63,466	$ 31,056
Non-pledge time deposits	—	—
Total	$ 63,466	$ 31,056
Current	$ —	$ —
Non-current	$ 63,466	$ 31,056
Rate	0.70%～1.20%	0.15%～0.70%

Refer to note 8 for information relating to financial assets measured at amortized cost pledged as security.

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes and accounts receivable	$ 607,138	$ 627,607
Less: Allowance for doubtful accounts	(20,495)	(21,249)
Net	$ 586,643	$ 606,358

The Group applies the simplified approach to provide for its expected losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporate forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision was determined as follows：

December 31, 2023

	Collective A	Collective B	Collective C	Total
Notes and accounts receivable	$ 38,822	$ 190,456	$ 377,860	$ 607,138
Loss allowance provision	(580)	(18,521)	(1,394)	(20,495)
Net	$ 38,242	$ 171,935	$ 376,466	$ 586,643

December 31, 2022

	Collective A	Collective B	Collective C	Total
Notes and accounts receivable	$ 89,833	$ 284,102	$ 253,672	$ 627,607
Loss allowance provision	(581)	(18,789)	(1,879)	(21,249)
Net	$ 89,252	$ 265,313	$ 251,793	$ 606,358

The expected credit loss rate of the above is that collective A of the clients in Taiwan is evaluated at 0.5% to 4.5%; collective B of the clients in Thailand is evaluated at 0% to 100%; and collective C of the other clients is evaluated at 1% to 85%.

The aging of notes and accounts receivables was as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 375,137	$ 401,632
Past due within 90 days	191,236	195,433
Past due 91-180 days	15,451	3,238
Past due 181-365 days	129	69
Past due over 365 days	4,690	5,986
Total	$ 586,643	$ 606,358

The above table was based on the past due date.

The movements in the allowance for notes and accounts receivables were as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Balance on January 1	$ 21,249	$ 28,380
Business combinations	135	—
Reversal of the impairment losses	(32,774)	(8,460)
Write off	(487)	(37)
Effect of exchange rate changes	32,372	1,366
Balance, end of the period	$ 20,495	$ 21,249

Refer to note 8 for information relating to accounts receivables as security.

(6) Inventories

	December 31, 2023	December 31, 2022
Commodity	$ 531,654	$ 109
Finished goods	417,092	478,265
Work in process	194,505	311,067
Raw materials	625,373	714,791
Supplies	394,355	339,435
Goods in transit	108,314	460,659
Total	$ 2,271,293	$ 2,304,326

A. The operating cost of the Group includes unallocated overhead amounted to $3,462 thousand and $436 thousand for the years ended December 31, 2023 and 2022, respectively.

Write-down of inventories to net realizable value was included in operating cost, which was as follows:

	For the Years Ended December 31	
	2023	2022
Reversal (impairment) of inventory to net realizable value	$ 86,108	$ (60,808)

B. Refer to note 8 for information relating to inventories as security.

(7) Non-current assets (or disposal group classified) held for sale

A. On March 13, 2024, the Company's Board of Directors had made a resolution, that the subsidiaries, Tycoons Group International Co., Ltd. and Tycoons Group (Samoa) Holding Ltd., will be disposed. The assets and liabilities related to the aforementioned two subsidiaries have been reclassified as held for sale groups and expressed as discontinued operations, as they meet the definition of a discontinued operations unit.

	December 31, 2023
Cash and cash equivalents	$ 9,418
Other receivable	163
Inventory	52,253
Prepayments	42,534
Property, plant and equipment	129,851
Right-of-use asset	41,287
Guarantee deposits	3,212
Total non-current assets or disposal group classified as held for sale	$ 278,718

	December 31, 2023
Accounts payable	$ 1,724
Other payables	117,425
Current tax liabilities	856
Total liabilities related to non-current assets or disposal groups classified as held for sale	$ 120,005
Equity related to non-current assets or disposal groups classified as held for sale	$ (29,283)

Cumulative income or expense recognized in other comprehensive income relating to disposal group classified as held for sale:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Exchange differences in translation of foreign financial statements	$ (3,383)	$ (2,733)

The result of discontinued operations is as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
OPERATING REVENUE	$ —	$ 42,501
OPERATING COST	(110,383)	(43,588)
OPERATING EXPENSES	(21,173)	(7,506)
NET OPERATING LOSS	(131,556)	(8,593)
NON-OPERATING INCOME AND EXPENSES		
Interest revenue	65	279
Other gains and losses	(12,667)	(744)
Finance cost	(2,508)	—
TOTAL NON-OPERATING LOSS AND EXPENSES	(15,110)	(465)
LOSS BEFORE INCOME TAX	(146,666)	(9,058)
INCOME TAX EXPENSES	(998)	(394)
LOSS	$ (147,664)	$ (9,452)

The cash flow information of the discontinued operations is as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cash flows from operating activities	$ (105,334)	$ (18,580)
Cash flows from investing activities	(77,233)	(4,697)
Cash flows from financing activities	186,932	14,570
Effect of exchange rate changes	6	(297)
Net increase (decrease) in cash and cash equivalents	$ 4,371	$ (9,004)

B. On March 18, 2022, the Company's Board of Directors had made a resolution, that the subsidiary, Viettycoons Steel Co., Ltd., will be sold 100% of the shares to the third parties. Therefore, the assets and liabilities of the Company are reclassified as held for sale.

	December 31, 2022
Cash and cash equivalents	$ 4,714
Prepayments	210
Property, plant and equipment	16,453
Right-of-use asset	25,164
Guarantee deposits	2,418
Total non-current assets or disposal group classified as held for sale	$ 48,959

	December 31, 2022
Accounts payable	$ 2,563
Other payables	4,644
Current tax liabilities	402
Total liabilities related to non-current assets or disposal groups classified as held for sale	$ 7,609
Equity related to non-current assets or disposal groups classified as held for sale	$ (21,946)

(8) Investments accounted for using the equity method

A. Investments in associates consisted of the following:

Investor	Carrying Amount		Total Percentage of Voting Rights Held by the Group	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Hurco Automation Co., Ltd.	$ 171,482	$ 161,525	35%	35%
TY Steel Co., Ltd.	273,243	383,071	25.37%	25.37%
	$ 444,725	$ 544,596		

B. Financial information of the Group's associates was summarized as follows:

	December 31, 2023		December 31, 2022	
Total assets	$	5,263,064	$	5,525,292
Total liabilities		(3,696,290)		(3,552,345)
Net assets	$	1,566,774	$	1,972,947
The Group's share of net assets of the associate	$	444,725	$	544,596

	For the Years Ended December 31			
	2023		2022	
Net revenue	$	5,216,788	$	6,071,682
Net loss	$	(399,411)	$	(538,455)
The Group's share of the loss of the associate	$	(96,506)	$	(131,387)

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of investment in Hurco Automation Co., Ltd. Was calculated based on the financial statements for the year ended Oct. 31, which have been audited by another auditor, The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of investment in TY Steel Co., Ltd. Was calculated based on the financial statements that have audited by another auditor.

On 4 December 2023, the Board of Directors Meeting of TY Steel Co., Ltd. passed a resolution approving the reduction of shares for capital , whereby TY Steel Co., Ltd. decreased its share capital from Baht 2,724,492 thousand (272,449,200 ordinary shares with a par value of Baht 10 per share) to be Baht 1,687,278 thousand (168,727,789 ordinary shares with a par value of Baht 10 per share). The reduction of capital has no impact on the ownership percentage of the group.

An increase in share capital from Baht 1,687,278 thousand (168,727,789 ordinary shares with a par value of Baht 10 per share) to Baht 1,887,278 thousand (188,727,789 ordinary shares with a par value of Baht 10 per share) by issuing capital increase in ordinary shares Baht 200,000 thousand (20,000,000 new ordinary shares with a par value of Baht 10 per share). On 27 November, 2023, the Board of Directors Meeting passed a resolution approving the acquisition of shares for capital increase in TY Steel Company Limited, The Company purchased 3,878,109 ordinary shares of the additionally issued ordinary shares and made full payment amounting to Baht 39 million. The increase of capital has no impact on the ownership percentage of the group. The associate is in the process of implementing procedures for the capital decrease and increase as mentioned above, which is expected to completed in the first quarter of 2024.

Tycoons Group International Co., Ltd. and Tycoons Worldwide Group (Thailand) Public

Co., Ltd. for the on 18 May 2022 and 10 May 2022, respectively board of Directors Meeting passed a resolution approving the acquisition of shares for capital increase in TY Steel Company Limited, whereby TY Steel Co., Ltd. increased its share capital from Baht 1,947,500 thousand (194,750,000 ordinary shares with a par value of Baht 10 per share) to be Baht 2,724,492 thousand (272,449,200 ordinary shares with a par value of Baht 10 per share) through issuance of new ordinary shares of Baht 776,992 thousand (77,699,200 ordinary shares with a par value of Baht 10 per share). The Company purchased 20,130,400 ordinary shares of the additionally issued ordinary shares and made full payment amounting to Baht 201,304 thousand. The capital increase resulted in the increase of the Company's shareholding percentage from 25.16 percent to 25.37 percent.

TY Steel Co., Ltd. registered the share capital increase with the Ministry of Commerce on 15 June, 2022.

(9) Property, plant and equipment

	For the Year Ended December 31, 2023							
Item	Balance, Beginning of Year	Business combinations	Additions	Decrease	Reclassification	Reclassification as non-current assets or disposal group classified as held for sale	Effect of Exchange Rate changes	Balance, End of Year
Cost								
Land	$ 758,506	$ —	$ 22,750	$ —	$ 220	$ —	$ 3,093	$ 784,569
Land improvements	133,205	—	1,469	(670)	14,210	—	986	149,200
Buildings	2,012,355	67,086	96,637	(17,172)	134	9,245	90,646	2,258,931
Machinery and equipment	4,851,137	34,518	49,897	(378,646)	149,984	12,342	22,363	4,741,595
Transportation equipment	282,568	10,700	17,104	(22,642)	390	(4,963)	1,572	284,729
Furniture and fixtures	136,360	63,912	9,392	(7,165)	(850)	736	(1,073)	201,312
Leasehold improvements	5,680	—	—	—	—	—	—	5,680
Other equipment	385,988	—	43,101	(33,201)	3,963	(10,102)	1,854	391,603
Construction in progress	99,848	454	177,046	(95,374)	(98,991)	(25,338)	(2,614)	55,031
Total	8,665,647	176,670	417,396	(554,870)	69,060	(18,080)	116,827	8,872,650
Accumulated depreciation and impairment								
Land improvements	90,732	—	5,271	(248)	—	—	661	96,416
Buildings	1,447,560	42,917	86,511	(11,559)	—	4,274	6,023	1,575,726
Machinery and equipment	3,333,554	24,729	157,575	(329,619)	—	91,417	15,320	3,292,976
Transportation equipment	256,858	9,956	9,718	(21,707)	—	(1,879)	1,187	254,133
Furniture and fixtures	106,898	49,752	11,497	(6,919)	(2,938)	856	(899)	158,247
Leasehold improvements	175	—	435	—	—	—	—	610
Other equipment	328,788	—	23,658	(32,713)	—	650	1,748	322,131
Total	5,564,565	127,354	294,665	(402,765)	(2,938)	95,318	24,040	5,700,239
Net	$ 3,101,082	$ 49,316	$ 122,731	$ (152,105)	$ 71,998	$ (113,398)	$ 92,787	$ 3,172,411

Item	For the Year Ended December 31, 2022						
	Balance, Beginning of Year	Additions	Decrease	Reclassification	Reclassification as non-current assets or disposal group classified as held for sale	Effect of Exchange Rate changes	Balance, End of Year
Cost							
Land	$ 728,047	$ 5,572	$ —	$ —	$ —	$ 24,887	$ 758,506
Land improvements	122,370	2,970	—	—	—	7,865	133,205
Buildings	1,975,418	20,084	(63,330)	—	(21,808)	101,991	2,012,355
Machinery and equipment	4,633,344	65,703	(125,552)	10,202	(4,133)	271,573	4,851,137
Transportation equipment	287,772	10,255	(31,181)	—	—	15,722	282,568
Furniture and fixtures	122,433	8,804	(2,336)	4,173	(1,486)	4,772	136,360
Leasehold improvements	—	5,680	—	—	—	—	5,680
Other equipment	340,507	43,696	(5,155)	—	(10,723)	17,663	385,988
Construction in progress	165,317	89,646	(140,688)	(23,655)	—	9,228	99,848
Total	8,375,208	252,410	(368,242)	(9,280)	(38,150)	453,701	8,665,647
Accumulated depreciation and impairment							
Land improvements	80,644	4,703	—	—	—	5,385	90,732
Buildings	1,383,646	74,313	(77,120)	—	(9,417)	76,138	1,447,560
Machinery and equipment	3,107,123	164,368	(121,898)	—	(3,859)	187,820	3,333,554
Transportation equipment	263,715	8,150	(29,926)	—	—	14,919	256,858
Furniture and fixtures	99,162	7,170	(2,286)	—	(1,473)	4,325	106,898
Leasehold improvements	—	175	—	—	—	—	175
Other equipment	307,112	16,829	(5,005)	—	(6,948)	16,800	328,788
Construction in progress	132,193	—	(140,688)	—	—	8,495	—
Total	5,373,595	275,708	(376,923)	—	(21,697)	313,882	5,564,565
Net	$ 3,001,613	$ (23,298)	$ 8,681	$ (9,280)	$ (16,453)	$ 139,819	$ 3,101,082

A. The significant part of the Group's buildings includes main plants and affiliated equipment and the related depreciation is calculated using the estimated useful lives of 3 to 50 years, and 3 to 25 years, respectively.

B. The insurance coverage as of December 31, 2023 and 2022 were $4,388,598 thousand and $4,358,373 thousand, respectively.

C. For the years ended December 31, 2023 and 2022, the Group recognized the impairment loss (gain) of $7,582 thousand and $(7,572) thousand, respectively for certain property, plant, and equipment.

D. Property, plant and equipment were pledged as collateral, please refer to Note 8.

(10) Lease agreement

A. Right-to-use assets

(A) The carrying amounts and depreciation charge for right-of-use asset information recognized as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land (including land access)	$ 64,540	$ 52,608
Buildings	—	497
Transportation Equipment	5,346	8,135
Total	69,886	61,240
Reclassification as non-current assets or disposal group classified as held for sale	(41,287)	(25,164)
Net	$ 28,599	$ 36,076

	For the Years Ended December 31, 2023	For the Years Ended December 31, 2022
	Depreciation	Depreciation
Land(including land access)	$ 6,443	$ 3,242
Buildings	496	496
Transportation Equipment	2,789	232
Total	9,728	3,970
Less: Discontinued operation	2,880	342
Total	$ 6,848	$ 3,628

(B) The addition to the right-of-use assets for the years ended December 31, 2023 and 2022 were $19,546 thousand and $16,607 thousand, respectively.

(C) Except for the addition and recognition of depreciation expenses listed above, the Group’s right-of-use assets did not have any significant sublease or impairment in 2023 and 2022.

B. Lease liability

	December 31, 2023	December 31, 2022
Carrying amount of lease liability		
Current	$ 5,639	$ 6,887
Non-current	$ 3,322	$ 8,962

The range of discount rates for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Land	1.11%～1.48%	1.11%～1.48%
Buildings	1.11%	1.11%
Transportation equipment	1.78%	1.78%

C. Important leasing activities and terms

The assets leased by the Group include land, property, and company vehicles, and the lease terms usually range from 1 to 30 years. The lease agreements are negotiated individually and contain various terms and conditions, and no other restrictions are imposed except that the assets leased shall not be used as guarantees for loan.

D. Other lease information

	2023	2022
Interest expense of lease liability	$ 198	$ 115
Short-term lease expenses	$ 169	$ 722
Low-value asset lease expenses	$ 4,059	$ 3,070
Total cash outflow from leases	$ 11,314	$ 7,294

The Group has elected to apply the recognition exemption for buildings and transportation equipment eligible for short-term leases and office equipment leases eligible for low-value asset leases, and, thus, did not recognize said leases in right-of-use assets and lease liabilities.

E. Refer to note 8 for information relating to right-of-use assets pledged as security.

(11) Investment property

	For the Year Ended December 31, 2023			
Item	Balance, Beginning of Year	Additions	Effect of Exchange Rate Changes	Balance, End of Year
Cost				
Land	$ 201,564	$ 91,433	$ 1,493	$ 294,490
Buildings	3,461	—	25	3,486
Total	205,025	91,433	1,518	297,976
Accumulated Depreciation				
Buildings	2,942	625	20	3,587
Total	2,942	625	20	3,587
Net	$ 202,083	$ 90,808	$ 1,498	$ 294,389

Item	For the Year Ended December 31, 2022			
	Balance, Beginning of Year	Additions	Effect of Exchange Rate Changes	Balance, End of Year
Cost				
Land	$ 189,393	$ —	$ 12,171	$ 201,564
Buildings	3,252	—	209	3,461
Total	192,645	—	12,380	205,025
Accumulated Depreciation				
Buildings	2,602	166	174	2,942
Total	2,602	166	174	2,942
Net	$ 190,043	$ (166)	$ 12,206	$ 202,083

A. The related depreciation of the Group's investment properties is calculated using the estimated useful lives of 20 years.

B. The fair value has been determined based on valuation performed by an independent valuer, using market approach.

The fair value of the investment property in the consolidated financial statement stated below:

	December 31, 2023	December 31, 2022
Land and buildings	$ 347,050	$ 253,739

(12) Current borrowings

	December 31, 2023	December 31, 2022
Bank loans for purchasing materials	$ 764,659	$ 1,133,061
Mortgage loans	180,993	186,312
Total	$ 945,652	$ 1,319,373
Rate	3.87%～7.72%	2.10%～7.50%

Mortgaged or pledged assets for current borrowings, refer to Note 8.

(13) Long-term loans

Creditors	December 31, 2023		
	Due Date	Interest Rate (%)	Amount
Bank			
NRW-Bank	117.03.30	4.06	$ 84,952
Volks bank	114.12.31～132.12.28	1.40～4.00	138,919
HSBC	114.03.07	3.09	141
Total			224,012
Less: amounts payable within one year			9,325
Net			$ 214,687

Mortgaged or pledged assets for c long-term loans, refer to Note 8.

(14) Employee benefits

A. Defined contribution plans

The Company adopted a pension plan according to the Labor Pension Act (the "LPA"), which is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Accordingly, the Company recognized expenses of NT$4,180 thousand and NT$3,486 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022, respectively.

B. Defined benefit plans

Tycoons Worldwide Company (Thailand) Public Company Limited adopted the defined benefit plans. The amount arising from the defined benefit obligations of the company in the consolidated balance sheets were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation (Net defined benefit liability)	$ (50,859)	$ (46,763)

Movements in the present value of the defined benefit obligations were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
BALANCE, JANUARY 1, 2023	$ (46,763)	$ –	$ (46,763)
Service cost			
Current service cost	(3,220)	–	(3,220)
Interest expense	(1,292)	–	(1,292)
Recognized in profit or loss	(4,512)	–	(4,512)
Pension paid	753	–	753
Effect of exchange rate changes	(337)	–	(337)
BALANCE, DECEMBER 31, 2023	$ (50,859)	$ –	$ (50,859)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
BALANCE, JANUARY 1, 2022	$ (36,539)	$ –	$ (36,539)
Service cost			
Service cost in the prior period	(3,491)	–	(3,491)
Current service cost	(2,478)	–	(2,478)
Interest expense	(618)	–	(618)
Recognized in profit or loss	(6,587)	–	(6,587)
Remeasurement			
Effect of changes in demographic assumptions	(2,142)	–	(2,142)
Effect of changes in financial assumptions	6,769	–	6,769
Experience adjustments	(6,555)	–	(6,555)
Recognized in other comprehensive income	(1,928)	–	(1,928)
Pension paid	1,004	–	1,004
Effect of exchange rate changes	(2,713)	–	(2,713)
BALANCE, DECEMBER 31, 2022	$ (46,763)	$ –	$ (46,763)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2023	December 31, 2022
Discount rate	2.80%	2.80%
Expected rate of salary increase	3.00%～4.50%	3.00%～4.50%

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

	Effect of the present value of the defined benefit obligation	
December 31, 2023	Actual assumptions Increase 0.50%	Actual assumptions Decrease 0.50%
Discount rate	$ (2,682)	$ 2,682
Expected rate of salary increase	$ 2,682	$ (2,682)

December 31, 2022	Effect of the present value of the defined benefit obligation Actual assumptions Increase 0.50%	Actual assumptions Decrease 0.50%
Discount rate	$ (2,662)	$ 2,662
Expected rate of salary increase	$ 2,662	$ (2,662)

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

(15) Equity

A. Capital stock

	December 31, 2023	December 31, 2022
Numbers of shares authorized (in thousands)	640,000	640,000
Shares issued (in thousands)	337,168	479,752

The movement of shares for the years ended December 31, 2023 and 2022 were as follows:

	Numbers of shares issued (in thousands)	Capital	Capital surplus
January 1, 2023	479,752	$ 4,797,520	$ 30,629
Capital reduction to offset losses	(142,584)	(1,425,838)	—
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	—	—	33,122
Restructuring	—	—	65,303
December 31, 2023	337,168	$ 3,371,682	$ 129,054

	Numbers of shares issued (in thousands)	Capital	Capital surplus
January 1, 2022	479,752	$ 4,797,520	$ 7,722
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	—	—	22,907
December 31, 2022	479,752	$ 4,797,520	$ 30,629

B. Capital surplus

	December 31, 2023	December 31, 2022
Adjusting of reselling bonds	$ 7,722	$ 7,722
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	56,029	22,907
Restructuring	65,303	—
Total	$ 129,054	$ 30,629

(A) Reorganisation of entities under common control

a. The Group applies the related interpretations issued in R.O.C. for the intra-group reorganisation since there is no definite rules for business combinations (or referred as 'reorganisation') of entities under common control in IFRS 3, 'Business combinations' as explained in the IFRS Q&A 'explanations to IFRS 3 Business Combinations under Common Control' issued by Accounting Research and Development Foundation on October 26, 2018.

b. In accordance with Accounting Research and Development Foundation Interpretation ("ARDF Interpretation") 100-248, the Group recognised the intra-group reorganisation based on the carrying amounts of subsidiaries accounted for using equity method (net of impairment loss). The difference between the carrying amount and the consideration of the transaction will be adjusted in 'capital surplus - additional paid-in capital', which if insufficient, will decrease the retained earnings. The difference between initial investment cost and net equity will be accounted for by the entities after reorganisation.

(B) The capital surplus from share issued in excess of par(additional paid-in capital from the issuance of common shares etc.) and the part of the accepted donation is able to offset the deficit; in addition, when the company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of Company's paid-in capital.

C. Retained earnings and dividend policy

	Legal reserve	Accumulated deficits	Total
January 1, 2023	$ 16,248	$ (1,442,086)	$ (1,425,838)
Capital reduction to offset losses	(16,248)	1,442,086	1,425,838
Net income attributable to shareholders of the Company	—	80,877	80,877
Share of other comprehensive income of associates - Remeasurement of defined benefit plans	—	377	377
Tax income effects	—	44	44
December 31, 2023	$ —	$ 81,298	$ 81,298

	Legal reserve	Accumulated deficits	Total
January 1, 2022	$ 16,248	$ (1,321,322)	$ (1,305,074)
Net income attributable to shareholders of the Company	—	(120,371)	(120,371)
Defined benefit plan remeasurement	—	(466)	(466)
Share of other comprehensive income of associates - Remeasurement of defined benefit plans	—	91	91
Tax income effects	—	(18)	(18)
December 31, 2022	$ 16,248	$ (1,442,086)	$ (1,425,838)

(A) The Company’s article of incorporation stipulates that Company’s net earnings should first be used to offset the prior years’ deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. According to the Company's Articles of Incorporation, 50%～100% of the distributable retained earnings shall be distributed as stockholders' bonus, of which over 10% is payable by cash. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter.

(B) The Company, in accordance with the FSC letter No. 1010012865 and the "Q&A on the Application of Special Surplus Reserve after Adopting International Financial Reporting Standards (IFRSs)," sets aside and reverses the special surplus reserve as prescribed. When there is a reversal in other equity reduction items, profits may be distributed based on the reversed portion.

(C) The appropriations of 2023 earnings had been proposed by the Board of Directors on March 13, 2024. Details are summarised below:

	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 8,130	$ —
Cash dividends	67,434	0.2
	$ 75,564	

The above-mentioned 2023 earnings appropriation has not yet been approved by the stockholders. Information about the appropriation of earnings is available on Market Observation Post System website of the TSE.

(D) The general shareholders' meeting held on May 30, 2023 has approved to offset a deficit of 2022 and capital reduction to offset losses. Information about the meeting is available on the Market Observation Post System website of the TSE.

(E) The general shareholders' meeting held on May 26, 2022 has approved to offset a deficit of 2021. Information about the meeting is available on the Market Observation Post System website of the TSE.

D. Other equity items

	Exchange differences arising from the translation of the foreign operations	Unrealized (loss) gain on financial assets at FVTOCI	Equity directly related to non-current assets held for sale	Total
January 1, 2023	$ 91,574	$ (1,468)	$ (21,946)	$ 68,160
Exchange differences on translating foreign operations	(38,650)	—	(3,383)	(42,033)
Unrealized gain on financial assets at FVTOCI	—	1,505	—	1,505
Reclassified as discontinued operation	3,954	—	(3,954)	—
Income tax effects	6,403	50	—	6,453
December 31, 2023	$ 63,281	$ 87	$ (29,283)	$ 34,085

	Exchange differences arising from the translation of the foreign operations	Unrealized (loss) gain on financial assets at FVTOCI	Equity directly related to non-current assets held for sale	Total
January 1, 2022	$ (27,868)	$ (7,410)	$ —	$ (35,278)
Exchange differences on translating foreign operations	123,056	—	(1,186)	121,870
Unrealized gain on financial assets at FVTOCI	—	5,931	—	5,931
Reclassified as discontinued operation	20,760	—	(20,760)	—
Income tax effects	(24,374)	11	—	(24,363)
December 31, 2022	$ 91,574	$ (1,468)	$ (21,946)	$ 68,160

The exchange differences arising from the translation of foreign operation's net assets from its functional currency to Group's presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

Unrealized gain/loss on FVTOCI represents the cumulative gains or losses arising from the fair value measurement on FVTOCI that are recognized in other comprehensive income.

E. Non-controlling interests

	For the Years Ended December 31	
	2023	2022
Balance, the beginning of the period	$ 3,016,563	$ 2,852,794
Net income attributable to Non-controlling interests	114,543	51,776
Other comprehensive income		
Defined benefit plan remeasurement	—	(1,076)
Unrealized loss on financial assets at FVTOCI	(635)	(126)
Share of other comprehensive income of associates	701	—
Exchange differences arising from the translation of the translating foreign operations	15,189	172,890
Income tax effects	267	25
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	1,332	(880)
Dividends paid by the subsidiary	(16,832)	(20,536)
Changes in non-controlling interests	157,516	(38,304)
Balance, end of year	$ 3,288,644	$ 3,016,563

(16) Earnings (Loss) per share

	For the Years Ended December 31	
	2023	2022
Basic EPS	$ 0.24	$ (0.36)
Diluted EPS	$ 0.24	$ (0.36)

The Company set November 13, 2023, as the capital reduction reference date. According to IAS 33, 'Earnings Per Share,' paragraph 64, the financial statements for the current period and comparative period should retrospectively express earnings (loss) per share.

A. Basic EPS

	For the Years Ended December 31	
	2023	2022
Profit (loss) attributable to shareholders of the Company-continuing operations	$ 228,541	$ (110,919)
Loss attributable to shareholders of the Company-discontinued operations	(147,664)	(9,452)
Profit (Loss) for the years attributable to owners of the Company	$ 80,877	$ (120,371)
Weighted average number of ordinary shares outstanding (in thousands shares)	337,168	337,168
Basic EPS-continuing operations	$ 0.68	$ (0.33)
Basic EPS-discontinued operations	(0.44)	(0.03)
Basic EPS	$ 0.24	$ (0.36)

B. Diluted EPS

	For the Years Ended December 31	
	2023	2022
Profit (loss) attributable to shareholders of the Company-continuing operations	$ 228,541	$ (110,919)
Loss attributable to shareholders of the Company-discontinued operations	(147,664)	(9,452)
Profit (Loss) for the years attributable to owners of the Company	$ 80,877	$ (120,371)
Weighted average number of ordinary shares outstanding (in thousands shares)	337,168	337,168
Employees' compensation	121	—
Weighted average number of diluted ordinary shares outstanding (in thousands shares)	337,289	337,168
Diluted EPS-continuing operations	$ 0.68	$ (0.33)
Diluted EPS-discontinued operations	(0.44)	(0.03)
Diluted EPS	$ 0.24	$ (0.36)

The Company may settle the bonuses or remuneration paid to employees in cash or shares. Therefore, the Company presumes that the entire amount of the bonuses or remuneration will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

(17) Operating revenues

The analysis of the Group’s operating revenues was as follows:

	For the Years Ended December 31	
	2023	2022
Revenue from the sale of goods	$ 8,230,589	$ 9,349,972
Revenue form processing	189,504	266,145
Less: operating revenues-discontinued operation	—	42,501
Total	$ 8,420,093	$ 9,573,616

(18) Other gains and losses

	For the Years Ended December 31	
	2023	2022
Loss on disposal of property, plant and equipment	$ (41,095)	$ (2,633)
Loss on disposal of investments	—	(95)
Foreign exchange (llosses) gains	(6,414)	59,530
Gains (loss) on financial assets and liabilities at fair value through profit or loss	49,058	(63,530)
Impairment (loss) reversal on non-financial assets	(7,582)	7,572
Others	15,872	43,654
Less: other gains and losses-discontinued operations	(12,667)	(652)
Total	$ 22,506	$ 45,150

(19) Finance costs

	For the Years Ended December 31	
	2023	2022
Interest expense	$ 83,121	$ 65,757
Interest expense on lease liabilities	198	115
Less: Finance cost-discontinued operations	2,508	—
Total	$ 80,811	$ 65,872

(20) Income tax

A. Income tax recognized in profit or loss

The components of income tax expense were as follows

	For the Years Ended December 31	
	2023	2022
Current tax expenses		
Underestimated income tax for previous year	$ 3,187	$ —
Current period	26,576	60,726
	29,763	60,726
Deferred tax benefit		
Origination and reversal of temporary differences	(1,110)	(28,519)
Less: income tax-discontinued operations	998	394
Income tax expense	$ 27,655	$ 31,813

Reconciliation of income tax and profit before tax for 2023 and 2022 were as follows:

	For the Years Ended December 31	
	2023	2022
Income (loss) before tax of continued operation	$ 370,739	$ (27,330)
Loss before tax of discontinued operation	(146,666)	(9,058)
Income (loss) before tax	224,073	(36,388)
Income tax using the statutory rate	26,576	60,726
Underestimated income tax for previous year	3,187	—
Other	(1,110)	(28,519)
Less: income tax-discontinued operations	998	394
Income tax expense	$ 27,655	$ 31,813

B. Income tax recognized in other comprehensive income

	For the Years Ended December 31	
	2023	2022
Unrealized loss on investments in equity instruments at FVTOCI	$ 317	$ 36
Share of other comprehensive income of associates - Remeasurement of defined benefit plans	44	(18)
Exchange differences arising from the translation of the foreign operations	6,403	(24,374)
Total	$ 6,764	$ (24,356)

C. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Balance, beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of foreign currency exchange differences	Balance, end of year
Temporary differences					
Exchange difference on foreign operations	$ (17,407)	$ —	$ 6,403	$ 709	$ (10,295)
Unrealized loss on investments in equity instruments at FVTOCI	(1,343)	—	317	(168)	(1,194)
Investment account of using the equity method	24,103	(8,338)	—	197	15,962
Other	17,348	1,165	44	71	18,628
Loss carryforward	—	8,283	—	—	8,283
Total	$ 22,701	$ 1,110	$ 6,764	$ 809	$ 31,384
Deferred tax assets	$ 40,108	$ 27,003	$ 361	$ 42	$ 67,514
Deferred tax liabilities	$ (17,407)	$ (25,893)	$ 6,403	$ 767	$ (36,130)

For the year ended December 31, 2022

	Balance, beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of foreign currency exchange differences	Balance, end of year
Temporary differences					
Exchange difference on foreign operations	$ 6,967	$ —	$ (24,374)	$ —	$ (17,407)
Unrealized loss on investments in equity instruments at FVTOCI	(1,297)	—	36	(82)	(1,343)
Investment account of using the equity method	—	23,112	—	991	24,103
Other	10,712	5,407	—	1,229	17,348
Total	$ 16,382	$ 28,519	$ (24,338)	$ 2,138	$ 22,701
Deferred tax assets	$ 16,382	$ 28,519	$ (6,545)	$ 1,752	$ 40,108
Deferred tax liabilities	$ —	$ —	$ (17,793)	$ 386	$ (17,407)

D. The information of unrecognized deferred income tax

	December 31, 2023	December 31, 2022
Loss carryforwards	$ 2,580,976	$ 34,706
Deductible temporary differences	$ 24,031	$ 69,783

E. As of December 31, 2023, the balances of income tax-deductible from the losses carried forward from previous operating years for the Company are as follows:

December 31, 2023		
Loss making year	Loss carryforwards	Expiry year
2022	$ 35,503	2032
2023	2,586,890	2033
	$ 2,622,393	

The Company's income tax return through 2020 have been assessed by the tax authority.

F. The Company is subject to a tax rate of 20% under the Republic of China Income Tax Act for applicable entities. Taxes generated in other jurisdictions are calculated based on the respective tax rates applicable in those jurisdictions.

(21) The personnel, depreciation and amortization expenses of the Group

A. A summary of current-period employee benefits, depreciation and amortization by function is as follows (continuing operating):

	For the Year Ended December 31, 2023			For the Year Ended December 31, 2022		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Personnel expenses						
Payroll expense	$ 300,622	$ 298,509	$ 599,131	$ 283,151	$ 138,401	$ 421,552
Insurance expense	14,597	39,703	54,300	15,601	11,596	27,197
Pension	4,186	4,506	8,692	5,984	4,089	10,073
Remuneration to Directors	—	2,040	2,040	—	2,200	2,200
Others	4,227	9,166	13,393	4,961	4,376	9,337
Depreciation	$ 232,986	$ 46,456	$ 279,442	$ 239,440	$ 31,721	$ 271,161
Amortization	$ 19,562	$ 2,762	$ 22,324	$ 11,369	$ 150	$ 11,519

B. Employee benefits

(A) In accordance with the articles of incorporation the Company should contribute 2% to 5% of the profit as employee compensation and less than 1% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

(B) The Company estimated to contribute 2% of the profit as employee compensation and 1% as directors' remuneration for the year 2023:

	Employees compensation	Directors remuneration
2023	$ 1,540	$ 770

(C) Due to the accumulation deficit, there is no allocation as employees' compensation and remuneration to directors for the year ended December 31, 2022.

(D) Related information would be available on the Market Observation Post System website.

(22) Business combination

A. In January of the 2023, the Group acquired 74.90% of the shares of the Germany company, Fastbolt Group GmbH. Fastbolt Group GmbH and its subsidiaries are distributors of products such as fasteners.

The acquisition of Fastbolt Group GmbH enabled the Group to sell its products in regions such as Europe through the company's distribution network. Additionally, through this acquisition transaction, the merged company gained access to the acquired company's customer base.

From the acquisition date until December 31, 2023, the contributions of Fastbolt Group GmbH and its subsidiaries to revenue and net profit were $1,249,831 thousand and $210,607 thousand, respectively.

The legal advisory expenses incurred from this acquisition transaction amounted to $2,780 thousand, and these expenses were recognized as operating expenses in the consolidated statement of comprehensive income.

B. Transfer consideration

	Amount
Cash	$ 298,334

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

	Amount
Assets	
Cash	$ 47,874
Accounts receivables	227,638
Other receivables	1,264
Inventory	691,250
Prepayments	3,886
Other current assets	27,100
Property, plant and equipment	49,316
Intangible assets	4,531
Other non-current assets	23
Liabilities	
Contract liabilities	(862)
Short-term loan	(110,052)
Accounts payable	(145,583)
Other payables	(1,491)
Other current liabilities	(61,758)
Long term loan	(169,614)
Total	$ 563,522

D. Gain on a bargain purchase due to the acquisition is as follows:

		Amount
Transfer consideration	$	298,334
Add: Non-controlling interest in the acquire (measured as the proportion of identifiable net assets to other equity interest)		139,863
Exchange difference		19,097
Less: Fair value of identifiable net assets		(563,522)
Bargain purchase benefits (accounted for as other income)	$	(106,228)

E. Non-controlling interests

The non-controlling interests of Fastbolt Group GmbH (shareholding percentage is 25.10%) is measured at the non-controlling interests' identifiable net assets $139,863 thousand at the date of acquisition.

F. Cash flow from acquire the subsidiary

		Amount
Cash paid for purchase of the subsidiary	$	298,334
Less：Cash and cash equivalents		(47,874)
Exchange difference		(1,036)
	$	249,424

(23) Cash flow information

1. Property, plant and equipment

	For the Years Ended December 31			
	2023		2022	
Additions of property, plant and equipment	$	417,396	$	252,410
Add：Payable on equipment on January 1		77		925
Less：Payable on equipment on December 31		(4,117)		(77)
Less：Changes in prepayments for equipment		(37,851)		(56,128)
Cash payment	$	375,505	$	197,130

2. The reconciliation of liabilities arising from financing activities was as follows:

	Current borrowings	Long term loan (including payable within one year)	Guarantee deposits received	Lease liabilities	Changes of liabilities from financing activities
January 1, 2023	$ 1,319,373	$ —	$ 12,098	$ 15,849	$ 1,347,320
Business combinations	110,052	169,614	—	—	279,666
Financing cash flow	(489,424)	54,398	(3,633)	(6,888)	(445,547)
Effect of exchange rate changes	5,651	—	(316)	—	5,335
December 31, 2023	$ 945,652	$ 224,012	$ 8,149	$ 8,961	$ 1,186,774

	Current borrowings	Guarantee deposits received	Lease liabilities	Changes of liabilities from financing activities
January 1, 2022	$ 1,724,048	$ 10,921	$ 2,662	$ 1,737,631
Financing cash flow	(506,775)	962	(3,387)	(509,200)
Lease liabilities	—	—	16,574	16,574
Effect of exchange rate changes	102,100	215	—	102,315
December 31, 2022	$ 1,319,373	$ 12,098	$ 15,849	$ 1,347,320

(24) Capital management

The Group's capital is based on the industrial characteristics, development of the Group and the operating environment to manage the capital to operate the business. The Group's objectives for managing capital are to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

(25) Financial instruments

A. categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Cash and cash equivalents	$ 1,144,612	$ 1,206,169
Financial assets at fair value through profit or loss, current	11,687	5,931
Financial assets at amortized cost, non-current	63,466	31,056
Notes and accounts receivable, including related-parties	586,643	606,358
Other receivables, including related-parties	126,281	92,295
Other financial assets, current and non-current	3,964	20,662
Financial assets at fair value through other comprehensive income, non-current	101,371	98,071
Guarantee deposits paid, non-current	5,421	5,413
Non-current assets or disposal group classified as held for sale	12,793	7,132
Total	$ 2,056,238	$ 2,073,087

	December 31, 2023	December 31, 2022
Financial liabilities		
Current borrowings	$ 945,652	$ 1,319,373
Financial liabilities at fair value through profit or loss	6,691	53,694
Notes and accounts payable	249,053	214,629
Other payables	139,647	149,477
Long term loan (including payable within one year)	224,012	—
Guarantee deposits received, non-current	8,149	12,098
Lease liabilities, current and non-current	8,961	15,849
Liabilities related to non-current assets or disposal groups classified as held for sale	119,149	7,207
Total	$ 1,701,314	$ 1,772,327

B. Financial risk management objectives

The Group manages its exposure to foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by the Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

C. Market risk

The Group is exposed to financial market risks, primarily changes in foreign currency exchange rates and interest rates. The Group uses some derivative financial instruments to manage those risks.

(A) Foreign currency risk

Most of the Group's revenues and expenditures are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group uses derivative financial instruments, such as forward exchange contracts and cross-currency swaps, and non-derivative financial instruments, such as foreign currency-denominated debt, to partially hedge the Group's existing and certain forecasted currency exposure. These hedges will offset only a portion of, but do not eliminate, the financial impact from movements in foreign currency exchange rates.

The Group uses derivative financial instruments short less than six months, and that doesn’t meet the condition of hedge accounting.

Because of the strategic investment, the Company doesn't use any method to manage the risk in the invest foreign operating agencies.

The following was the summary of significant foreign currency assets and liabilities (including reclassification as non-current assets or disposal group classified as held for sale on December 31, 2023).

	December 31, 2023		
	Foreign currency	Rate	NTD (in thousands)
Financial assets			
Foreign currency			
USD	6,950,313	30.71	213,444
EUR	2,788,387	33.98	94,749
THB	20,976,611	0.90	18,879
RMB	20,956	4.33	91
Financial liabilities			
Foreign currency			
USD	10,542,158	30.71	323,750
EUR	74,351	33.98	2,526
RMB	55,952,453	4.33	242,274

	December 31, 2022		
	Foreign currency	Rate	NTD (in thousands)
Financial assets			
Foreign currency			
USD	11,034,113	30.71	338,858
EUR	3,811,873	32.72	124,724
THB	21,170,251	0.89	18,842
RMB	26,488	4.41	117
Financial liabilities			
Foreign currency			
USD	32,828,986	30.71	1,008,178
EUR	51,153	32.72	1,674

The above information is based on the carrying amount and translated to the functional currency.

For the years ended December 31,2023 and 2022, the Group recognized foreign exchange (losses) gains were ($1,521) thousand and $59,781 thousand, respectively.

The Group's sensitivity analysis of foreign currency risk mainly focuses on the foreign currency monetary items and the derivatives financial instruments at the end of the reporting period. Assuming favorable or unfavorable 1% movement in the levels of foreign exchanges relative to the New Taiwan dollar, the net income for the years ended December 31, 2023 and 2022 would have increased or decreased by $1,103 thousand and $6,693 thousand, respectively. The equity of the Group would have increased or decreased by $882 thousand and $5,354 thousand, respectively.

(B) Interest rate risk

Interest rate risk refer to the risk of changes in the fair value of financial instruments due to changes in market interest rates. The Group is exposed to interest rate risk arising from borrowing and investment at fixed interest rates.

At the reporting dates, a change of 1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by $3,432 thousand and $3,298 thousand, respectively.

D. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group is exposed to credit risks from operating activities, primarily trade receivables, investment and others. Credit risk is managed separately for business-related and financial-related exposures.

(A) Business related credit risk

The majority of the Group's outstanding trade receivables are not covered by collaterals or guarantees. While the Group has procedures to monitor and manage credit risk exposure on trade receivables, there is no assurance such procedures will effectively eliminate losses resulting from its credit risk. The Group uses other methods to manage this risk, like prepaid from the client, insurance, and so on. The Group believes the concentration of credit risk is not material for the remaining accounts receivable.

(B) Financial credit risk

This risk of the bank deposit and investment in financial instruments are managed by the financial department of the Group. The Group mitigates the credit risks from financial institutions by limiting its counterparties to only reputable domestic or international financial institutions with good credit standing and spreading its holdings among various financial institutions. The Group's exposure to credit risk arising from the default of counter-parties is limited to the carrying amount of these instruments. The Group believes the concentration of this risk is not material.

E. Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business operations. The Group manages its liquidity risk by maintaining adequate cash and cash equivalents, and sufficient cost-efficient funding.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and interest.

	December 31, 2023				
	Less than 1 Year	2～3 Years	4～5 Years	5+ Years	Total
Non-derivative financial liabilities					
Current borrowings	$ 992,895	$ －	$ －	$ －	$ 992,895
Notes and accounts payable	249,053	－	－	－	249,053
Other payables	139,647	－	－	－	139,647
Lease liabilities	5,741	3,343	－	－	9,084
Long term loan (including payable within one year)	9,602	12,737	99,608	181,118	303,065
Guarantee deposits received	－	8,149	－	－	8,149
Liabilities related to non-current assets or disposal groups classified as held for sale	119,149	－	－	－	119,149
Total	$1,516,087	$ 24,229	$ 99,608	$ 181,118	$1,821,042
Derivative financial instruments					
Forward exchange contracts	$ 6,691	$ －	$ －	$ －	$ 6,691

	December 31, 2022				
	Less than 1 Year	2～3 Years	4～5 Years	5+ Years	Total
Non-derivative financial liabilities					
Current borrowings	$1,399,869	$ －	$ －	$ －	$1,399,869
Notes and accounts payable	214,629	－	－	－	214,629
Other payables	149,477	－	－	－	149,477
Lease liabilities	7,086	9,085	－	－	16,171
Guarantee deposits received	－	12,098	－	－	12,098
Liabilities related to non-current assets or disposal groups classified as held for sale	7,609	－	－	－	7,609
Total	$1,778,670	$ 21,183	$ －	$ －	$1,799,853
Derivative financial instruments					
Forward exchange contracts	$ 53,694	$ －	$ －	$ －	$ 53,694

F. Fair value of financial instruments

(A) The evaluated fair value of financial instruments doesn't include cash and cash equivalents, accounts receivable, other financial assets, current borrowings and accounts payable. The carrying amount and fair value of those financial assets and liabilities for financial instruments are not measured at fair value whose carrying amount is reasonably close to the fair value. We cannot confirm when we can receive or pay the guarantee deposits received and paid, so the fair value was the carrying amount.

(B) Fair value measurements recognized in the consolidated balance sheets

Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1： fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3： fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and liabilities measured at fair value on a recurring basis:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ –	$ 128	$ –	$ 128
Non-derivative financial assets	11,559	–	–	11,559
Total	$ 11,559	$ 128	$ –	$ 11,687
Financial assets at FVTOCI				
Investment in non-publicly trade stocks	$ –	$ –	$ 101,371	$ 101,371
Financial liabilities at FVTPL				
Derivative financial liabilities	$ –	$ 6,691	$ –	$ 6,691

	December 31, 2022							
	Level 1		Level 2		Level 3		Total	
Financial assets at FVTPL								
Non-derivative financial assets	$	5,931	$	—	$	—	$	5,931
Financial assets at FVTOCI								
Investment in non-publicly trade stocks	$	—	$	—	$	98,071	$	98,071
Financial liabilities at FVTPL								
Derivative financial liabilities	$	—	$	53,694	$	—	$	53,694

Valuation techniques and assumptions are as followed,

a. Level 1

	Investment in publicly trade stocks	Funds
Market value	Closing price	Net value

b. Level 2

Item	Valuation techniques and assumptions
Derivative financial instruments－Forward exchange contracts	Forward exchange contracts are measured using forward exchange rates and the discounted yield curves that are derived from quoted market prices.

c. Level 3

The fair values of non-publicly traded equity investments are mainly determined by using the asset approach.

(C) During the nine months ended September 30, 2023 and 2022, there were no significant transfers between Level 1 and Level 2 fair value measurements. Reconciliations for fair value measurement in Level 3 fair value hierarchy were as follows:

	For the Years Ended December 31			
	2023		2022	
Balance, beginning of the period	$	98,071	$	85,307
Recognized in other comprehensive income		870		5,805
Effect of exchange rate changes		2,430		6,959
Balance, ended of the period	$	101,371	$	98,071

7. RELATED-PARTY TRANSACTIONS

(1) Names and relationships with related parties

The following are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

Related parties	Relationships
TY Steel Co., Ltd. ("TY")	An associate
Jin Hai Hardware Co., Ltd. ("JinHai")	The other related party
Huang Wen Sung	The other related party
Huang Bing Lun	The other related party

All directors and the main management

(2) Significant transactions with related parties

A. Sales

	For the Year Ended December 31,2023			For the Year Ended December 31,2022		
		Amount	%		Amount	%
TY	$	91,892	1	$	127,883	1
Others		46,363	1		65,965	1
Total	$	138,255	2	$	193,848	2

The items of the trade to related parties were not significantly different from those of sales to third parties.

B. Purchases

	For the Year Ended December 31,2023			For the Year Ended December 31,2022		
		Amount	%		Amount	%
TY	$	2,007,070	28	$	1,801,011	20

The terms to related parties were not significantly different from those of purchase from third parties.

C. Accounts receivable

	December 31,2023			December 31,2022		
		Amount	%		Amount	%
TY	$	15,406	3	$	4,637	1
Others		—	—		2,061	—
Total	$	15,406	3	$	6,698	1

D. Other receivables

	December 31,2023			December 31,2022		
	Amount		%	Amount		%
TY	$	918	1	$	584	1

E. The Group leased land from Huang Wen Sung and Huang Bing Lun, who is a related party, in April 2022 with lease terms of 3 years. The monthly rent is $240 thousand, paid for every three months. On December 31, 2023 and 2022 $2,880 thousands and $1,920 thousand has been paid, respectively.

(3) Compensation of key management (Continuing operation)

The compensation to directors and other key management personnel was as follows:

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
Short-term employee benefits	$	47,092	$	32,947
Post-employment benefits		1,793		2,642
Total	$	48,885	$	35,589

8. MORTGAGED OR PLEDGED ASSETS

The Group's assets mortgaged or pledged as collateral for long-term borrowings and short-term borrowings were as follows:

Item	Guarantee purpose	December 31, 2023		December 31, 2022	
Financial assets amortized cost	Short-term loan	$	63,466	$	31,056
Account receivable	Short-term loan	$	43,725	$	—
Inventories	Long-term and short-term loan	$	500,170	$	124,208
Other financial assets	Short-term loan	$	3,964	$	—
Property, plant and equipment	Long-term and short-term loan	$	1,933,648	$	1,775,348
Right-of-use assets	Short-term loan	$	19,835	$	20,418

9. COMMITMENTS AND CONTINGENT LIABILITIES

A. As of December 31, 2023 and 2022, the Company provided guarantee note deposits were both $165,000 thousand, to the banks as securities against credit facilities.

B. The subsidiary Tycoons Worldwide Group (Thailand) Public Co., Ltd. had capital commitments relating to the acquisition of the building and attached facilities and machinery and equipment were as follows:

(Unit：Million)

	2023	2022
Currency：		
Baht	16.6	16.2
US dollar	1.0	0.4
NTD	3.5	2.3

C. Tycoons Worldwide Group (Thailand) Public Co., Ltd signed a contract as of December 31, 2023 and 2022 to purchase raw materials for USD$17 million and HKD$0 million, and USD$5 million and HKD$ 39. It is expected to arrive on board within one year after the signing date.

D. Tycoons Worldwide Group (Thailand) Public Co., Ltd. provided guarantee note were $27 million baht and $56 million baht, respectively to the banks for electricity costs and other reasons.

10. SIGNIFICANT DISASTER LOSS: None.

11. SUBSEQUENT EVENTS: None.

12. OTHER: None.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Financings provided: Please refer to table 1.

B. Endorsements and guarantees provided: Please refer to table 2.

C. Marketable securities held at the ended of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 3.

D. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: Please refer to table 4.

E. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

F. Disposal of real individual estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Please refer to table 5.

H. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: None.

I. Information about the derivative financial instruments transaction: Please refer to 6(2).

J. The business relationship between the parent and subsidiaries and significant transactions between them: Please refer to table 6

(2) Information on investees

Names, locations, and related information of investees over which the company exercises significant influence (excluding information on investment in mainland China): Please refer to table 7.

(3) Information on investments in mainland China: Please refer to table 8 and Note.

(4) Major shareholders information: table 9.

TABLE 1

FINANCING PROVIDED

Amounts in thousands of New Taiwan dollars

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 5)	Ending Balance (Note 4)	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 2)	Transaction Amounts (Note 7)	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 3)
													Item	Value		
0	Tycoons Group Enterprise Co.,Ltd.	Tycoons Group International Co.,Ltd.	Other receivables-related parties	Yes	$ 1,069	$ 30,705	$ —	—	2	$ —	Advance payment and business turnover	—	None	None	$ 1,446,447	$ 1,446,447
		Tycoons Vietnam Co.,Ltd.	Other receivables-related parties	Yes	92,115	98,256	92,115	1~3	2	—	Short－term financing	—	None	None	1,446,447	1,446,447
		Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	Other receivables-related parties	Yes	453	1,000	62	—	2	—	Advance payment	—	None	None	723,223	1,446,447
1	Tycoons Group International Co.,Ltd.	Viettycoons Steel Co.,Ltd.	Other receivables-related parties	Yes	6,142	—	—	—	2	—	Short－term financing	—	None	None	15,106	15,106
		Fortune Gain Enterprises Co., Ltd.	Other receivables-related parties	Yes	—	—	—	—	2	—	Short－term financing	—	None	None	15,106	15,106
		Tycoons Vietnam Co.,Ltd.	Other receivables-related parties	Yes	62,280	52,199	—	1	2	—	Short－term financing	—	None	None	3,776	15,106
		Tycoons Group Enterprise Co.,Ltd.	Other receivables-related parties	Yes	55,153	—	—	—	2	—	Short－term financing	—	None	None	15,106	15,106
2	Huanghua Jujin Hardware Products Co.,Ltd.	Huanghua Haixin Hardware Products Co., Ltd.	Other receivables-related parties	Yes	12,928	12,928	12,928	5.2	2	—	Short－term financing	—	None	None	59,659	238,636
3	Fastbolt Schraubengroßhandels GmbH	FB Ibérica Unipessoal Lda.	Other receivables-related parties	Yes	10,194	10,194	10,194	4.783	2	—	Short－term financing	—	None	None	262,216	262,216

Note 1：The Company and its subsidiaries are coded as follows:
1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2：Nature for financing is coded as follows:
1. Business transactions.
2. Short-term financing .

Note 3：The company's financing provided limit for individual objects is the individually specified percentage of the net assets value of the latest financial statement (2023.12.31). The total financing provided limit is 10%~40% of the net assets value of the latest financial statement (2023.12.31).

Note 4：If a public company makes a loan to the board of directors on a case-by-case basis in accordance with Article 14 (1) of the Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies, even though it has not yet allocated funds, the amount of the board resolutions shall be included in the announcement balance to reveal its bear the risk; but after the fund is repaid, the balance after the repayment should be disclosed to reflect the adjustment of risk. If the public offering company authorizes the chairman of the board of directors to approve the loan in a certain amount and within one year in accordance with Article 14 (2) of the Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies, the fund loan and the amount approved by the board of directors shall still be used as the announced balance. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the fund loan and quota approved by the board of directors should still be used as the announced balance.

Note 5：The maximum balance is the maximum amount spent in the current period .

Note 6：When preparing this consolidated financial statement, it has been offset.

Note 7：If the nature of financing provided is a business transaction, the amount of the business transaction should be entered. The amount of business transactions refers to the amount of business transactions between the company that lends funds and the loanee in the latest year.

TABLE 2

ENDORSEMENTS / GUARANTEES PROVIDED

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

No. (Note 1)	Endorsement / Guarantee Provider	Guaranteed Party		Limits on Endorsement / Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 4、Note 5)	Amount Actually Draw (Note 6)	Amount of Endorsement / Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement / Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement / Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Name	Nature of Relationship (Note 2)										
0	Tycoons Group Enterprise Co.,Ltd.	Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	3 (Note 8)	$ 7,232,238	THB 1,500,000,000 USD 40,000,000	THB – USD –	NTD –	$ –	–	$ 9,040,297	Y	–	–
1	Tycoons Group International Co.,Ltd.	Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	3 (Note 8)	56,650	THB 500,000,000	THB –	NTD –	–	–	75,534	Y	–	–

Note 1：The Company and its subsidiaries are coded as follows:
1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from ”1” in the order presented in the table above.

Note 2：According to the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:
1. A company with which it does business.
2. A company in which the public company directly hold more than 50% of the voting shares.
3. A company in which the public company and its subsidiaries directly holds more than 50% of the voting shares.
4. A company that directly and indirectly holds more than 50 % of the voting shares in the public company.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

Note 3：1. The company's endorsements / guarantees limit for individual objects is the individually specified percentage of the net value of the latest financial statement (2023.12.31). (Tycoons Group Enterprise Co.,Ltd.:200%，Tycoons Group International Co.,Ltd.:150%)
2. The maximum of the company's endorsements / guarantees limit is the individually specified percentage of the net value of the latest financial statement (2023.12.31). (Tycoons Group Enterprise Co.,Ltd.:250%，Tycoons Group International Co.,Ltd.:200%)
3. Except that due to the joint investment relationship, each contributing shareholder endorsements/ guarantees the invested company according to its shareholding ratio, the limit of endorsements /guarantees shall not exceed 100% of the net value of the latest financial statement, the single enterprises holding not more than 50% endorsements / guarantees limit for individual objects ,the limit shall not exceed the total amount of transactions in the most recent year.

Note 4：The maximum endorsement guarantee balance for the current period and the end endorsement guarantee balance at the end of the period are the quota, not the actual transfer amount .

Note 5：As of the end of the year, every company that has signed an endorsement guarantee contract or bill to the bank for approval, shall assume the responsibility of endorsement or guarantee; in addition, other related endorsement guarantees shall be included in the balance of the endorsement guarantee .

Note 6：It should enter the actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

Note 7：Under the circumstance where the TSE or OTC listed parent company endorses or guarantees its subsidiaries, the subsidiary endorses or guarantees its TSE or OTC listed parent company or the endorsement and guarantee is made in mainland China, “Y” shall be filled in.

Note 8: Holding by the subsidiary of the Company, Tycoons Group International Co., Ltd.. The Group had disposed of the partial shares of its subsidiary and completed the entire transactions in September and December, 2022, respectively. The shareholding ratio did not exceed 50% after the disposal, resulting in non-compliance with the requirements of the endorsement.

TABLE 3

MARKETABLE SECURITIES HELD

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Held Company Name	Marketable Securities Type and Name (Note 1)		Relationship with the Company	Financial Statement Account	December 31, 2023				Note (Note 3)
					Shares / Units	Carrying Value (Note 2)	Percentage of Ownership	Fair Value	
Tycoons Group Enterprise Co., Ltd.	Common stock	Taiwan Cement Corporation	—	Financial assets at fair value through profit or loss, current	65,995	$ 2,300	—	$ 2,300	Note 5
	Funds	Neuberger Berman Funds	—	〃	20,000	5,036	—	5,036	Note 5
	Funds	Mega Global Bond ETF Strategic Income Fund of Funds	—	〃	10,000	3,177	—	3,177	Note 5
	Funds	FSITC Global Sustainable Impact Investment Multi-Asset Fund	—	〃	100,000	1,046	—	1,046	Note 5
	Common stock	JinHai Hardware Company Limited	—	Financial assets at fair value through other comprehensive income, non-current	4,353,875	41,767	18.19%	THB 45,689,850	Note 4
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Common stock	Thai Union Fastener Co., Ltd.	—	〃	6,000,000	59,604	8.7%	THB 66,679,994	Note 4

Note 1：The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of International Financial Reporting Standard No. 9 "Financial Instruments".

Note 2：If measured by fair value, please fill in the book value after the fair value evaluation adjustments and deduct the allowance loss; if it is not measured by fair value, please fill in the amortized cost (after deducting the allowance loss) of the book balance.

Note 3：The listed securities have users who are restricted due to the provision of guarantees, pledged loans, or other agreed-upon agreements. The remarks column should indicate the number of guarantees or pledged shares, the amount of guarantees or pledges, and the circumstances of restricted use.

Note 4：There is no public market price, which is determined by the net equity value or by evaluation.

Note 5：The market price is closing price on December 31,2023.

TABLE 4

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares / Units	Amount	Shares / Units	Amount	Shares / Units	Amount	Carrying Value	Gain / Loss on Disposal	Shares / Units	Amount (Note)
Tycoons Group Enterprise Co.,Ltd.	Kingford International Limited	Investments accounted for using equity method	Tycoons Group International Co., Ltd.	Subsidiary	—	$ —	5,938,051	$ 353,535	—	$ —	$ —	—	5,938,051	$ 353,535
Tycoons Group Enterprise Co.,Ltd.	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Investments accounted for using equity method	Tycoons Group International Co., Ltd.	Subsidiary	—	—	180,470,477	1,237,068	—	—	—	—	180,470,477	1,237,068

Note: Originally held through Tycoons Group International Co., Ltd., for the purpose of simplifying the investment structure, the equity was transferred to the company in the third quarter of the 2023. Please refer to Note 4(3) .

TABLE 5

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$ 100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars

Company Name	Related Party	Nature of Relationships	Transaction Details				Details of non-arm's length transaction		Notes and Accounts receivable (payable)	
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of total receivables (payable)
Tycoons Group Enterprise Co.,Ltd.	Tycoons Vietnam Co., Ltd.	Subsidiary	Purchases	$ 122,262	22%	30days	No significant difference	No significant difference	$ 5,016	22
Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	TY Steel Co.,Ltd.	Associate	Purchases	2,007,070	43%	30~120days	No significant difference	No significant difference	—	—
	Fastbolt Schraubengroß handels GmbH	Subsidiary	Sales	101,324	2%	30~120days	No significant difference	No significant difference	—	—

Note 1：It has been offset when preparing the consolidated financial statements.

TABLE 6

THE BUSSINESS RELATIONSHIP BETWEEN THE PARENT AND SUBSIDIARIES AND SIGNIFICANT TRANSACTIONS BETWEEN THEM

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counter-party	Nature of Relationships (Note 2)	Transaction Details			
				Financial Statement item	Amount	Transaction Terms	Percentage of consolidated revenue or assets % (Note 4)
0	Tycoons Group Enterprise Co., Ltd.	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	1	Sales	$ 67,877	Refer to the transaction conditions of other customers.	1
				Purchase	52,356	Refer to the transaction conditions of other customers.	1
		Tycoons Vietnam Co., Ltd.	1	Sales	18,762	Refer to the transaction conditions of other customers.	—
				Purchase	122,262	Refer to the transaction conditions of other customers.	1
				Accounts receivables	8,805	Refer to the transaction conditions of other customers.	—
				Other receivables	92,115	Note 3	1
		Vietthycoons Steel Co., Ltd.	1	Purchase	50,990	Refer to the transaction conditions of other customers.	1
1	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Fastbolt Schraubengroßhandels GmbH	1	Sales	101,324	Refer to the transaction conditions of other customers.	1
2	Fastbolt Group GmbH	Fastbolt Schraubengroßhandels GmbH	1	Advance payable	19,115	Refer to the transaction conditions of other customers.	—
3	Fastbolt Schraubengroßhandels GmbH	FB Iberica Unipessoal Lda.	3	Sales	14,930	Refer to the transaction conditions of other customers.	—
				Other receivables	10,194	Note 3	—
		Fastbolt Distributors (UK) Ltd.	3	Sales	31,361	Refer to the transaction conditions of other customers.	—
				Accounts receivables	15,294	Refer to the transaction conditions of other customers.	—

Note 1：The Company and its subsidiaries are coded as follows:
1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from ”1” in the order presented in the table above.

Note 2：The relationship with the trader has the following three types:
1. Parent company to a subsidiary.
2. Subsidiary to the parent company.
3. Subsidiary to subsidiary.

Note 3：The transaction is classified as the capital loan. It is not applicable.

Note 4：For the calculation of the ratio of the transaction amount to consolidated revenue or assets, if it is an asset-liability item, it is calculated by the balance at the end of the period in the consolidated assets; if it is a profit and loss item, it is calculated by the cumulative amount in the period as a share of the consolidated revenue.

Note 5：It has been offset when preparing the consolidated financial statements.

TABLE 7

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Shares of Profits / Losses of Investee	Notes
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying value			
Tycoons Group Enterprise Co.,Ltd.	Tycoons Group International Co., Ltd.	Cayman	Holding	$ 2,962,712	$ 4,995,368	25,752,000	100.00%	$ 38,098	USD 1,691,445	$ 55,466	Subsidiary
	Tycoons Group (Samoa) Holding Ltd.	Samoa	Holding	USD 778,106	–	700,000	100.00%	11,707	USD (584,023)	(11,799)	Subsidiary
	Hurco Automation, Ltd.	Taiwan	Design, manufacture, sale and distribution of industrial controllers	42,077	42,077	4,207,707	35.00%	171,481	52,416	18,345	Associate
	Green Engineering Holding Co., Ltd.	Thailand	Investment green energy industry	29,779	–	33,750	45.00%	30,419	THB (31,777)	(13)	Subsidiary
	Kingford International Limited	Samoa	Holding	USD10,955,528	–	5,938,051	100.00%	369,561	USD 598,643	27,619	Subsidiary
	TY Steel Co., Ltd.	Thailand	Production and sale of steel billets	USD 2,387,372	–	16,185,593	5.94%	63,964	THB (504,374,945)	(11,635)	Associate
	Fastbolt International Pte., Ltd.	Singapore	Holding	USD 7,062,147	–	4,743,000	49.41%	303,006	EUR 7,852,902	74,545	Subsidiary
	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Thailand	Production, processing, and sales of wire rods, annealed wires, screws, bolts, and other related products	USD38,334,926 21,204	14,632	188,902,477	31.66%	1,269,732	THB 67,593,425	(6,365)	Subsidiary
Tycoons Group International Co., Ltd.	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Thailand	Production, processing, and sales of wire rods, annealed wires, screws, bolts, and other related products	–	THB 1,883,699,242	–	–	–	THB 67,593,425	THB 27,545,573	Subsidiary
	Kingford International Limited	Samoa	Holding	–	USD 5,938,051	–	–	–	USD 598,643	USD (287,866)	Subsidiary
	Viettycoons Steel Co., Ltd.	Vietnam	Production and sales of cold-rolled steel products, pickled steel coils, hot-dip galvanized steel coils, various types of steel mesh, wire mesh, bolts, screws, rivets, round bars for screws, screws, nuts, and scissors	USD 6,000,000	USD 6,000,000	USD 6,000,000 (investment amount)	100.00%	USD 1,228,939	VND 2,457,012,260	VND 2,457,012,260	Subsidiary

TABLE 7-1

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Shares of Profits / Losses of Investee	Notes
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying value			
Tycoons Group International Co., Ltd.	TY Steel Co., Ltd.	Thailand	Production and sale of steel billets	$ –	USD 8,073,045	–	–	$ –	THB (504,374,945)	THB (16,972,874)	Associate
	Tycoons Group (Samoa) Holding Ltd.	Samoa	Holding	–	USD 700,000	–	–	–	USD (584,023)	USD (205,303)	Subsidiary
	Grand World Enterprises Co., Ltd.	Samoa	Holding	–	USD 1,216,000	–	–	–	–	–	Subsidiary
	Fastbolt International Pte., Ltd.	Singapore	Holding	–	USD 4,737,659	–	–	–	EUR 7,852,902	EUR 1,792,663	Subsidiary
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	TY Steel Co., Ltd.	Thailand	Production and sale of steel billets	THB 1,145,682,320	THB 1,145,682,320	52,950,032	19.43%	THB 234,123,272	THB (504,374,945)	THB (97,942,169)	Associate
	KDB Co., Ltd.	Thailand	Investment real estate	THB 173,640,000	THB 124,146,000	121,321	44.99%	THB 172,640,083	THB (1,243,963)	THB (559,715)	Subsidiary
	Green Engineering Holding Co., Ltd.	Thailand	Investment green energy industry	THB 41,249,750	–	41,250	55.00%	THB 41,232,273	THB (31,777)	THB (17,477)	Subsidiary
	Fastbolt International Pte., Ltd.	Singapore	Holding	THB 167,901,150	THB 167,901,150	4,557,000	47.47%	THB 324,751,369	EUR 7,852,902	THB 145,479,853	Subsidiary
Tycoons Group (Samoa) Holding Ltd.	Tycoons Vietnam Co., Ltd.	Vietnam	Wire production and sales business	USD 699,800	USD 699,800	USD 699,800 (investment amount)	100.00%	USD 381,204	VND (13,923,099,234)	VND (13,923,099,234)	Subsidiary
Grand World Enterprises Co., Ltd.	Fortune Gain Enterprises Co., Ltd.	Samoa	Holding	–	USD 1,216,000	–	–	–	USD –	USD –	Subsidiary
Fastbolt International Pte., Ltd.	Fastbolt Group GmbH	Germany	Holding	EUR 9,000,000	–	55,239	74.90%	EUR 16,931,783	EUR 4,412,671	EUR 3,305,091	Subsidiary
Fastbolt Group GmbH	Fastbolt Schraubengroßhandels GmbH	Germany	Selling screws	EUR 255,646	–	EUR 255,646 (investment amount)	100.00%	EUR 19,080,227	EUR 1,598,380	EUR 1,598,380	Subsidiary
	Fastbolt Distributors (UK) Ltd.	Britain	Selling screws	GBP 18,900	–	18,900	100.00%	EUR 2,530,269	GBP 164,068	GBP 164,068	Subsidiary
	FB Ibérica Unipessoal Lda.	Portugal	Selling screws	EUR 50,000	–	EUR 50,000 (investment amount)	100.00%	EUR 653,410	EUR 1,608	EUR 1,608	Subsidiary

TABLE 8

INFORMATION ON INVESTMENT IN MAINLAND CHINA

1.The detail of the investment in mainland China:

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee Company	Percentage of Ownership	Shares of Profits / Losses (Note 3)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
HuangHua Jujin Hardware Products Co.,Ltd.	Production, processing and sales of wires, screws, bolts and other related products	$ 353,373 (CNY 81,667,000)	Note1	$ 182,112 (USD 5,931,028)	$ —	$ —	$ 182,112 (USD 5,931,028)	$ 38,061 (CNY 8,796,279)	60.00%	$ 22,857 (USD 744,406)	$ 357,959 (USD 11,658,006)	$ 292,966 (USD 9,541,302)
FQC Mechanical Technology Consultancy Co. Ltd	Quality inspection	6,796 (EUR 200,000)	Note2	—	—	—	—	(333) (CNY 76,919)	50.00%	(9) (EUR 264)	1,431 (EUR 42,102)	—
Fastbolt Trading (Shanghai) Co. Ltd.	Selling screws	3,378 (USD 110,000)	Note2	—	—	—	—	6,543 (CNY 1,512,078)	100.00%	8,935 (EUR 262,963)	26,441 (EUR 778,138)	—

Accumulated Investment in Mainland China as of December 31, 2023 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$182,112 (USD 5,931,028)	$182,112 (USD 5,931,028)	$ 2,169,671

Note 1：Indirectly investment in Mainland China through the Kingford International Limited registered in a third region.

Note 2：The acquisition of Fastbolt Group GmbH by the consolidated company, which includes its previously invested subsidiary in China.

Note 3：The investment profit / loss column recognized in the current period is based on the company's audited financial statements.

Note 4：Accumulated investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date. (USD 1：30.705 , CNY 1：4.327 , EUR 1：33.98)

Note 5：According to the regulations of the Investment Commission of the Ministry of Economic Affairs, the upper limit of the cumulative amount of its investment in the mainland is 60% of the net value.

3.Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: None.

4. Note:
   In order to meet actual business needs, the Company plans to invest in mainland China. It was approved by the shareholders' meeting on May 16, 2003, and the board of directors was authorized to decide on investment matters within the scope of the competent authority and relevant laws and regulations. The Company's board of directors resolved on October 22, 2003, that TYCOONS GROUP INTERNATIONAL CO., LTD., a subsidiary in the British Cayman Islands, would invest USD 2,180,000 in KINGFORD INTERNATIONAL LIMITED, Western Samoa, and then indirectly invest USD 2,180,000 in mainland China. Huanghua Jujin Hardware Products Co., Ltd. is engaged in the processing, production and sales of spherical wires, screws and other products. This investment case was approved by the Investment Review Committee of the Ministry of Economic Affairs on November 20, 2003. Letter No. 092035790 Approved. The Company's board of directors decided on November 21, 2003, to increase its investment in Western Samoa KINGFORD INTERNATIONAL LIMITED with its own funds of US$2,305,266 of TYCOONS GROUP INTERNATIONAL CO., LTD. in the third region investment business British Cayman Islands, and indirectly with US$2,300,000. Invested in Huanghua Jujin Hardware Products Co., Ltd., an investment enterprise in mainland China. This investment case was approved by the Investment Review Committee of the Ministry of Economic Affairs by letter No. 092040150 on December 26, 2003. In addition, the Company makes the resolution of the board of directors on January 6, 2005, to increase its investment in Western Samoa KINGFORD INTERNATIONAL LIMITED with its own funds of 1,452,785 U.S. dollars in the third region investment business British Cayman Islands, and at 1,451,028 U.S. dollars indirect investment in Huanghua Jujin Hardware Products Co., Ltd., an investment enterprise in the mainland China, was approved by the Investment Review Committee of the Ministry of Economic Affairs by letter No. 094001032 on January 19, 2005. Huanghua Jujin Hardware Products Co., Ltd. remitted the 2017 cash dividend of US$1,204,908.89 yuan by the 2018 board of directors. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on August 8, 2018, with Shen Er Zi No. 10700173720. Huanghua Jujin Hardware Products Co., Ltd. resolved the 2017 board of directors to repatriate the 2016 cash dividend amounting to US$ 793,522.51. The case was approved by the Investment Review Committee of the Ministry of Economic Affairs on July 4, 2017, with the letter No. 10600139400. Huanghua Jujin Hardware Products Co., Ltd. was resolved by the board of directors in 2015 to repatriate the cash dividends of US$2,528,804.84 from 2003 to 2015. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on March 15, 2016, with No. 10500047010. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2019 to distribute cash dividends totaling USD 767,981.38. The case was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 17, 2019, with the letter No. 10800233150. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2020 to distribute cash dividends totaling US$931,851.19. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on March 18, 2020, with the letter No. 10900072630. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2021 to distribute cash dividends totaling US$1,671,439.39. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 7, 2021, with the letter No. 11000208940. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2022 to distribute cash dividends totaling US$902,728.35. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on November 1, 2022, with letter No. 11100171200. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2023 to distribute cash dividends totaling US$740,065.65. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 20, 2023, with letter No. 11200139970.

TABLE 9

MAJOR SHAREHOLDERS INFORMATION

December 31, 2023

Names	Number of Shares held	Percentage of shareholding
Hengsha Investment Ltd.	24,342,022	7.21％
Yisheng Investment Co.,Ltd.	17,867,523	5.29％
Soufu Investment Ltd.	16,946,743	5.02％

Note 1：This table is based on the last business day at the end of each quarter and calculates that shareholders hold more than 5% of the Company's ordinary shares and special shares that have completed unregistered delivery (including treasury shares). As for the share capital recorded in the company's financial report and the company's actual number of shares delivered without physical registration, there may be differences or differences due to different calculation bases.

Note 2：In the case of the above information, if the shareholders' shares are in the trust, it is disclosed in individual accounts by the trustee who opened the trust account by the trustee. As for the shareholder's declaration of insider's equity in accordance with the Securities and Exchange Act, the shareholding includes his own shareholding plus the trust shares and the right to use the trust property. For information on insider's equity declaration, please refer to the Market Observation Post System website of the TSE.

14. OPERATING SEGMENTS INFORMATION

(1) Segment revenue and result

The Group determined its operating segments based on business activities with discrete financial information regularly reported through the Group's internal reporting protocols to the Group's chief operating decision-maker. The Group has three reportable segments, the Company and subsidiaries in Thailand (Tycoons Worldwide Group (Thailand) Public Co., Ltd. and its subsidiaries) and in Europe (Fastbolt Group GmbH and is subsidiaries). Reportable segment information for the years ended December 31, 2023 and 2022 were as follows,

	For the Year Ended December 31, 2023							
Item	The Company	Subsidiaries in Thailand	Subsidiaries in Europe	Other	Adjustment and Elimination	Consolidated	Discontinued operation	Continued operation
Net revenue from external customers	$ 800,080	$ 4,865,427	$ 1,292,676	$ 1,461,910	$ —	$ 8,420,093	$ —	$ 8,420,093
Net revenue from sales among intersegment	103,331	158,147	—	173,591	(435,069)	—	—	—
Net revenue	$ 903,411	$ 5,023,574	$ 1,292,676	$ 1,635,501	$ (435,069)	$ 8,420,093	$ —	$ 8,420,093
Segment operating (loss) Gain	$ (79,934)	$ 60,306	$ 228,526	$ 60,549	$ 2,769	$ 272,216	$ (131,556)	$ 403,772
Interest income						12,880	65	12,815
Other income						108,963	—	108,963
Other gains and losses						9,839	(12,667)	22,506
Finance costs						(83,319)	(2,508)	(80,811)
Share of profit of associates and joint ventures accounted for using equity method						(96,506)	—	(96,506)
Profit (loss) before tax						224,073	(146,666)	370,739
Identifiable net assets	$ 1,787,943	$ 4,906,398	$ 1,161,099	$ 1,188,898	$ (133,254)	$ 8,911,084		$ 8,911,084

	For the Year Ended December 31, 2022						
Item	The Company	Subsidiaries in Thailand	Other	Adjustment and Elimination	Consolidated	Discontinued operation	Continued operation
Net revenue from external customers	$ 1,030,079	$ 7,373,390	$ 1,212,648	$ —	$ 9,616,117	$ 42,501	$ 9,573,616
Net revenue from sales among intersegment	195,219	594,244	14,264	(803,727)	—	—	—
Net revenue	$ 1,225,298	$ 7,967,634	$ 1,226,912	$ (803,727)	$ 9,616,117	$ 42,501	$ 9,573,616
Segment operating (loss) Gain	$ (117,768)	$ 188,564	$ 39,319	$ 1,058	$ 111,173	$ (8,593)	$ 119,766
Interest income					4,119	279	3,840
Other income					1,081	—	1,081
Other gains and losses					44,498	(744)	45,242
Finance costs					(65,872)	—	(65,872)
Share of profit of associates and joint ventures accounted for using equity method					(131,387)	—	(131,387)
Profit before tax					(36,388)	(9,058)	(27,330)
Identifiable net assets	$ 1,703,670	$ 5,371,926	$ 1,642,875	$ (197,458)	$ 8,521,013		$ 8,521,013

(2) Product information

Products	For the Year Ended December 31, 2023 Amount	%	For the Year Ended December 31, 2022 Amount	%
Coil	$ 2,329,971	28	$ 4,362,235	46
Wire	1,882,127	22	1,927,876	20
Screws	3,161,634	38	1,946,281	20
Others	1,046,361	12	1,337,224	14
Total	$ 8,420,093	100	$ 9,573,616	100

(3) Geographic information

The net revenue from external customers of the Group is as follows,

Area	For the Year Ended December 31, 2023 Amount	%	For the Year Ended December 31, 2022 Amount	%
America	$ 218,800	3	$ 242,419	2
Asia	5,079,243	60	7,660,123	80
Europe	3,013,555	36	1,588,724	17
Others	108,495	1	82,350	1
Total	$ 8,420,093	100	$ 9,573,616	100

(4) Major customers

For the years ended December 31,2023 and 2022, no revenue from a signal customer exceeds 10% of the total consolidated revenue.

V. Most recent standalone financial statements audited by independent auditors.

INDEPENDENT AUDITORS' REPORT

NO.11351120EA

To the Board of Directors of Tycoons Group Enterprise Co., Ltd.,

Opinion

We have audited the accompanying parent company only financial statements of Tycoons Group Enterprise Co., Ltd. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. **Inventories Valuation**

Refer to Notes 4(5) and 6(5) to the parent company only financial statements for the accounting policies and the details of the information about inventories.

Description of the key audit matter

In the parent company only financial report, the inventory is measured at the lower cost or net realizable value. The Company is principally engaged in the production of metal products such as screws, nuts and washers. The value of inventories is susceptible to fluctuations in the price of the demand market and the speed of change of the respective industries. The sales of products may fluctuate violently, resulting in inventory obsolescence losses and expired losses, there is a risk that inventory costs may exceed the net realizable value.

How the matter was addressed in our audits

- Review the aging schedule of inventories and analysis the changes.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.
- Obtain the quantity data of inventory at the end of the period and compare it with the inventory and actually observe the inventory to verify the existence and completeness of inventory.
- By understanding the sale price made by management and the situation of market price after the accounting period to evaluate the reasonableness of inventory net realizable value and compare the recent sales price or purchase cost of the inventories with the cost of the book to confirm that the inventories have been evaluated at the lower of cost or realizable value.
- Evaluate the fairness of the disclosure of allowance for inventories valuation.

2. **Revenue recognition**

Refer to Notes 4(11) and 6(12) to the parent company only financial statements for the accounting policies and the details of information about revenue recognition.

Description of the key audit matter

Revenue recognition when the risks and rewards of product transfer of and recorded amount directly affect the annual profit and loss of the Company. The Company and its clients have different trading conditions, we should identify the transfer of risks and rewards in accordance with trading conditions to recognize revenue. Therefore, there is a risk of revenue being recognized at an inappropriate amount or earlier than appropriate.

How the matter was addressed in our audits

- Understand and test the Company’s internal control related to revenue recognition.
- Understand the income type and trading conditions of the Company, to assess whether the accounting policy of revenue being recognized at the time is appropriate.
- By the sampling method, examine supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.

Other Matter

Making reference to the audits of component auditors

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein are based solely on the reports of other auditors. The subsidiaries, associates and joint ventures accounted for under the equity method amounted to $802,755 thousand and $720,463 thousand, representing 21% and 20% of total assets as of December 31, 2023 and 2022, respectively. And the related share of profit from the subsidiaries, associates and joint ventures accounted for under the equity method amounted to $34,562 thousand and $(141,129) thousand, representing 46% and 123% of the profit (loss) before income tax of the Company for the year ended December 31, 2023 and 2022, respectively.

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

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

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

Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 203 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Baker Tilly Clock & Co
Chi-Ping Lin, CPA
Hsin-Liang Wu, CPA
March 13, 2024

<u>Notice to Readers</u>

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

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

TYCOONS GROUP ENTERPRISE CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2023		December 31,2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	$ 487,280	13	$ 420,180	11
Financial assets at fair value through profit or loss, current	6(2)	11,559	—	5,931	—
Notes receivable, net	6(4)	9,627	—	27,906	1
Accounts receivable, net	6(4),7	48,264	1	137,242	4
Other receivables	7	93,338	3	3,783	—
Current tax assets	6(16)	645	—	118	—
Inventories	6(5)	180,988	5	237,068	6
Prepayments		16,030	—	27,022	1
Other current assets		5,801	—	5,605	—
Total current assets		853,532	22	864,855	23
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income, non-current	6(3)	41,767	1	—	—
Investments accounted for using the equity method	6(6)	2,257,968	60	2,148,300	58
Property, plant and equipment	6(7)	604,636	16	603,785	17
Right-of-use asset	6(8)	8,765	—	15,613	—
Deferred income tax assets	6(16)	11,077	—	1,707	—
Prepayments for business facilities		29,693	1	32,420	1
Guarantee deposits paid		3,027	—	3,104	—
Other non-current financial assets		—	—	20,662	1
Total non-current assets		2,956,933	78	2,825,591	77
TOTAL		$ 3,810,465	100	$ 3,690,446	100

(Continued)

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

TYCOONS GROUP ENTERPRISE CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31,2023		December 31,2022	
		Amount	%	Amount	%
CURRENT LIABILITIES					
Contract liabilities, current	7	$ 78,140	2	$ 5,629	—
Notes payable		48,174	1	56,453	2
Accounts payable	7	22,999	1	40,375	1
Other payables		27,169	1	27,480	1
Lease liabilities, current	6(8)	5,640	—	6,887	—
Other current liabilities, other		298	—	589	—
Total current liabilities		182,420	5	137,413	4
NON-CURRENT LIABILITIES					
Deferred tax liabilities	6(16)	8,500	—	17,407	—
Lease liabilities, non-current	6(8)	3,322	—	8,961	—
Long-term accounts payable	7	—	—	55,153	2
Guarantee deposits received		104	—	1,041	—
Total non-current liabilities		11,926	—	82,562	2
Total liabilities		194,346	5	219,975	6
EQUITY					
Share capital	6(10)	3,371,682	89	4,797,520	130
Capital surplus	6(10)	129,054	3	30,629	1
Retained earnings	6(10)				
Legal reserve		—	—	16,248	—
Unappropriated earnings (Accumulated deficit)		81,298	2	(1,442,086)	(39)
Other equity interest	6(10)	34,085	1	68,160	2
Total equity		3,616,119	95	3,470,471	94
TOTAL		$ 3,810,465	100	$ 3,690,446	100

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

TYCOONS GROUP ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars, Except Earnings per share)

ITEMS	NOTE	For the Years Ended December 31			
		2023		2022	
		Amount	%	Amount	%
OPERATING REVENUES	6(12),7	$ 903,411	100	$ 1,225,298	100
OPERATING COSTS	6(17),7	(873,932)	(97)	(1,231,012)	(100)
GROSS PROFIT FROM OPERATIONS		29,479	3	(5,714)	—
Unrealized loss from sales		(15,734)	(1)	(11,892)	(2)
Realized profit on from sales		11,032	1	9,326	1
Gross profit (loss) from operations		24,777	3	(8,280)	(1)
OPERATING EXPENSES	6(17)				
Selling expenses		(24,853)	(3)	(34,387)	(3)
General administrative expenses		(79,858)	(9)	(75,101)	(6)
Total operating expenses		(104,711)	(12)	(109,488)	(9)
NET OPERATIONS LOSS		(79,934)	(9)	(117,768)	(10)
NON-OPERATING INCOME AND EXPENSES					
Interest income		7,825	1	2,658	—
Other income	6(13)	3,911	—	2,875	—
Other gains and losses	6(14)	(2,530)	—	(5,359)	—
Finance costs	6(15)	(741)	—	(352)	—
Share of the profit of associated for using the equity method	6(6)	146,163	16	3,497	—
Total non-operating income and expenses		154,628	17	3,319	—
PROFIT (LOSS) BEFORE INCOME TAX		74,694	8	(114,449)	(10)
INCOME TAX EXPENSE	6(16)	6,183	1	(5,922)	—
PROFIT (LOSS)		80,877	9	(120,371)	(10)
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Unrealized gain from investments in equity instruments measured at fair value through other comprehensive income		2,370	—	—	—
Share of the other comprehensive (loss) income of subsidiaries and associates		(394)	—	5,549	—
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences arising on translation of foreign operations		(44,537)	(5)	121,870	10
Income tax benefit (expense) related to items that may be reclassified subsequently	6(16)	8,907	1	(24,374)	(2)
Other comprehensive income		(33,654)	(4)	103,045	8
TOTAL COMPREHENSIVE INCOME (LOSS)		$ 47,223	5	$ (17,326)	(2)
EARNING(LOSS) PER SHARE	6(11)				
BASIC EARNINGS (LOSS) PER SHARE		$ 0.24		$ (0.36)	
DILUTED EARNINGS (LOSS) PER SHARE		$ 0.24		$ (0.36)	

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

TYCOONS GROUP ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Common Stock	Capital Surplus	Retained earnings		Other equity interests		Total equity
			Legal reserve	Unappropriated earnings (Accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized (losses) gains on financial assets measured at fair value through other comprehensive income	
BALANCE, JANUARY 1, 2022	$ 4,797,520	7,722	16,248	(1,321,322)	(27,868)	(7,410)	3,464,890
Net loss for the year ended December 31, 2022	–	–	–	(120,371)	–	–	(120,371)
Other comprehensive income for the year ended December 31, 2022, net of income tax	–	–	–	(393)	97,496	5,942	103,045
Total comprehensive (loss) income	–	–	–	(120,764)	97,496	5,942	(17,326)
The differences between the fair value of consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of subsidiaries	–	22,907	–	–	–	–	22,907
BALANCE, DECEMBER 31, 2022	4,797,520	30,629	16,248	(1,442,086)	69,628	(1,468)	3,470,471
BALANCE, JANUARY 1, 2023	4,797,520	30,629	16,248	(1,442,086)	69,628	(1,468)	3,470,471
Net loss for the year ended December 31, 2023	–	–	–	80,877	–	–	80,877
Other comprehensive income for the year ended December 31, 2023, net of income tax	–	–	–	421	(35,630)	1,555	(33,654)
Total comprehensive income (loss)	–	–	–	81,298	(35,630)	1,555	47,223
Capital reduction to offset losses	(1,425,838)	–	(16,248)	1,442,086	–	–	–
The differences between the fair value of consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of subsidiaries	–	33,122	–	–	–	–	33,122
Restructuring	–	65,303	–	–	–	–	65,303
BALANCE, DECEMBER 31, 2023	$ 3,371,682	$ 129,054	$ –	$ 81,298	$ 33,998	$ 87	$ 3,616,119

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

TYCOONS GROUP ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	$ 74,694	$ (114,449)
Adjustments to reconcile net income (loss) before tax to net cash provide by operating activities.		
Depreciation expense	47,811	36,565
Net (gain) loss on financial assets at fair value through profit or loss	(1,424)	2,492
Interest expense	741	352
Interest income	(7,825)	(2,658)
Dividend income	(33)	(60)
Share of the profit of subsidiaries and associates	(146,163)	(3,497)
Gain on disposal and write-off of property, plant and equipment	(48)	(1,041)
Loss on disposal of investments	—	95
Impairment loss of non-financial assets	—	5,764
Realized gain on the transactions with subsidiaries and associates	4,702	2,566
Changes in operating assets and liabilities		
Notes receivable	18,279	(2,969)
Accounts receivable	88,978	18,654
Other receivables	(90,318)	71,454
Inventories	56,080	(94,078)
Prepayments	10,992	187,123
Other current assets	3,768	(4,810)
Contract liabilities	72,511	3,765
Notes payable	(8,279)	(4,036)
Accounts payable	(17,376)	26,978
Other payables	(311)	(2,916)
Other current liabilities, other	(291)	57

(Continued)

TYCOONS GROUP ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2023	2022
Cash generated from by operations	$ 106,488	$ 125,351
Interest received	8,588	2,682
Interest paid	(741)	(352)
Income taxes paid	(3,715)	(30,153)
Net cash generated by operating activities	110,620	97,528
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	(4,204)	(4,850)
Proceed from the disposal of financial assets at fair value through profit or loss	—	1,914
Acquisition of investments accounted for the using equity method	(31,522)	(14,632)
Proceeds from capital reduction of investments accounted for under the equity method	68,663	—
Acquisition of property, plant and equipment	(24,505)	(55,071)
Proceeds from disposal of property, plant and equipment	48	2,276
Decrease (increase) in refundable deposits	77	(2,702)
Decrease (increase) in other financial assets	16,698	(727)
Increase in prepayment for business facilities	(14,582)	(69,505)
Dividend received	8,783	60
Net cash flows generated from (used in) investing activities	19,456	(143,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in guarantee deposits receive	(937)	937
(Decrease) increase in long-term accounts payables	(55,153)	55,153
Payment of lease liabilities	(6,886)	(3,387)
Net cash flow (used in) generated from financing activities	(62,976)	52,703
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,100	6,994
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	420,180	413,186
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	$ 487,280	$ 420,180

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

TYCOONS GROUP ENTERPRISE CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in thousands of New Taiwan dollars, unless otherwise stated)

1. HISTORY AND ORGANIZATION

Tycoons Group Enterprises Co., Ltd. (the "Company") was incorporated under the Company Law in November, 1980. The address of its registered office and principal place of business is No. 79-1 Sinle St., Gangshan Dist., Kaohsiung City, Taiwan. The main business is to produce, process, commerce, export or lease screws, screw nuts, washer, steel thread, heat-processing of metal-blazed, mechanical parts, press-modeling machines as well as heat-processing equipment, and to manufacture, process and export various metal-models, and general international trade business excluding futures transactions.

In March 27, 1995, the Company's stocks were approved for listing on the Taiwan Stock Exchange.

The parent company only financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors and authorized for issue on March 13, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 –comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 consolidated financial statements shall prevail.

(1) Statement of compliance

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

(2) Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

The subsidiaries, associates and jointly controlled entities are incorporated in the parent company only financial statements under the equity method. To make a net profit for the year, other comprehensive income and equity in the parent company only financial statements equal to those attributed to owners of the Company on consolidated financial statements, the effect of the differences between the basis of the parent company only and basis of consolidation are adjusted in the investments accounted for using the equity method, the related share of the profit or loss, the related share of other comprehensive income of subsidiaries and associates and related equity.

(3) Classification of Current and Noncurrent Assets and Liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Company holds the asset primarily for the purpose of trading.
C. The Company expects to realize the asset within twelve months after the reporting period.
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent:

A. The Company expects to settle the liability in its normal operating cycle.
B. The Company holds the liability primarily for the purpose of trading.
C. The liability is due to be settled within twelve months after the reporting period.
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(4) Foreign Currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting the parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. On partial disposal of an associate or a joint venture that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(5) Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at weighted-average cost. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

(6) Investment in subsidiaries and associates

Investments in subsidiaries and associates are recognized under the equity method.

A. Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company’s share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in the Company’s ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equal or exceeds its equity interest in that subsidiary (including the book value of the subsidiary under the equity method and other long-term equity components that essentially form part of the company's net investment in the subsidiary), losses continue to be recognized based on the proportion of ownership. If the acquisition cost exceeds the fair value of identifiable assets and liabilities of the subsidiary that the company enjoyed at the acquisition date, the excess is recorded as goodwill. This goodwill is included in the carrying amount of the investment and is not subject to amortization. Any excess of the fair value of identifiable assets and liabilities of the subsidiary over the acquisition cost at the acquisition date is recognized as current income.

When the Company loses the control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost of initial recognition of an investment in an associate.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company’s parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

B. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results, assets and liabilities of associates are incorporated in these parent company only financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company’s share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognized its share in the changes in the equity of associates.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company’s proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company’s ownership interest is reduced due to the additional subscription to the shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate or jointly controlled entity had directly disposed of the related assets or liabilities.

When the Company's share of losses from its associated enterprises equals or exceeds its interest in such associated enterprises (including the carrying amount of its investments in associated enterprises accounted for using the equity method and other long-term equity components that substantially form part of the company's net investment in the associated enterprises), further losses are not recognized. The company only recognizes additional losses and liabilities within the scope of legal obligations, constructive obligations, or payments made on behalf of associated enterprises.

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with the carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing of, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities.

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

(7) Property, Plant, and Equipment

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

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

Depreciation is computed by the straight-line method over the estimated useful lives. The estimated useful lives are as follows:

Buildings	3～45	years
Machinery and equipment	4～15	years
Transportation equipment	3～15	years
Furniture and fixtures	3～15	years
Miscellaneous equipment	2～20	years
Leasehold improvements	10～15	years

If each component of property, plant and equipment is significant, it is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in the current year.

(8) Impairment of non-financial assets

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

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

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

(9) Financial Instruments

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

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

A. Financial assets

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

a. Measurement category

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss.

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

Cash equivalents include time deposits that are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company’s right to receive payment is established, which in the case of quoted securities is normally the dividend date.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

b. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which is measured as the 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date.
- Other debt securities and bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment, as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default.
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider.
- It is probable that the borrower will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Company recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

c. Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

(10) Employee benefits

A. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

B. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

(11) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a customer. The accounting policies for the Company's main types of revenue are explained below.

A. Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Dividend income and interest income are recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured, recognized as follows:

a. Dividend income is recognized when the shareholder's right to receive payment has been established.

b. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(12) Leasing

A. Identifying lease

At the inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(A) The contract involves the use of identified asset-this may be specified explicitly implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

(B) The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

(C) The customer has the right to direct the use of the asset throughout the period of use only if either:

a. The customer has the right to direct how and for what purpose the asset is used throughout the period of use; or

b. The relevant decisions about how and for what purpose the asset is used are predetermined and:

(a) the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or

(b) the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

At inception or on the reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

B. As a lease

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(A) Fixed payments.

(B) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

(C) Amounts expected to be payable under a residual value guarantee.

(D) Payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(A) There is a change in future lease payments arising from the change in an index or rate.

(B) There is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee.

(C) There is a change in its assessment of whether it will exercise a purchase, extension or termination options.

(D) There is a change in its assessment of whether it will exercise an extension or termination options.

(E) There are any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease. The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

C. As a lessor

When the Company acts as a lessor, it determines, at lease commencement, whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(13) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

A. Current tax

Income tax on unappropriated earnings (excluding earnings from foreign standalone subsidiaries) at a rate of 5% is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

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

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized are also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

C. Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Company’s accounting policies, which are described in Note 4, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the Company has made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

(1) Revenue Recognition

The Company recognizes revenue when the conditions described in Note 4 are satisfied. The Company also records a provision for estimated future returns and other allowances in the same period the related revenue is recorded. Provision for estimated sales returns and other allowances is generally made and adjusted at a specific percentage based on historical experience and any known factors that would significantly affect the allowance, and our management periodically reviews the adequacy of the estimation used.

(2) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid industrial changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

(3) Estimated impairment of financial assets

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs.

(4) Impairment assessment of tangible and right-of-use assets

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

(5) Realization of deferred income tax assets

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realization of deferred income tax assets involves critical accounting judgments and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, tax-exempt duration, available tax credits, tax planning, etc. Any variations in the global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

6. EXPLANATION TO SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 87	$ 121
Bank deposits	238,118	150,031
Cash equivalent		
Time deposits	249,075	270,028
Total	$ 487,280	$ 420,180

(2) Financial assets at fair value through profit or loss

	December 31, 2023	December 31, 2022
Current		
Financial assets mandatorily measured classified as at FVTPL		
Non derivative financial assets		
Listed shares	$ 2,300	$ 2,221
Funds	9,259	3,710
Total	$ 11,559	$ 5,931

(3) Financial assets at fair value through other comprehensive income-non current

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income		
Unlisted shares	$ 41,767	$ —

On August 11, 2023, The Board of Directors of the Company has a resolution to restructure the group. The shareholder of Jinhai Hardware Co., Ltd. (Thailand) has changed from Tycoons Group International Co., Ltd., to the Company. The change of registration has been completed.

(4) Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Notes and accounts receivable	$ 58,471	$ 165,728
Less: Loss allowance	(580)	(580)
Net	$ 57,891	$ 165,148

A. The Company's sale agreements typically provide that the payment is due 30 days from the invoice date for a majority of the customers and 30 to 45 days after the end of the month in which sales occur for some customers. The allowance for doubtful receivables is assessed by reference to the collectability of receivables by performing the account aging analysis, historical experience and current financial condition of customers.

B. The aging of notes and accounts receivables was as follows:

	December 31, 2023	December 31, 2022
Neither past due nor impaired	$ 41,199	$ 148,431
Past due within 90 days	16,692	16,717
Total	$ 57,891	$ 165,148

The above table was based on the past due date.

C. The movements in the allowance for notes and accounts receivables were as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Balance on January 1	$ 580	$ 617
Write off	—	(37)
Balance, end of the period	$ 580	$ 580

(5) Inventories

	December 31, 2023	December 31, 2022
Commodity	$ 17,284	$ 109
Finished goods	19,460	8,995
Work in process	38,736	25,388
Raw materials	35,963	195,719
Supplies	8,451	6,857
Goods in transit	61,094	—
Total	$ 180,988	$ 237,068

A. The operating cost of the Company includes unallocated overhead amounted to $3,462 thousand and $436 thousand for the years ended December 31, 2023 and 2022, respectively.

Write-down of inventories to net realizable value was included in the operating cost, which was as follows:

	For the Years Ended December 31	
	2023	2022
Increase (decrease) of inventory to net realizable value	$ 45,752	$ (46,238)

B. The insurance coverage as of December 31, 2023 and 2022 were $591,000 and $639,000 thousand respectively.

(6) Investments accounted for using the equity method

	December 31, 2023	December 31, 2022
Investments in subsidiaries	$ 2,022,523	$ 1,986,775
Investments in associates	$ 235,445	$ 161,525

A. Investments in subsidiaries

	December 31, 2023	December 31, 2022
Tycoons Group International Co., Ltd.	$ 38,098	$ 1,952,386
Green Engineering Holding Co., Ltd.	30,419	—
Tycoon Group (Samoa) Holding Ltd.	11,707	—
Kingford International Limited	369,561	—
Fastbolt International Pte. Ltd.	303,006	—
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	1,269,732	34,389
	$ 2,022,523	$ 1,986,775

The holding percentage of ownership and voting rights held by the Company were as follows:

	December 31, 2023	December 31, 2022
Tycoons Group International Co., Ltd.	100%	100%
Green Engineering Holding Co., Ltd.	45%	−
Tycoon Group (Samoa) Holding Ltd.	100%	−
Kingford International Limited	100%	−
Fastbolt International Pte. Ltd.	49.41%	−
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	32.12%	0.98%

(A) For the details of the investment subsidiaries indirectly held by the Company, please refer to Note 4(3) of the consolidated financial statements for the year ended December 31, 2023.

(B) On May 11, 2023, the Board of Directors resolved to establish Green Engineering Holding Co., Ltd. The investment amount was $33,750 thousand Baht, acquiring 45% of the equity. The change in registration has been completed.

(C) On May 11, 2023, June 2, 2023, and August 11, 2023, the Board of Directors resolved that Fastbolt International Pte. Ltd., Tycoons Group (Samoa) Holding Ltd., Kingford International Limited, and Tycoons Worldwide Group (Thailand) Public Co., Ltd., originally held by the subsidiary, Tycoons Group International Co., Ltd., be transferred to the Company. The transfer of ownership has been completed with the change in registration.

(D) On July 7, 2023, the subsidiary, Tycoons Group International Co., Ltd., has a resolution to reduce the capital in cash. The amount of capital reduction was US$77,000 thousand. On November 11, 2023, the subsidiary, Tycoons Group International Co., Ltd., has resolution to reduce the capital in cash. The amount of capital reduction was US$2,159 thousand and US$ 60,739 thousand. The Company is undergoing organizational restructuring, with the investment structure transferred to the Company. The consideration for the transfer of equity investment to the company amounts to US$ 60,739 thousand, which offsets the reduction of capital to be returned to our company.

(E) The subsidiaries, Green Engineering Holding Co., Ltd., and Tycoons Worldwide Group (Thailand) Public Co., Ltd., were audited by other accountants in the same period.

B. Investments in associates

	December 31, 2023	December 31, 2022
Unlisted companies		
Hurco Automation Co., Ltd.	$ 171,481	$ 161,255
TY Steel Co., Ltd.	63,964	—
	$ 235,445	$ 161,255

The holding percentage of ownership and voting rights held by the Company were as follows.

	December 31, 2023	December 31, 2022
Hurco Automation Co., Ltd.	35%	35%
TY Steel Co., Ltd.	5.94%	—

Financial information of the Company's associates was summarized as follows:

	December 31, 2023	December 31, 2022
Total assets	$ 5,263,064	$ 673,371
Total liabilities	(3,696,290)	(211,872)
Net assets	$ 1,566,774	$ 461,499
The Company's share of net assets of associates	$ 235,445	$ 161,525

	For the Years Ended December 31	
	2023	2022
Net revenue	$ 5,216,788	$ 437,362
Net income	$ (399,441)	$ 55,258
The Company's share of the profit of associate	$ 6,710	$ 19,340

(A) The financial report of the associate or joint venture were audited by other accountants in the same period.

(B) The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of investment in Hurco Automation Co., Ltd. was calculated based on the financial statements for the year ended Oct. 31.

(C) On August 11, 112, the shareholder of TY Steel Co., Ltd. changed from Tycoons Group International Co., Ltd., to the Company. The change of registration has been completed.

(7) Property, plant and equipment

Items	For the Year Ended December 31, 2023				
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
Cost					
Land	$ 340,788	$ —	$ —	$ —	$ 340,788
Buildings	324,198	5,123	—	—	329,321
Machinery and equipment	177,861	18,627	(10,488)	—	186,000
Transportation equipment	36,217	74	(799)	—	35,492
Furniture and fixtures	8,952	—	(95)	—	8,857
Leasehold improvements	5,680	—	—	—	5,680
Other equipment	96,293	17,990	(12,834)	—	101,449
Total	989,989	41,814	(24,216)	—	1,007,587
Accumulated depreciation and impairment					
Buildings	201,711	9,000	—	—	210,711
Machinery and equipment	90,484	15,465	(10,488)	—	95,461
Transportation equipment	28,674	2,376	(799)	—	30,251
Furniture and fixtures	5,478	894	(95)	—	6,277
Leasehold improvements	175	435	—	—	610
Other equipment	59,682	12,793	(12,834)	—	59,641
Total	386,204	40,963	(24,216)	—	402,951
Net	$ 603,785	$ 851	$ —	$ —	$ 604,636

Items	For the Year Ended December 31, 2022				
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
Cost					
Land	$ 340,788	$ —	$ —	$ —	$ 340,788
Buildings	315,660	8,538	—	—	324,198
Machinery and equipment	133,919	52,986	(9,044)	—	177,861
Transportation equipment	36,969	5,043	(5,795)	—	36,217
Furniture and fixtures	9,497	180	(725)	—	8,952
Leasehold improvements	—	5,680	—	—	5,680
Other equipment	66,593	30,558	(858)	—	96,293
Total	903,426	102,985	(16,422)	—	989,989
Accumulated depreciation and impairment					
Buildings	193,721	7,990	—	—	201,711
Machinery and equipment	80,960	18,568	(9,044)	—	90,484
Transportation equipment	30,907	2,327	(4,560)	—	28,674
Furniture and fixtures	5,306	897	(725)	—	5,478
Leasehold improvements	—	175	—	—	175
Other equipment	51,776	8,764	(858)	—	59,682
Total	362,670	38,721	(15,187)	—	386,204
Net	$ 540,756	$ 64,264	$ (1,235)	$ —	$ 603,785

A. The significant part of the Company's buildings includes main plants and affiliated equipment and the related depreciation is calculated using the estimated useful lives of 3 to 45 years, and 2 to 20 years, respectively.

B. For the year ended December 31, 2022, the Company recognized the impairment loss of $5,764 thousand for certain property, plant, and equipment.

C. The insurance coverage as of December 31, 2023 and 2022 were both $276,720 thousand, respectively.

(8) Lease agreement

A. Right-to-use assets

(A) The information on the book value of the right-of-use assets and the recognized depreciation expense is as follows:

	December 31, 2023	December 31, 2022
Carrying amount of the right-of-use assets		
Land	$ 3,418	$ 6,981
Buildings	—	497
Transportation equipment	5,347	8,135
Total	$ 8,765	$ 15,613

	2023	2022
Depreciation expense on right-of-use assets		
Land	$ 3,563	$ 2,880
Buildings	497	496
Transportation equipment	2,788	232
Total	$ 6,848	$ 3,608

(B) The increases in the Company's right-of-use assets in 2022 was NT$16,573 thousand.

(C) Except for the addition and recognition of depreciation expenses listed above, the Company's right-of-use assets did not have any significant sublease or impairment in 2023 and 2022.

B. Lease liability

	December 31, 2023	December 31, 2022
Carrying amount of lease liability		
Current	$ 5,640	$ 6,887
Non-current	$ 3,322	$ 8,961

The range of discount rates for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Land	1.11%～1.48%	1.11%～1.48%
Buildings	1.11%	1.11%
Transportation equipment	1.78%	1.78%

C. Important leasing activities and terms

The assets leased by the Company include land, property, and company vehicles, and the lease terms usually range from 3 years. The lease agreements are negotiated individually and contain various terms and conditions, and no other restrictions are imposed except that the assets leased shall not be used as guarantees for loan.

D. Other lease information

	2023	2022
Interest expenses	$ 199	$ 115
Short-term lease expenses	$ —	$ 722
Low-value asset lease expenses	$ 24	$ 24
Total cash outflow from leases	$ 7,109	$ 4,248

The Company has elected to apply the recognition exemption for buildings and transportation equipment eligible for short-term leases and office equipment leases eligible for low-value asset leases, and, thus, did not recognize said leases in right-of-use assets and lease liabilities.

(9) Employee benefits

A. Defined contribution plans

The Company adopted a pension plan according to the Labor Pension Act (the "LPA"), which is a defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Accordingly, the Company recognized expenses of NT$3,489 thousand and NT$3,486 thousand in the statements of comprehensive income ended December 31, 2023 and 2022, respectively.

(10)Equity

A. Capital stock

	December 31, 2023	December 31, 2022
Numbers of shares authorized (in thousands)	640,000	640,000
Shares issued (in thousands)	337,168	479,752

The movement of shares for the years ended December 31, 2023 and 2022 were as follows:

	Numbers of shares issued (in thousands)	Capital	Capital surplus
January 1, 2023	479,752	$ 4,797,520	$ 30,629
Capital reduction to offset losses	(142,584)	(1,425,838)	—
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	—	—	33,122
Restructuring	—	—	65,303
December 31, 2023	337,168	$ 3,371,682	$ 129,054

	Numbers of shares issued (in thousands)	Capital	Capital surplus
January 1, 2022	479,752	$ 4,797,520	$ 7,722
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	—	—	22,907
December 31, 2022	479,752	$ 4,797,520	$ 30,629

B. Capital surplus

	December 31, 2023	December 31, 2022
Adjusting of reselling bonds	$ 7,722	$ 7,722
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	56,029	22,907
Restructuring	65,303	—
Total	$ 129,054	$ 30,629

(A)Reorganisation of entities under common control

a. The Group applies the related interpretations issued in R.O.C. for the intra-group reorganisation since there is no definite rules for business combinations (or referred as 'reorganisation') of entities under common control in IFRS 3, 'Business combinations' as explained in the IFRS Q&A 'explanations to IFRS 3 Business Combinations under Common Control' issued by Accounting Research and Development Foundation on October 26, 2018.

b. In accordance with Accounting Research and Development Foundation Interpretation ("ARDF Interpretation") 100-248, the Group recognised the intra-group reorganisation based on the carrying amounts of subsidiaries accounted for using equity method (net of impairment loss). The difference between the carrying amount and the consideration of the transaction will be adjusted in 'capital surplus - additional paid-in capital', which if insufficient, will decrease the retained earnings. The difference between initial investment cost and net equity will be accounted for by the entities after reorganisation.

(B) The capital surplus from share issued in excess of par (additional paid-in capital from the issuance of common shares etc.) and the part of the accepted donation is able to offset the deficit; in addition, when the company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of Company's paid-in capital.

C. Retained earnings and dividend policy

	Legal reserve	Undistributed earnings (Accumulated deficits)	Total
January 1, 2023	$ 16,248	$ (1,442,086)	$ (1,425,838)
Capital reduction to offset losses	(16,248)	1,442,086	1,425,838
Net income attributable to the owners of the Company	–	80,877	80,877
Share of other comprehensive income of associates-remeasurement of defined benefit plans	–	421	421
December 31, 2023	$ –	$ 81,298	$ 81,298

	Legal reserve	Accumulated deficits	Total
January 1, 2022	$ 16,248	$ (1,321,322)	$ (1,305,074)
Net income attributable to the owners of the Company	–	(120,371)	(120,371)
Share of other comprehensive income of associates-remeasurement of defined benefit plans	–	(393)	(393)
December 31, 2022	$ 16,248	$ (1,442,086)	$ (1,425,838)

(A) The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. According to the Company's Articles of Incorporation, 50%～100% of the distributable retained earnings shall be distributed as stockholders' bonus, of which at most 10% is payable by cash. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter.

(B) The Company appropriates and reverses special reserves under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items.

(C) The appropriations of 2023 earnings had been proposed by the Board of Directors on March 13, 2024. Details are summarised below:

	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 8,130	$ —
Cash dividends	67,434	0.2
	$ 75,564	

The above-mentioned 2023 earnings appropriation has not yet been approved by the stockholders. Information about the appropriation of earnings is available on the Market Observation Post System website of the TSE.

(D) The general shareholders' meeting held on May 30, 2023 has approved to offset a deficit of 2022, capital reduction to offset losses and statutory surplus reserves of $16,248 thousand to offset losses. Information on the shareholders' approval can be obtained from the Market Observation Post System website of the TSE.

(E) The general shareholders' meeting held on May 26, 2022 has approved to offset a deficit of 2021. Information about the meeting is available on the Market Observation Post System website of the TSE.

E. Other equity items

	Exchange differences arising from the translation of the foreign operations	Unrealized (loss) gain on financial assets at FVTOCI	Total
January 1, 2023	$ 69,628	$ (1,468)	$ 68,160
Exchange differences on translating foreign operations	(44,537)	—	(44,537)
Share of other comprehensive income of subsidiaries and associates	—	2,370	2,370
Share of other comprehensive income of subsidiaries and associates	—	(815)	(815)
Income tax effects	8,907	—	8,907
December 31, 2023	$ 33,998	$ 87	$ 34,085

	Exchange differences arising from the translation of the foreign operations	Unrealized (loss) gain on financial assets at FVTOCI	Total
January 1, 2022	$ (27,868)	$ (7,410)	$ (35,278)
Exchange differences on translating foreign operations	121,870	—	121,870
Share of other comprehensive income of subsidiaries and associates	—	5,942	5,942
Income tax effects	(24,374)	—	(24,374)
December 31, 2022	$ 69,628	$ (1,468)	$ 68,160

The exchange differences arising on translation of foreign operation's net assets from its functional currency to Company's presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve. Unrealized gain/loss on FVTOCI represents the cumulative gains or losses arising from the fair value measurement on FVTOCI that are recognized in other comprehensive income.

(11) Earnings (Loss) per share

	For the Years Ended December 31	
	2023	2022
Basic EPS	$ 0.24	$ (0.36)
Diluted EPS	$ 0.24	$ (0.36)

The Company set November 13, 2023, as the capital reduction reference date. According to IAS 33, 'Earnings Per Share,' paragraph 64, the financial statements for the current period and comparative period should retrospectively express earnings (loss) per share.

A. Basic EPS

	For the Years Ended December 31	
	2023	2022
Profit (Loss) for the years attributable to owners of the Company	$ 80,877	$ (120,371)
Weighted average number of ordinary shares outstanding (in thousands shares)	337,168	337,168
Basic EPS	$ 0.24	$ (0.36)

B. Diluted EPS

	For the Years Ended December 31	
	2023	2022
Profit (Loss) for the years attributable to owners of the Company	$ 80,877	$ (120,371)
Weighted average number of ordinary shares outstanding (in thousands shares)	337,168	337,168
Employees' compensation	121	—
Weighted average number of diluted ordinary shares outstanding (in thousands shares)	337,289	337,168
Diluted EPS	$ 0.24	$ (0.36)

The Company may settle the bonuses or remuneration paid to employees in cash or shares. Therefore, the Company presumes that the entire amount of the bonuses or remuneration will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

(12) Operating revenues

The analysis of the Company’s operating revenues was as follows:

	For the Years Ended December 31	
	2023	2022
Revenue from the sale of goods	$ 692,007	$ 959,153
Revenue form processing	211,404	266,145
Total	$ 903,411	$ 1,225,298

(13) Other income

	For the Years Ended December 31	
	2023	2022
Dividend income	$ 33	$ 60
Other income	3,878	2,815
Total	$ 3,911	$ 2,875

(14) Other gains and losses

	For the Years Ended December 31	
	2023	2022
Gain on disposal and write off of property, plant and equipment	$ 48	$ 1,041
Foreign exchange (loss) gain	(3,993)	1,982
Net gain (loss) on financial assets at fair value through profit or loss	1,424	(2,492)
Loss on disposal of investments	—	(95)
Impairment loss of non-financial assets	—	(5,764)
Others loss	(9)	(31)
Total	$ (2,530)	$ (5,359)

(15) Finance costs

	For the Years Ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 542	$ 237
Interest expense on lease liabilities	199	115
Total	$ 741	$ 352

(16) Income tax

A. The adjustment to the Company's income tax expenses recognized in profit or loss for 2023 and 2022 is as follows:

	2023	2022
Income tax calculated at statutory tax rate for pre-tax income (loss)	$ 14,939	$ (22,890)
Effect of income tax on items excluded as per tax law	(532,323)	15,949
Effect of income tax on loss carryforwards	509,101	6,941
Income tax underestimation for previous year	3,187	6,682
Effect of temporary differences in this period	(1,087)	(760)
Income tax expense	$ (6,183)	$ 5,922

The main components of income tax expense recognized in profit or loss are as follows:

	2023	2022
Current income tax		
Prior Year Adjustments	$ 3,187	$ 6,682
Generated in this period	—	—
Deferred tax		
Occurrence and reversal of temporary differences	(9,370)	(760)
Income tax expense recognized in profit or loss	$ (6,183)	$ 5,922

B. Income tax recognized in other comprehensive income

	For the Years Ended December 31	
	2023	2022
Exchange differences arising from the translation of the foreign operations	$ (8,907)	$ (24,374)

C. Current income tax assets and liabilities

(A) Current income tax assets

	December 31, 2023	December 31, 2022
Tax refund receivable	$ 645	$ 118

D. Deferred tax assets and liabilities

(A) The analysis of deferred tax assets is as follows:

For the year ended December 31, 2023

	Balance, beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, end of year
Temporary differences				
Exchange loss	$ 372	$ 390	$ —	$ 762
Unrealized gain on the transactions with subsidiaries and associates	783	940	—	1,723
Cost of goods sold-unallocated overhead	49	41	—	90
Unrealized loss on financial assets	503	(284)	—	219
Loss carryforwards	—	8,283	—	8,283
Total	$ 1,707	$ 9,370	$ —	$ 11,077

For the year ended December 31, 2022

	Balance, beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, end of year
Temporary differences				
Financial statements translation differences of foreign operations	$ 6,967	$ —	$ (6,967)	$ —
Exchange loss	8	364	—	372
Unrealized gain on the transactions with subsidiaries and associates	270	513	—	783
Cost of goods sold-unallocated overhead	194	(145)	—	49
Unrealized loss on inventories	471	(471)	—	—
Unrealized loss on financial assets	4	499	—	503
Total	$ 7,914	$ 760	$ (6,967)	$ 1,707

(B) The analysis of deferred tax liabilities is as follows:

	2023			
	Opening balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending balance
Temporary difference				
Financial statements translation differences of foreign operations	$ (17,407)	$ —	$ 8,907	$ (8,500)
	$ (17,407)	$ —	$ 8,907	$ (8,500)

	2022			
	Opening balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending balance
Temporary difference				
Financial statements translation differences of foreign operations	$ —	$ —	$ (17,407)	$ (17,407)
	$ —	$ —	$ (17,407)	$ (17,407)

D. Items not recognized as deferred tax assets

	December 31, 2023	December 31, 2022
Loss carryforwards	$ 2,580,976	$ 34,706
Temporary difference	$ 24,031	$ 69,783

The last valid year for the Company's loss carryforwards is 2033.

E. Income tax approved status

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

The losses carryforwards have not been used by the Company and the last valid year as of December 31, 2023 are as follows:

Year	Amount filed/approved	Last valid year	Loss carryforwards
2022	Filed	2032	$ 35,503
2023	Estimated amount	2033	2,586,890
			$ 2,622,393

(17) The personnel, depreciation and amortization expenses of the Company

A. A summary of current-period employee benefits, depreciation and amortization by function is as follows:

	For the Year Ended December 31, 2023		
	Classified as operating cost	Classified as operating expenses	Total
Personnel expenses			
Payroll expense	$ 43,563	$ 46,590	$ 90,153
Insurance expense	4,187	4,807	8,994
Pension	1,254	2,235	3,489
Remuneration to Directors	—	2,040	2,040
Others	2,287	1,588	3,875
Depreciation	32,699	15,112	47,811

	For the Year Ended December 31, 2022		
	Classified as operating cost	Classified as operating expenses	Total
Personnel expenses			
Payroll expense	$ 45,527	$ 46,560	$ 92,087
Insurance expense	3,578	4,753	8,331
Pension	1,216	2,270	3,486
Remuneration to Directors	–	2,220	2,220
Others	2,551	1,762	4,313
Depreciation	26,201	10,364	36,565

(A) The number of the Company's employees were 147 and 149, were both 3 non-employee directors as of December 31, 2023 and 2022.

(B) The Company's average employee benefit expenses for the year ended December 31, 2023 and 2022 were 740 thousand and 741 thousand, respectively. The Company's average salary expenses for the years ended December 31, 2023 and 2022 were 626 thousand and 631 thousand. The Company's average salary expenses adjustment for the year ended December 31, 2023 and 2022 increased by (1)% and 2%.

(C) The Company has established the Audit committee to replace supervisors and therefore the supervisors' remuneration for the years ended December 31, 2023 and 2022 were both $0.

(D) The company's policy for compensation of directors, managers and employees are as follows:

The Company set the policy for directors' and employees' compensation to evaluate and monitor the Company's remuneration system for its directors and executive officers. The Company shall assess the performance of directors and executive officers according to the policy. In order to determine their compensation. An adequate compensation scheme will be calculated by referencing the Company's operating results, future risks, corporate strategies, industry trends and also individual contributions.

B. Employee compensation

(A) In accordance with the articles of incorporation the Company should contribute 2% to 5% of the profit as employee compensation and less than 1% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

(B) The Company estimated to contribute 2% of the profit as employee compensation and 1% as directors' remuneration for the year 2023:

	Employees compensation	Directors' remuneration
2023	$ 1,540	$ 770

(C) Due to the accumulation deficit, there is no allocation as employees' compensation and remuneration to directors for the years ended December 31, 2022.

(D) Related information would be available on the Market Observation Post System website.

(18) Cash flow information

A. Property, plant and equipment

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Additions of property, plant and equipment	$ 41,814	$ 102,985
Add：Payables on equipment on January 1	—	865
Less：Payables on equipment on December 31	—	—
Less：Changes in prepayments for equipment	(17,309)	(48,779)
Cash payment	$ 24,505	$ 55,071

B. The reconciliation of liabilities arising from financing activities was as follows:

	Guarantee deposits received	Lease liabilities	Changes of liabilities from financing activities
January 1, 2023	$ 1,041	$ 15,848	$ 16,889
Financing cash flow	(937)	(6,886)	(7,823)
December 31, 2023	$ 104	$ 8,962	$ 9,066

	Guarantee deposits received	Lease liabilities	Changes of liabilities from financing activities
January 1, 2022	$ 104	$ 2,662	$ 2,766
Financing cash flow	937	(3,387)	(2,450)
Lease liabilities	—	16,573	16,573
December 31, 2022	$ 1,041	$ 15,848	$ 16,889

(19) Capital management

The Company's capital is based on the industrial characteristics, development of the Company and the operating environment to manage the capital to operate the business. The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

(20) Financial instruments

A. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Cash and cash equivalents	$ 487,280	$ 420,180
Financial assets at fair value through profit or loss, current	11,559	5,931
Notes and accounts receivable, (including related-parties)	57,891	165,148
Other receivables (including related parties)	93,338	3,783
Financial assets at fair value through other comprehensive income, non-current	41,767	—
Other financial assets	—	20,662
Guarantee deposits paid, non-current	3,027	3,104
Total	$ 694,862	$ 618,808
Financial liabilities		
Notes and accounts payable (including related parties)	$ 71,173	$ 96,828
Other payables and Long-term accounts payable	27,169	82,633
Guarantee deposits received, non-current	104	1,041
Lease liabilities-current and non-current	8,962	15,848
Total	$ 107,408	$ 196,350

B. Financial risk management objectives

The Company seeks to ensure sufficient cost-efficient funding readily available when needed. The Company manages its exposure to foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by the Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

C. Market risk

The Company is exposed to financial market risks, primarily changes in foreign currency exchange rates and interest rates. The Company uses some derivative financial instruments to manage those risks.

(A) Foreign currency risk

Most of the Company's revenues and expenditures are denominated in foreign currencies. Consequently, the Company is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Company uses derivative financial instruments, such as forward exchange contracts and cross-currency swaps, and non-derivative financial instruments, such as foreign currency-denominated debt, to partially hedge the Company's existing and certain forecasted currency exposure. These hedges will offset only a portion of but do not eliminate, the financial impact from movements in foreign currency exchange rates.

The Company uses derivative financial instruments short less than six months, and that doesn't meet the condition of hedge accounting.

Because of the strategic investment, the Company doesn't use any method to manage the risk in the invest foreign operating agencies.

The following was the summary of significant foreign currency assets and liabilities.

	December 31, 2023		
	Foreign currency	Rate	NTD (in thousands)
Financial assets			
Foreign currency			
USD	2,269,759	30.71	69,704
THB	20,976,611	0.90	18,879

	December 31, 2022		
	Foreign currency	Rate	NTD (in thousands)
Financial assets			
Foreign currency			
USD	8,541,129	30.71	262,298
Financial liabilities			
Foreign currency			
USD	31,000	30.71	952

The above information is based on the carrying amount and translated to the functional currency.

For the years ended December 31, 2023 and 2022, the Company recognized foreign exchange (losses) gains were (3,993) thousand and 1,982 thousand, respectively.

The Company’s sensitivity analysis of foreign currency risk mainly focuses on the foreign currency monetary items and the derivatives financial instruments at the end of the reporting period. Assuming favorable or unfavorable 1% movement in the levels of foreign exchanges relative to the New Taiwan dollar, the net income for the years ended December 31, 2023 and 2022 would have increased or decreased by 697 thousand and 2,613 thousand, respectively. The equity of the Company would have increased or decreased by 2,613 thousand and 2,091 thousand, respectively.

D. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risks from operating activities, primarily trade receivables. Credit risk is managed separately for business-related and financial-related exposures.

(A) Business related credit risk

The majority of the Company’s outstanding trade receivables are not covered by collaterals or guarantees. While the Company has procedures to monitor and manage credit risk exposure on trade receivables, there is no assurance such procedures will effectively eliminate losses resulting from its credit risk. The Company uses other methods to manage this risk, like prepaid from the client, insurance and so on. The Company believes the concentration of credit risk is not material for the remaining accounts receivable.

(B) Financial credit risk

This risk of the bank deposit and investment in financial instruments are managed by the financial department of the Company. The Company mitigates the credit risks from financial institutions by limiting its counterparties to only reputable domestic or international financial institutions with good credit standing and spreading its holdings among various financial institutions. The Company’s exposure to credit risk arising from the default of counter-parties is limited to the carrying amount of these instruments. The Company believes the concentration of this risk is not material.

E. Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business operations. The Company manages its liquidity risk by maintaining adequate cash and cash equivalents, financial assets at amortized, and cost-sufficient funding.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principal and interest.

	December 31, 2023				
	Less than 1 Year	2～3 Years	4～5 Years	5+ Years	Total
Non-derivative financial liabilities					
Notes and accounts payable (including related-parties)	$ 71,173	$ －	$ －	$ －	$ 71,173
Other payables	27,169	－	－	－	27,169
Guarantee deposits received	－	104	－	－	104
Lease liabilities	5,741	3,343	－	－	9,084
Total	$ 104,083	$ 3,447	$ －	$ －	$ 107,530

	December 31, 2022				
	Less than 1 Year	2～3 Years	4～5 Years	5+ Years	Total
Non-derivative financial liabilities					
Notes and accounts payable (including related-parties)	$ 96,828	$ －	$ －	$ －	$ 96,828
Other payables	27,480	55,153	－	－	82,633
Guarantee deposits received	－	1,041	－	－	1,041
Lease liabilities	7,086	9,085	－	－	16,171
Total	$ 131,394	$ 65,279	$ －	$ －	$ 196,673

F Fair value of financial instruments

(A) The evaluated fair value of financial instruments doesn't include cash and cash equivalents, accounts receivable, other financial assets, current borrowings and accounts payable. The carrying amount and fair value of those financial assets and liabilities for financial instruments are not measured at fair value whose carrying amount is reasonably close to the fair value. We cannot confirm when we can receive or pay the guarantee deposits received and paid, so the fair value was the carrying amount.

(B) Fair value measurements recognized in the parent company only balance sheets

Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1： fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3： fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial instruments	$ 11,559	$ －	$ －	$ 11,559
Financial assets at FVTOCI				
Investment in non-publicly trade stocks	$ －	$ －	$ 41,767	$ 41,767

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial instruments	$ 5,931	$ －	$ －	$ 5,931

(C) Valuation techniques and assumptions are as followed,

a. Level 1

	Investment in publicly trade stocks	Funds
Market value	Closing price	Net value

b. Level 2

Item	Valuation techniques and assumptions
Derivative financial instruments－Forward exchange contracts	Forward exchange contracts are measured using forward exchange rates and the discounted yield curves that are derived from quoted market prices.

c. Level 3

The fair values of non-publicly traded equity investments are mainly determined by using the asset approach.

During the years ended December 31, 2023 and 2022, there were no significant transfers between Level 1 and Level 2 fair value measurements.

(D) Adjustment for financial assets at FVTOCI through level 3

	For the Years Ended December 31	
	2023	
Balance, beginning of the period	$	—
Acquired during the year		39,397
Gian recognised in other comprehensive income		2,370
Balance, end of the period	$	41,767

7. RELATED-PARTY TRANSACTIONS

(1) Name and relationships with related parties

Name	Relationship
Tycoons Group International Co., Ltd. (TGI)	Subsidiary
Tycoons Worldwide Group (Thailand) Public	Subsidiary
Tycoons Vietnam Co., Ltd. (TYVN)	Subsidiary
Viettycoons Steel Co., Ltd. (VSC)	Subsidiary
TY Steel Co., Ltd. (TY)	An associate
Huang Wen Sung	The other related party
Huang Bing Lun	The other related party

(2) Significant transactions with related parties

A. Sales

	For the Year Ended December 31, 2023			For the Year Ended December 31, 2022		
	Amount		%	Amount		%
Subsidiaries						
TYCN	$	67,877	8	$	96,191	8
TYVN		18,762	2		99,028	8
VSC		779	—		—	—
Total	$	87,418	10	$	195,219	16

There is no significant difference between the Company's trading conditions with related parties and non-related parties.

B. Purchases

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Amount	%	Amount	%
Subsidiaries				
TYCN	$ 52,356	9	$ 596,250	51
TYVN	122,262	22	—	—
VSC	50,990	9	—	—
	$ 225,608	40	$ 596,250	51

There is no significant difference between the Company's trading conditions with related parties and non-related parties.

C. Accounts Receivable

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Subsidiaries				
TYCN	$ 5,209	11	$ 11,646	8
TYVN	8,805	18	62,736	46
VSC	742	2	—	—
Total	$ 14,756	31	$ 74,382	54

D. Other Receivables – Financing provided to related parties

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Subsidiaries				
TYCN	$ 62	—	$ 45	1
TYVN	92,623	99	—	—
Total	$ 92,685	99	$ 45	1

As of December 31, 2023 and 2022, the interest-bearing of the receivables from related parties were $508 and $0, respectively.

E. Account payable

	December 31, 2023			December 31, 2022		
		Amount	%		Amount	%
Subsidiaries						
TYCN	$	–	–	$	9,304	23
TYVN		5,016	22		–	–
VSC		4,782	21		–	–
	$	9,798	43	$	9,304	23

F. Long-term account payable-Financing provide by related parties

	December 31, 2022		
		Amount	%
Subsidiaries			
TGI	$	55,153	100

As of December 31, 2023, none of the payables from related parties was interest-bearing.

G. Contract Liabilities - Deferred Revenue

	December 31, 2023			December 31, 2022		
		Amount	%		Amount	%
Subsidiaries						
TYVN	$	1,819	2	$	–	–

H. Endorsement and guarantees

	For the Year Ended December 31, 2023				For the Year Ended December 31, 2022			
Related party	Maximum balance		Ending Balance		Maximum balance		Ending Balance	
Subsidiaries	USD	40,000	USD	–	USD	40,000	USD	40,000
〃	THB	1,500,000	THB	–	THB	2,107,500	THB	1,500,000
Associate	THB	–	THB	–	THB	850,000	THB	–
〃	USD	–	USD	–	USD	61,200	USD	–

I. The Group leased land from Huang Wen Sung and Huang Bing Lun, who is a related party, in April 2022 with lease terms of 3 years. The monthly rent is $240 thousand, paid for every three months. On December 31, 2023 $2,880 thousand has been paid.

(3) Compensation of key management

The compensation to directors and other key management personnel was as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Short-term employee benefits	$ 8,714	$ 8,081

8. MORTGAGED OR PLEDGED ASSETS: None.

9. COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2023 and 2022, the Company provided guarantee note deposits were both $165,000 thousand to the banks as securities against credit facilities.

10. SIGNIFICANT DISASTER LOSS: None.

11. SUBSEQUENT EVENTS: None.

12. OTHER: None.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Financings provided: Please refer to table 1.

B. Endorsements and guarantees provided: Please refer to table 2.

C. Marketable securities held at the ended of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 3.

D. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: Please refer to table 4.

E. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Please refer to table 5.

H. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: None.

I. Information about the derivative financial instruments transaction: None.

J. The business relationship between the parent and subsidiaries and significant transactions between them: Please refer to table 6.

(2) Information on investees

Names, locations, and related information of investees over which the company exercises significant influence (excluding information on investment in mainland China): Please refer to table 7.

(3) Information on investments in mainland China: Please refer to table 8.

(4) Major shareholders information: Please refer to table 9.

14. OPERATING SEGMENT INFORMATION

Please refer to the consolidated financial statements of Tycoons Group Enterprise Co., Ltd. and subsidiaries for operating segment information.

TABLE 1

FINANCING PROVIDED

Amounts in thousands of New Taiwan dollars

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 5)	Ending Balance (Note 4)	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 2)	Transaction Amounts (Note 7)	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 3)
													Item	Value		
0	Tycoons Group Enterprise Co.,Ltd.	Tycoons Group International Co.,Ltd.	Other receivables-related parties	Yes	$ 1,069	$ 30,705	$ —	—	2	$ —	Advance payment and business turnover	—	None	None	$ 1,446,447	$ 1,446,447
		Tycoons Vietnam Co.,Ltd.	Other receivables-related parties	Yes	92,115	98,256	92,115	1~3	2	—	Short－term financing	—	None	None	1,446,447	1,446,447
		Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	Other receivables-related parties	Yes	453	1,000	62	—	2	—	Advance payment	—	None	None	723,223	1,446,447
1	Tycoons Group International Co.,Ltd.	Viettycoons Steel Co.,Ltd.	Other receivables-related parties	Yes	6,142	—	—	—	2	—	Short－term financing	—	None	None	15,106	15,106
		Fortune Gain Enterprises Co., Ltd.	Other receivables-related parties	Yes	—	—	—	—	2	—	Short－term financing	—	None	None	15,106	15,106
		Tycoons Vietnam Co.,Ltd.	Other receivables-related parties	Yes	62,280	52,199	—	1	2	—	Short－term financing	—	None	None	3,776	15,106
		Tycoons Group Enterprise Co.,Ltd.	Other receivables-related parties	Yes	55,153	—	—	—	2	—	Short－term financing	—	None	None	15,106	15,106
2	Huanghua Jujin Hardware Products Co.,Ltd.	Huanghua Haixin Hardware Products Co., Ltd.	Other receivables-related parties	Yes	12,928	12,928	12,928	5.2	2	—	Short－term financing	—	None	None	59,659	238,636
3	Fastbolt Schraubengroßhandels GmbH	FB Ibérica Unipessoal Lda.	Other receivables-related parties	Yes	10,194	10,194	10,194	4.783	2	—	Short－term financing	—	None	None	262,216	262,216

Note 1：The Company and its subsidiaries are coded as follows:
1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from ”1” in the order presented in the table above.

Note 2：Nature for financing is coded as follows:
1. Business transactions.
2. Short-term financing .

Note 3：The company's financing provided limit for individual objects is the individually specified percentage of the net assets value of the latest financial statement (2023.12.31). The total financing provided limit is 10%~40% of the net assets value of the latest financial statement (2023.12.31).

Note 4：If a public company makes a loan to the board of directors on a case-by-case basis in accordance with Article 14 (1) of the Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies, even though it has not yet allocated funds, the amount of the board resolutions shall be included in the announcement balance to reveal its bear the risk; but after the fund is repaid, the balance after the repayment should be disclosed to reflect the adjustment of risk. If the public offering company authorizes the chairman of the board of directors to approve the loan in a certain amount and within one year in accordance with Article 14 (2) of the Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies, the fund loan and the amount approved by the board of directors shall still be used as the announced balance. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the fund loan and quota approved by the board of directors should still be used as the announced balance.

Note 5：The maximum balance is the maximum amount spent in the current period .

Note 6：When preparing this consolidated financial statement, it has been offset.

Note 7：If the nature of financing provided is a business transaction, the amount of the business transaction should be entered. The amount of business transactions refers to the amount of business transactions between the company that lends funds and the loanee in the latest year.

TABLE 2

ENDORSEMENTS / GUARANTEES PROVIDED

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

No. (Note 1)	Endorsement / Guarantee Provider	Guaranteed Party		Limits on Endorsement / Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 4、Note 5)	Amount Actually Draw (Note 6)	Amount of Endorsement / Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement / Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement / Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Name	Nature of Relationship (Note 2)										
0	Tycoons Group Enterprise Co.,Ltd.	Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	3 (Note 8)	$ 7,232,238	THB 1,500,000,000 USD 40,000,000	THB – USD –	NTD –	$ –	–	$ 9,040,297	Y	–	–
1	Tycoons Group International Co.,Ltd.	Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	3 (Note 8)	56,650	THB 500,000,000	THB –	NTD –	–	–	75,534	Y	–	–

Note 1：The Company and its subsidiaries are coded as follows:
1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from ”1” in the order presented in the table above.

Note 2：According to the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:
1. A company with which it does business.
2. A company in which the public company directly hold more than 50% of the voting shares.
3. A company in which the public company and its subsidiaries directly holds more than 50% of the voting shares.
4. A company that directly and indirectly holds more than 50 % of the voting shares in the public company.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

Note 3：1. The company's endorsements / guarantees limit for individual objects is the individually specified percentage of the net value of the latest financial statement (2023.12.31). (Tycoons Group Enterprise Co.,Ltd.:200%，Tycoons Group International Co.,Ltd.:150%)
2. The maximum of the company's endorsements / guarantees limit is the individually specified percentage of the net value of the latest financial statement (2023.12.31). (Tycoons Group Enterprise Co.,Ltd.:250%，Tycoons Group International Co.,Ltd.:200%)
3. Except that due to the joint investment relationship, each contributing shareholder endorsements/ guarantees the invested company according to its shareholding ratio, the limit of endorsements /guarantees shall not exceed 100% of the net value of the latest financial statement, the single enterprises holding not more than 50% endorsements / guarantees limit for individual objects ,the limit shall not exceed the total amount of transactions in the most recent year.

Note 4：The maximum endorsement guarantee balance for the current period and the end endorsement guarantee balance at the end of the period are the quota, not the actual transfer amount .

Note 5：As of the end of the year, every company that has signed an endorsement guarantee contract or bill to the bank for approval, shall assume the responsibility of endorsement or guarantee; in addition, other related endorsement guarantees shall be included in the balance of the endorsement guarantee .

Note 6：It should enter the actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

Note 7：Under the circumstance where the TSE or OTC listed parent company endorses or guarantees its subsidiaries, the subsidiary endorses or guarantees its TSE or OTC listed parent company or the endorsement and guarantee is made in mainland China, “Y” shall be filled in.

Note 8: Holding by the subsidiary of the Company, Tycoons Group International Co., Ltd.. The Group had disposed of the partial shares of its subsidiary and completed the entire transactions in September and December, 2022, respectively. The shareholding ratio did not exceed 50% after the disposal, resulting in non-compliance with the requirements of the endorsement.

TABLE 3

MARKETABLE SECURITIES HELD

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Held Company Name	Marketable Securities Type and Name (Note 1)		Relationship with the Company	Financial Statement Account	December 31, 2023				Note (Note 3)
					Shares / Units	Carrying Value (Note 2)	Percentage of Ownership	Fair Value	
Tycoons Group Enterprise Co., Ltd.	Common stock	Taiwan Cement Corporation	—	Financial assets at fair value through profit or loss, current	65,995	$ 2,300	—	$ 2,300	Note 5
	Funds	Neuberger Berman Funds	—	〃	20,000	5,036	—	5,036	Note 5
	Funds	Mega Global Bond ETF Strategic Income Fund of Funds	—	〃	10,000	3,177	—	3,177	Note 5
	Funds	FSITC Global Sustainable Impact Investment Multi-Asset Fund	—	〃	100,000	1,046	—	1,046	Note 5
	Common stock	JinHai Hardware Company Limited	—	Financial assets at fair value through other comprehensive income, non-current	4,353,875	41,767	18.19%	THB 45,689,850	Note 4
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Common stock	Thai Union Fastener Co., Ltd.	—	〃	6,000,000	59,604	8.7%	THB 66,679,994	Note 4

Note 1：The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of International Financial Reporting Standard No. 9 "Financial Instruments".

Note 2：If measured by fair value, please fill in the book value after the fair value evaluation adjustments and deduct the allowance loss; if it is not measured by fair value, please fill in the amortized cost (after deducting the allowance loss) of the book balance.

Note 3：The listed securities have users who are restricted due to the provision of guarantees, pledged loans, or other agreed-upon agreements. The remarks column should indicate the number of guarantees or pledged shares, the amount of guarantees or pledges, and the circumstances of restricted use.

Note 4：There is no public market price, which is determined by the net equity value or by evaluation.

Note 5：The market price is closing price on December 31,2023.

TABLE 4

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares / Units	Amount	Shares / Units	Amount	Shares / Units	Amount	Carrying Value	Gain / Loss on Disposal	Shares / Units	Amount (Note)
Tycoons Group Enterprise Co.,Ltd.	Kingford International Limited	Investments accounted for using equity method	Tycoons Group International Co., Ltd.	Subsidiary	–	$ –	5,938,051	$ 353,535	–	$ –	$ –	–	5,938,051	$ 353,535
Tycoons Group Enterprise Co.,Ltd.	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Investments accounted for using equity method	Tycoons Group International Co., Ltd.	Subsidiary	–	–	180,470,477	1,237,068	–	–	–	–	180,470,477	1,237,068

Note: Originally held through Tycoons Group International Co., Ltd., for the purpose of simplifying the investment structure, the equity was transferred to the company in the third quarter of the 2023. Please refer to Note 4(3) .

TABLE 5

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$ 100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars

Company Name	Related Party	Nature of Relationships	Transaction Details				Details of non-arm's length transaction		Notes and Accounts receivable (payable)	
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of total receivables (payable)
Tycoons Group Enterprise Co.,Ltd.	Tycoons Vietnam Co., Ltd.	Subsidiary	Purchases	$ 122,262	22%	30days	No significant difference	No significant difference	$ 5,016	22
Tycoons Worldwide Group (Thailand) Public Co.,Ltd.	TY Steel Co.,Ltd.	Associate	Purchases	2,007,070	43%	30~120days	No significant difference	No significant difference	—	—
	Fastbolt Schraubengroß handels GmbH	Subsidiary	Sales	101,324	2%	30~120days	No significant difference	No significant difference	—	—

Note 1：It has been offset when preparing the consolidated financial statements.

TABLE 6

THE BUSSINESS RELATIONSHIP BETWEEN THE PARENT AND SUBSIDIARIES AND SIGNIFICANT TRANSACTIONS BETWEEN THEM

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counter-party	Nature of Relationships (Note 2)	Transaction Details			
				Financial Statement item	Amount	Transaction Terms	Percentage of consolidated revenue or assets % (Note 4)
0	Tycoons Group Enterprise Co., Ltd.	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	1	Sales	$ 67,877	Refer to the transaction conditions of other customers.	1
				Purchase	52,356	Refer to the transaction conditions of other customers.	1
		Tycoons Vietnam Co., Ltd.	1	Sales	18,762	Refer to the transaction conditions of other customers.	—
				Purchase	122,262	Refer to the transaction conditions of other customers.	1
				Accounts receivables	8,805	Refer to the transaction conditions of other customers.	—
				Other receivables	92,115	Note 3	1
		Vietthycoons Steel Co., Ltd.	1	Purchase	50,990	Refer to the transaction conditions of other customers.	1
1	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Fastbolt Schraubengroßhandels GmbH	1	Sales	101,324	Refer to the transaction conditions of other customers.	1
2	Fastbolt Group GmbH	Fastbolt Schraubengroßhandels GmbH	1	Advance payable	19,115	Refer to the transaction conditions of other customers.	—
3	Fastbolt Schraubengroßhandels GmbH	FB Iberica Unipessoal Lda.	3	Sales	14,930	Refer to the transaction conditions of other customers.	—
				Other receivables	10,194	Note 3	—
		Fastbolt Distributors (UK) Ltd.	3	Sales	31,361	Refer to the transaction conditions of other customers.	—
				Accounts receivables	15,294	Refer to the transaction conditions of other customers.	—

Note 1：The Company and its subsidiaries are coded as follows:
1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from ”1” in the order presented in the table above.

Note 2：The relationship with the trader has the following three types:
1. Parent company to a subsidiary.
2. Subsidiary to the parent company.
3. Subsidiary to subsidiary.

Note 3：The transaction is classified as the capital loan. It is not applicable.

Note 4：For the calculation of the ratio of the transaction amount to consolidated revenue or assets, if it is an asset-liability item, it is calculated by the balance at the end of the period in the consolidated assets; if it is a profit and loss item, it is calculated by the cumulative amount in the period as a share of the consolidated revenue.

Note 5：It has been offset when preparing the consolidated financial statements.

TABLE 7

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Shares of Profits / Losses of Investee	Notes
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying value			
Tycoons Group Enterprise Co.,Ltd.	Tycoons Group International Co., Ltd.	Cayman	Holding	$ 2,962,712	$ 4,995,368	25,752,000	100.00%	$ 38,098	USD 1,691,445	$ 55,466	Subsidiary
	Tycoons Group (Samoa) Holding Ltd.	Samoa	Holding	USD 778,106	–	700,000	100.00%	11,707	USD (584,023)	(11,799)	Subsidiary
	Hurco Automation, Ltd.	Taiwan	Design, manufacture, sale and distribution of industrial controllers	42,077	42,077	4,207,707	35.00%	171,481	52,416	18,345	Associate
	Green Engineering Holding Co., Ltd.	Thailand	Investment green energy industry	29,779	–	33,750	45.00%	30,419	THB (31,777)	(13)	Subsidiary
	Kingford International Limited	Samoa	Holding	USD10,955,528	–	5,938,051	100.00%	369,561	USD 598,643	27,619	Subsidiary
	TY Steel Co., Ltd.	Thailand	Production and sale of steel billets	USD 2,387,372	–	16,185,593	5.94%	63,964	THB (504,374,945)	(11,635)	Associate
	Fastbolt International Pte., Ltd.	Singapore	Holding	USD 7,062,147	–	4,743,000	49.41%	303,006	EUR 7,852,902	74,545	Subsidiary
	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Thailand	Production, processing, and sales of wire rods, annealed wires, screws, bolts, and other related products	USD38,334,926 21,204	14,632	188,902,477	31.66%	1,269,732	THB 67,593,425	(6,365)	Subsidiary
Tycoons Group International Co., Ltd.	Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Thailand	Production, processing, and sales of wire rods, annealed wires, screws, bolts, and other related products	–	THB 1,883,699,242	–	–	–	THB 67,593,425	THB 27,545,573	Subsidiary
	Kingford International Limited	Samoa	Holding	–	USD 5,938,051	–	–	–	USD 598,643	USD (287,866)	Subsidiary
	Viettycoons Steel Co., Ltd.	Vietnam	Production and sales of cold-rolled steel products, pickled steel coils, hot-dip galvanized steel coils, various types of steel mesh, wire mesh, bolts, screws, rivets, round bars for screws, screws, nuts, and scissors	USD 6,000,000	USD 6,000,000	USD 6,000,000 (investment amount)	100.00%	USD 1,228,939	VND 2,457,012,260	VND 2,457,012,260	Subsidiary

TABLE 7-1

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Shares of Profits / Losses of Investee	Notes
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying value			
Tycoons Group International Co., Ltd.	TY Steel Co., Ltd.	Thailand	Production and sale of steel billets	$ —	USD 8,073,045	—	—	$ —	THB (504,374,945)	THB (16,972,874)	Associate
	Tycoons Group (Samoa) Holding Ltd.	Samoa	Holding	—	USD 700,000	—	—	—	USD (584,023)	USD (205,303)	Subsidiary
	Grand World Enterprises Co., Ltd.	Samoa	Holding	—	USD 1,216,000	—	—	—	—	—	Subsidiary
	Fastbolt International Pte., Ltd.	Singapore	Holding	—	USD 4,737,659	—	—	—	EUR 7,852,902	EUR 1,792,663	Subsidiary
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	TY Steel Co., Ltd.	Thailand	Production and sale of steel billets	THB 1,145,682,320	THB 1,145,682,320	52,950,032	19.43%	THB 234,123,272	THB (504,374,945)	THB (97,942,169)	Associate
	KDB Co., Ltd.	Thailand	Investment real estate	THB 173,640,000	THB 124,146,000	121,321	44.99%	THB 172,640,083	THB (1,243,963)	THB (559,715)	Subsidiary
	Green Engineering Holding Co., Ltd.	Thailand	Investment green energy industry	THB 41,249,750	—	41,250	55.00%	THB 41,232,273	THB (31,777)	THB (17,477)	Subsidiary
	Fastbolt International Pte., Ltd.	Singapore	Holding	THB 167,901,150	THB 167,901,150	4,557,000	47.47%	THB 324,751,369	EUR 7,852,902	THB 145,479,853	Subsidiary
Tycoons Group (Samoa) Holding Ltd.	Tycoons Vietnam Co., Ltd.	Vietnam	Wire production and sales business	USD 699,800	USD 699,800	USD 699,800 (investment amount)	100.00%	USD 381,204	VND (13,923,099,234)	VND (13,923,099,234)	Subsidiary
Grand World Enterprises Co., Ltd.	Fortune Gain Enterprises Co., Ltd.	Samoa	Holding	—	USD 1,216,000	—	—	—	USD —	USD —	Subsidiary
Fastbolt International Pte., Ltd.	Fastbolt Group GmbH	Germany	Holding	EUR 9,000,000	—	55,239	74.90%	EUR 16,931,783	EUR 4,412,671	EUR 3,305,091	Subsidiary
Fastbolt Group GmbH	Fastbolt Schraubengroßhandels GmbH	Germany	Selling screws	EUR 255,646	—	EUR 255,646 (investment amount)	100.00%	EUR 19,080,227	EUR 1,598,380	EUR 1,598,380	Subsidiary
	Fastbolt Distributors (UK) Ltd.	Britain	Selling screws	GBP 18,900	—	18,900	100.00%	EUR 2,530,269	GBP 164,068	GBP 164,068	Subsidiary
	FB Ibérica Unipessoal Lda.	Portugal	Selling screws	EUR 50,000	—	EUR 50,000 (investment amount)	100.00%	EUR 653,410	EUR 1,608	EUR 1,608	Subsidiary

TABLE 8

INFORMATION ON INVESTMENT IN MAINLAND CHINA

1.The detail of the investment in mainland China:

Amounts in Thousands of New Taiwan Dollars and Foreign Currencies in Dollars

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee Company	Percentage of Ownership	Shares of Profits / Losses (Note 3)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
HuangHua Jujin Hardware Products Co.,Ltd.	Production, processing and sales of wires, screws, bolts and other related products	$ 353,373 (CNY 81,667,000)	Note1	$ 182,112 (USD 5,931,028)	$ –	$ –	$ 182,112 (USD 5,931,028)	$ 38,061 (CNY 8,796,279)	60.00%	$ 22,857 (USD 744,406)	$ 357,959 (USD 11,658,006)	$ 292,966 (USD 9,541,302)
FQC Mechanical Technology Consultancy Co. Ltd	Quality inspection	6,796 (EUR 200,000)	Note2	–	–	–	–	(333) (CNY 76,919)	50.00%	(9) (EUR 264)	1,431 (EUR 42,102)	–
Fastbolt Trading (Shanghai) Co. Ltd.	Selling screws	3,378 (USD 110,000)	Note2	–	–	–	–	6,543 (CNY 1,512,078)	100.00%	8,935 (EUR 262,963)	26,441 (EUR 778,138)	–

Accumulated Investment in Mainland China as of December 31, 2023 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$182,112 (USD 5,931,028)	$182,112 (USD 5,931,028)	$ 2,169,671

Note 1：Indirectly investment in Mainland China through the Kingford International Limited registered in a third region.

Note 2：The acquisition of Fastbolt Group GmbH by the consolidated company, which includes its previously invested subsidiary in China.

Note 3：The investment profit / loss column recognized in the current period is based on the company's audited financial statements.

Note 4：Accumulated investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date. (USD 1：30.705 , CNY 1：4.327 , EUR 1：33.98)

Note 5：According to the regulations of the Investment Commission of the Ministry of Economic Affairs, the upper limit of the cumulative amount of its investment in the mainland is 60% of the net value.

3.Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: None.

4. Note:
   In order to meet actual business needs, the Company plans to invest in mainland China. It was approved by the shareholders' meeting on May 16, 2003, and the board of directors was authorized to decide on investment matters within the scope of the competent authority and relevant laws and regulations. The Company's board of directors resolved on October 22, 2003, that TYCOONS GROUP INTERNATIONAL CO., LTD., a subsidiary in the British Cayman Islands, would invest USD 2,180,000 in KINGFORD INTERNATIONAL LIMITED, Western Samoa, and then indirectly invest USD 2,180,000 in mainland China. Huanghua Jujin Hardware Products Co., Ltd. is engaged in the processing, production and sales of spherical wires, screws and other products. This investment case was approved by the Investment Review Committee of the Ministry of Economic Affairs on November 20, 2003. Letter No. 092035790 Approved. The Company's board of directors decided on November 21, 2003, to increase its investment in Western Samoa KINGFORD INTERNATIONAL LIMITED with its own funds of US$2,305,266 of TYCOONS GROUP INTERNATIONAL CO., LTD. in the third region investment business British Cayman Islands, and indirectly with US$2,300,000. Invested in Huanghua Jujin Hardware Products Co., Ltd., an investment enterprise in mainland China. This investment case was approved by the Investment Review Committee of the Ministry of Economic Affairs by letter No. 092040150 on December 26, 2003. In addition, the Company makes the resolution of the board of directors on January 6, 2005, to increase its investment in Western Samoa KINGFORD INTERNATIONAL LIMITED with its own funds of 1,452,785 U.S. dollars in the third region investment business British Cayman Islands, and at 1,451,028 U.S. dollars indirect investment in Huanghua Jujin Hardware Products Co., Ltd., an investment enterprise in the mainland China, was approved by the Investment Review Committee of the Ministry of Economic Affairs by letter No. 094001032 on January 19, 2005. Huanghua Jujin Hardware Products Co., Ltd. remitted the 2017 cash dividend of US$1,204,908.89 yuan by the 2018 board of directors. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on August 8, 2018, with Shen Er Zi No. 10700173720. Huanghua Jujin Hardware Products Co., Ltd. resolved the 2017 board of directors to repatriate the 2016 cash dividend amounting to US$ 793,522.51. The case was approved by the Investment Review Committee of the Ministry of Economic Affairs on July 4, 2017, with the letter No. 10600139400. Huanghua Jujin Hardware Products Co., Ltd. was resolved by the board of directors in 2015 to repatriate the cash dividends of US$2,528,804.84 from 2003 to 2015. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on March 15, 2016, with No. 10500047010. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2019 to distribute cash dividends totaling USD 767,981.38. The case was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 17, 2019, with the letter No. 10800233150. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2020 to distribute cash dividends totaling US$931,851.19. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on March 18, 2020, with the letter No. 10900072630. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2021 to distribute cash dividends totaling US$1,671,439.39. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 7, 2021, with the letter No. 11000208940. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2022 to distribute cash dividends totaling US$902,728.35. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on November 1, 2022, with letter No. 11100171200. Huanghua Jujin Hardware Products Co., Ltd. was approved by the board of directors in 2023 to distribute cash dividends totaling US$740,065.65. This case was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 20, 2023, with letter No. 11200139970.

TABLE 9

MAJOR SHAREHOLDERS INFORMATION

December 31, 2023

Names	Number of Shares held	Percentage of shareholding
Hengsha Investment Co.,Ltd.	24,342,022	7.21％
Yisheng Investment Co.,Ltd.	17,867,523	5.29％
Soufu Investment Co.,Ltd.	16,946,743	5.02％

Note 1：This table is based on the last business day at the end of each quarter and calculates that shareholders hold more than 5% of the Company's ordinary shares and special shares that have completed unregistered delivery (including treasury shares). As for the share capital recorded in the company's financial report and the company's actual number of shares delivered without physical registration, there may be differences or differences due to different calculation bases.

Note 2：In the case of the above information, if the shareholders' shares are in the trust, it is disclosed in individual accounts by the trustee who opened the trust account by the trustee. As for the shareholder's declaration of insider's equity in accordance with the Securities and Exchange Act, the shareholding includes his own shareholding plus the trust shares and the right to use the trust property. For information on insider's equity declaration, please refer to the Market Observation Post System website of the TSE.

VI. For the most recent year and up to the publication date of the annual report, financial position impacted by insolvency incidents encountered by the company and affiliates: Nil.

Seven. Review of Financial Position, Business Performance and Risk Issues

I. Analysis of financial position

Unit: NT$ thousand

Year / Item	2023	2022	Difference	
	Amount	Amount	Amount	%
Current assets	4,603,600	4,374,352	229,248	5
Property, plant and equipment	3,172,411	3,101,082	71,329	2
Other non-current assets	1,135,073	1,045,579	89,494	9
Total assets	8,911,084	8,521,013	390,071	5
Current liabilities	1,693,174	1,948,749	(255,575)	(13)
Non-current liabilities	313,147	85,230	227,917	267
Total liabilities	2,006,321	2,033,979	(27,658)	(1)
Share capital	3,371,682	4,797,520	(1,425,838)	(30)
Capital reserve	129,054	30,629	98,425	321
Retained earnings	81,298	(1,425,838)	1,507,136	(106)
Total equity	6,904,763	6,487,034	417,729	6

Main reasons and future countermeasures for major fluctuation items (with changes of 20% or more between the start and end of the period, and the value of change amounts to NT$10 million):

1. Non-current liabilities increased mainly due to the increase in long-term liabilities.
2. The decrease in share capital was due to the capital reduction to offset accumulated deficits.
3. The increase in capital reserve was mainly due to recognition of difference between actual acquisition or disposal and the carrying value of investment accounted for using the equity method, as well as reorganization.
4. Changes in retained earnings were due to the capital reduction to offset accumulated deficits in the current period.

II. Financial Performance

(I) Comparison analysis for operating performance

Unit: NT$ thousand

Item	2023	2022	Increase /decrease	Change ratio (%)
Net operating revenue	8,420,093	9,573,616	(1,153,523)	(12)
Operating cost	(7,232,718)	(8,955,751)	1,723,033	(19)
Operating gross profit	1,187,375	617,865	569,510	92
Realized gross profit	1,187,375	617,865	569,510	92
Operating expenses	(783,603)	(498,099)	(285,504)	57
Net operating income (loss)	403,772	119,766	284,006	237
Non-operating income and expenses	(33,033)	(147,096)	114,063	(78)
Profit (loss) before tax	370,739	(27,330)	398,069	(1457)
Income tax (expense)	(27,655)	(31,813)	4,158	(13)
Current net profit from continuing operations	343,084	(59,143)	402,227	(680)
Net income (loss)	(147,664)	(9,452)	(138,212)	1462

Analysis of percentage changes:

Gross profit: See table (2).

(II) Analysis of gross profit fluctuation:

Unit: NT$ thousand

Industry	Change in amount between the start and end of the period	Reasons for variance			
		Sales price variance	Cost-price variance	Cost-volume variance	Sales-volume variance
Operating gross profit	569,510	321,143	242,587	1,497,786	(1,492,006)
Description	Due to factors such as the ongoing Russo-Ukrainian War, inflation, and sluggish demand from end customers, downstream manufacturers experienced limited destocking, shrinking demand, and sluggish willingness to place orders. However, with the destocking of high-priced inventories, the cost has become stable, resulting in a slight recovery of gross profit.				

III. Cash flow change analysis

(I) Liquidity analysis for the most recent two years

Item \ Year	December 31, 2023	December 31, 2022	Change ratio
Cash flow ratio	76.59%	44.13%	41.99%
Cash flow adequacy	199.44%	95.45%	347.70%
Cash flow reinvestment ratio	10.09%	7.11%	13.22%

Analysis of percentage changes:

(1) Cash flow ratio was higher than the previous period, mainly due to increase in net cash inflow from operating activities and decrease in current liability in the period.

(2) Cash flow adequacy was higher than the previous period, mainly due to increase in net cash inflow from operating activities for the most recent five years.

(3) Cash flow reinvestment ratio was higher than the previous period, mainly due to increase in net cash inflow from operating activities.

(II) Summary of cash flow change analysis in the most recent year :

Unit: NT$ thousand

Cash balance at the beginning of period (1)	Estimated yearly net cash inflow from operating activities (2)	Estimated yearly net cash outflow (3)	Anticipated cash surplus (shortage) (1)+(2)-(3)	Remedies for expected cash shortage	
				Investment plan	Financing plan
1,154,030	1,300,000	1,045,000	1,409,030	-	-

1. Cash Flow Analysis:
   (1) Operating activities: Mainly due to cash inflow from increase in profit before tax in the period.
   (2) Investing and financing activities: Mainly due to the expected purchase of fixed assets and repayment of short-term borrowings, resulting in cash outflows.
2. Remedies for expected cash shortage and liquidity analysis: Not applicable.

IV. Impacts of major capital expenditures on financial performance in the most recent year: Nil.

V. Causes of profit or loss incurred on investments in the most recent year, and any improvement and future investment plans

Unit: NT$ thousand

Description / Item	Profit amount	Policy	Main reasons for profit or loss	Improvement plans	Other investment plans in the future
Tycoons Group International Co., Ltd.	55,466	Overseas holding company	It was mainly due to gains on investment recognized in the current period. As a result of the appropriate deployment of production and sales, the subsidiaries earned stable profits, which generated profits for the Company.	In order to reduce the maintenance cost of the holding company, Cayman Tycoons Group International Co., Ltd. ("TGI"), and taking into account the preferential taxation, it is proposed to abolish the holding company and let the parent company ("Tycoons Taiwan") hold the equity interest directly. In 2023, the equity interest of the subsidiaries held by TGI was gradually transferred to Tycoons Taiwan.	Depending on the development of the market and industry, the Company shall make evaluation when appropriate
Fastbolt International Pte., Ltd.	74,545	Overseas holding company	Affected by factors such as the Russo-Ukrainian War and inflationary pressure, the destocking of the downstream screw industry was unfavorable. The Company's subsidiary is an import and export distributor of various fasteners, mainly to European countries. Through global procurement and professional warehouse facilities and management systems, product and logistics costs are precisely controlled, maintaining stable profits despite an unfavorable environment.	The company leverages the Group's advantages in vertically integrated production model, staying close to market demand, reducing costs, and actively expanding the market to improve profitability.	Depending on the development of the market and industry, the Company shall make evaluation when appropriate

VI. Risk management and assessment

(I) The impact of interest and exchange rate changes and inflation on the Company's profit and loss and future response measures:

Item	2023 (NT$ thousand)
Interest expense	80,811
Loss on exchange difference	6,414

(1) Impact of interest rate fluctuations on profit and loss of the Company and future countermeasures

The interest rate risk of the Company mainly comes from operating activities that give rise to short-term borrowings for purchase of materials and long-term loans. To mitigate the impact of interest rate fluctuations on the profit and loss of the Company, the borrowings of the Company are mainly long-term loans with lower interest rate fluctuations. The Company closely monitors interest rate fluctuations. If necessary, the Company shall engage in interest rate swaps (IRS) to lock on to a certain interest rate, so as to mitigate the risk.

(2) Impact of foreign exchange fluctuations on profit and loss of the Company and future countermeasures

Most of the Company's raw materials are imported from abroad. Although the Company has some exports, the foreign currency collected can only cover a small part of the Company's demand of USD. The net USD demand remains substantial. The foreign exchange fluctuation of the USD and NTD has a major impact on the Company's costs and profit or loss. To mitigate the risk, the Company has taken the following measures:

A. Maintain close contact with banks to obtain information on foreign exchange fluctuations and services so as to take timely actions.

B. Use forward exchange contracts where appropriate to mitigate the risk of foreign exchange fluctuation.

(3) Impact of inflation on profit and loss of the Company and future countermeasures

Inflation has no major impact on the profit and loss of the Company.

(II) Policies on transactions involving high risks, highly leveraged investments, lending of funds to others, endorsement or guarantee and derivatives, the main reasons for the profit or loss of these transactions and future countermeasures:

The Company has not engaged in high risks and highly leveraged investments in 2023, except for derivative transactions, lending of funds to others and endorsement or guarantee undertaken in accordance with the "Procedures for Acquisition or Disposal of Assets" and "Procedures for Lending Funds to Other Parties and Handling of Endorsement or Guarantee".

(III) Future R&D projects and corresponding budget: Please see "Section Five. Operational Highlights, Technology and R&D" in the annual report.

(IV) Effect on the company's financial operations due to important policies adopted and changes in the legal environment at home and abroad, and the corresponding countermeasures: Nil

(V) Effect on the company's financial operations caused by developments in science and technology as well as industrial change, and the corresponding countermeasures: Nil

(VI) Impact of change in corporate image on crisis management, and countermeasures: Nil

(VII) Expected benefits from, risks relating to, and response to merger and acquisition plans: Nil

(VIII) Expected benefits from, risks relating to, and response to factory expansion plans: Nil

(IX) Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration:

In 2023, the largest supplier of the Company was Tycoons Worldwide Group (Thailand) and the main purchase item was wire rods. As Tycoons Worldwide Group (Thailand) is a subsidiary of Tycoons Group Enterprise, not only is the production costs of the wire rods it produces lower, the quality is steady and supply is stable. The Company is thus able to acquire a stable material source. For the costs and operations, the arrangement benefits the Company. Moreover, the profits that Tycoons Worldwide Group (Thailand) makes can be repatriated to the parent company, which is a synergy for both parties. Therefore, although the material source of the Company is concentrated, it does not cause any operating risks. On the contrary, it is beneficial to the overall operating profits.

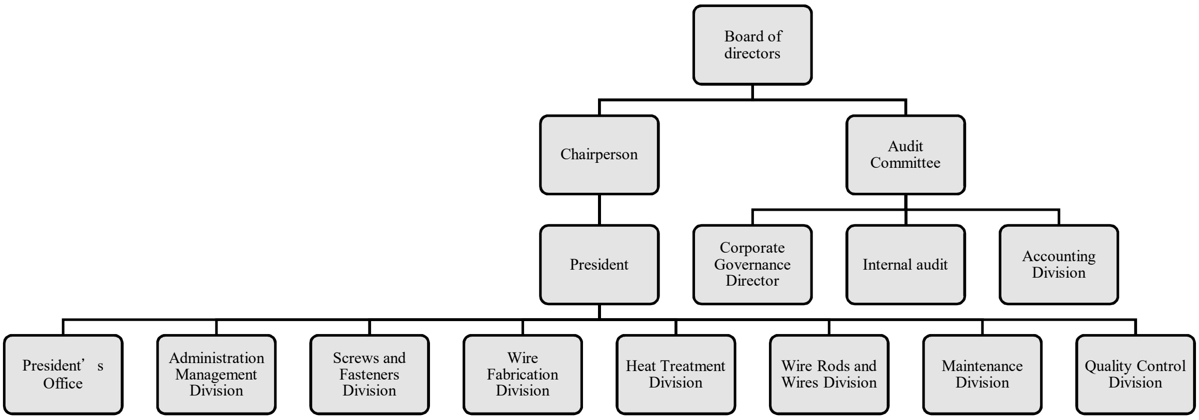
(X) Effects of, risks relating to, and response to large share transfers or changes in shareholdings by directors, supervisors, or shareholders with shareholdings of over 10%: Nil

(XI) Effects of, risks relating to, and response to the changes in management: Nil

(XII) For litigation or non-litigation cases involving the company, directors, supervisors, general manager, actual persons in-charge or major shareholders with a stake of 10% or more and subordinate companies that have been concluded or are still pending, and which have material impact on the shareholders' interests or security prices, disclosure should be made regarding the content of the cases, the sum of penalties or claims, the commencement dates of the cases, the parties involved and the status as of the publication date of the annual report: Nil.

(XIII) Other important risks and countermeasures:

(1) Organization chart and functions of the risk management team



A. Risk monitoring
Board of directors, Audit Committee, chairperson, president, internal audit, Corporate Governance Director and independent auditors are in charge of the supervision of major risks.

B. Risk management routine
Segregation of duties by level. Each department must perform routine risk management assessments according to their duties. They practice segregation of duties by level as per the internal control procedures and seek to keep various risks to a minimum.

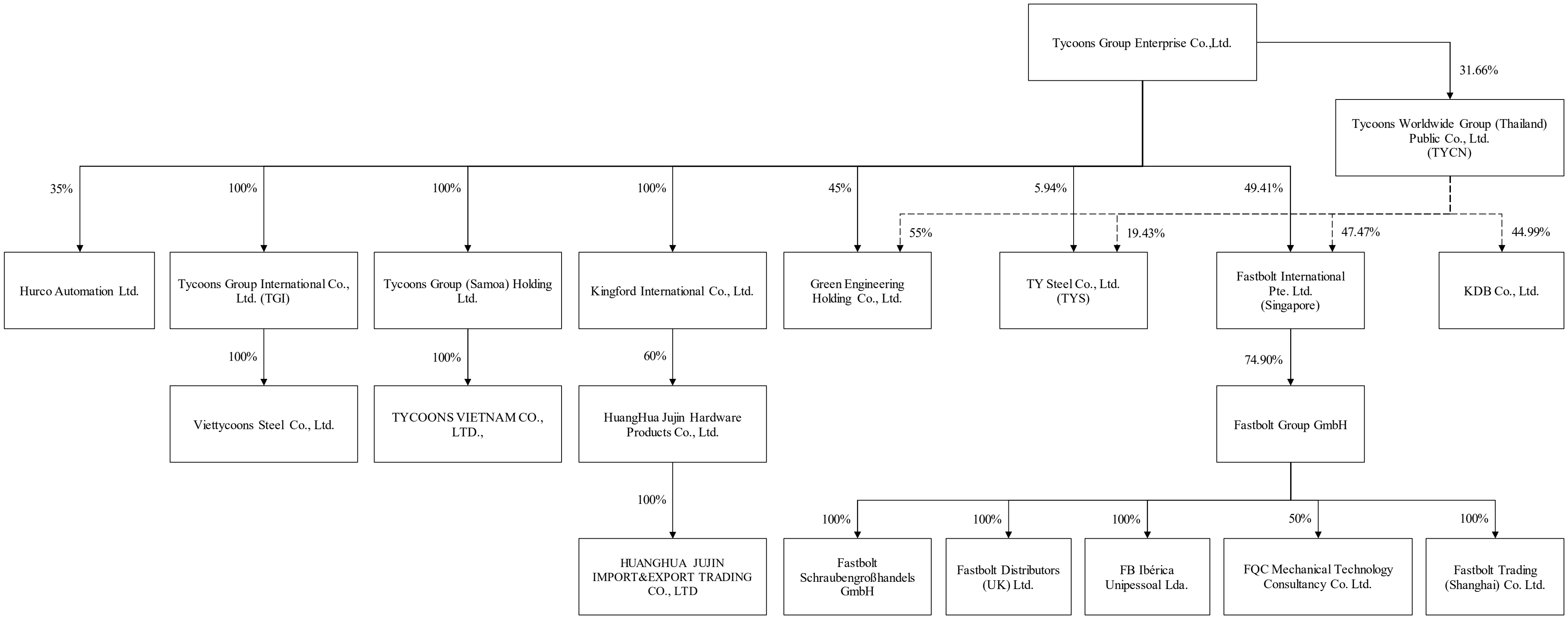
VII. Other Material Issues: Nil

Eight. Special Disclosure

I. Summary of Affiliated Companies

(I) Consolidated business reports with affiliated enterprises:

(1) Affiliated enterprises chart (December 31, 2023)



(2) Basic information of affiliated enterprises

December 31, 2022

Name of company	Date of establishment	Address	Paid-in capital		Principle business or production
Hurco Automation, Ltd.	November 8, 1996	6F., No. 31, Xintai Rd., Zhubei City, Hsinchu County	NTD	120,220,200	Automated computer software systems Maintenance, purchase and sales, and distribution of computer equipment, circuit boards and computer peripherals
Tycoons Group International Co., Ltd.	May 21, 1996	Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Islands	USD	25,752,000	Overseas holding company
Tycoons Worldwide Group (Thailand) Public CO., Ltd.	September 9, 1996	No. 99 Moo1,Tumbon Nikompattana Amphur, Nikompattana,Rayong 21180 Thailand.	THB	4,475,616,750	Integrated production and sales of wire rods, wires and screws.
Huanghua Jujin Hardware Products Co., Ltd.	August 1, 2003	Jiuchengzhen Baizhuang, Huanghua City, Hubei Province	RMB	81,667,000	Production and sales of spheroidized wires, screws, bolts, hardware and other products.
Huanghua Jujin Trading Co., Ltd.	August 11, 2009	Jiuchengzhen Baizhuang, Huanghua City, Hubei Province	RMB	1,000,000	Import and export of spheroidized wires, screws, bolts, hardware and other products.
Kingford International Limited	April 8, 2003	Offshore Chambers,P.O.Box217,Apia,Samoa.	USD	5,938,051	Overseas holding company
Viettycoons Steel Co., Ltd.	July 13, 2018	My Xuan A2 Industrial Zone, Tan Thanh Dist., Ba Ria-Vung Tau Province, Vietnam.	USD	6,000,000	Production and sales of hot forging products, spheroidized wires, cold-rolled strip steel and hot dip galvanizing steel tapes.
TY Steel Co., Ltd	September 14, 2011	99Moo1,Tumbon Nikompattana Amphur, Nikompattana,Rayong 21180 Thailand.	THB	2,724,492,000	Overseas furnace factory, production and sales of billets
Tycoons Group (Samoa) Holding Ltd.	September 13, 2017	Level 1,Central Bank of Samoa Building, Beach Road, Apia, Samoa.	USD	700,000	Overseas holding company
Tycoons Vietnam Co., Ltd.	May 7, 2013	My Xuan A2 Industrial Zone, Tan Thanh Dist., Ba Ria-Vung Tau Province, Vietnam.	VND	14,993,846,000	Wiredrawing mill in Vietnam, manufacturing and sales of wires.
KDB Co., Ltd.	September 30 2021	98/245 Moo. 9 Tumbon Bangkaew, Amphur Bangphi, Samuthprakarn.	THB	269,636,000	Engage in real estate business
Fastbolt International Pte. Ltd.	July 19, 2021	100 Peck Seah Street #10-18 PS100 Singapore (079333)	EUR	9,600,000	Overseas holding company

Name of company	Date of establishment	Address	Paid-in capital		Principle business or production
Green Engineering Holding Co., Ltd.	June 6, 2023	No. 99 Moo 1, Tumbon Nikompattana, Amphur Nikompattana, Rayong 21180 Thailand	THB	75,000,000	Aassets investment.
Fastbolt Group GmbH	February 2, 2012	Am Königsweg 4, 48599 Gronau, Germany	EUR	73,750	Overseas holding company.
Fastbolt Schraubengroßhandels GmbH	May 8, 1992	Am Königsweg 4, 48599 Gronau, Germany	EUR	255,645.94	Hardware trading of screw and fasteners
Fastbolt Distributors (UK) Ltd.	August 25, 1982	Sherbourne Drive, Tilbrook, Milton Keynes, Buckinghamshire, MK7 8AW, England	GBP	18,900	Hardware trading of screw and fasteners
FB Ibérica Unipessoal Lda.	December 17, 2012	Apartado 122, 3850-909 Albergaria-a-Velha, Portugal	EUR	50,000	Hardware trading of screw and fasteners
FQC Mechanical Technology Consultancy Co. Ltd.	August 15, 2007	West Part, 1st Floor, Building 8. No. 67, Lane 1768 LiYue Road, PuJiang Town, MinHang District738 Shangcheng Road, Shanghai 200114, P.R. CHINA	EUR	400,000	Quality inspection.
Fastbolt Trading (Shanghai) Co. Ltd.	September 9, 2005	Room 709, Suncome Liauw’s Plaza, 738 Shangcheng Road, Shanghai 200120, PR.CHINA	USD	110,000	International trade.

(3) Information on the shareholders of the companies shall be concluded as the existence of the controlling and subordinate relation in accordance with Article 369-3 of the Company Act: Nil.

(4) Businesses covered by the overall affiliated companies:
The businesses covered by the Company and its affiliated companies include manufacturing, trading, fabrication, investment etc. Please refer to Item 2.

(5) Directors, supervisors and managers of affiliated companies:

Unit: NT$ thousand; share; %

Name of company	Position	Name or representative	Shares held	
			Number of shares (shares)	Shareholding percentage (%)
Hurco Automation, Ltd.	Chairperson	Representative of Tycoons Group Enterprise Company Limited: Huang, Wen-Sung		
	Director	Representative of Tycoons Group Enterprise Company Limited: Huang, Ping-Lun	4,207,707	35
	Director	Representative of Tycoons Group Enterprise Company Limited: Chang, Wen-Hui		
	Vice Chairperson	Representative of Hurco B.V.: Gregory S. Volovic		
	Director	Representative of Hurco B.V.: Michael Core	4,207,707	35
	Director	Representative of Hurco B.V.: Sonja K. McClelland		
	Director cum President	Bian, Ping-Yuan	961,687	8
	Director	Lin, Hsiu-Ling	360,660	3
	Director	Chen, Chi-An	557,595	4.64
	Supervisor	Lu, Yen-Chuan	0	-
	Supervisor	Stephen M. Holzinger	0	-
Tycoons Group International Co., Ltd.	Director	Representative of Tycoons Group Enterprise Company Limited: Huang, Wen-Sung	25,752,000	100
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Chairperson	Huang, Wen-Sung	1	-
	Director	Lu, Yen-Chuan	1	-
	Director cum President	Huang, Ping-Lun	112,600	0.02
	Director	Huang, Feng-Mei	7,700	-
	Independent Director, Chairman of the Audit Committee	Navin Vongchankit	0	-
	Independent Director, Audit Committee	Jirawat Huang	0	-
	Independent Director, Audit Committee	Phiphat Wangphichit	0	-
Huanghua Jujin Hardware Products Co., Ltd.	Chairperson	Chen, Cheng-Li	0	-
	Vice Chairperson	Bai, Jen-Hao	0	-
	Director	Bai, Chih-Chi	0	-
	Director	Huang, Wen-Sung	0	-

Name of company	Position	Name or representative	Shares held	
			Number of shares (shares)	Shareholding percentage (%)
	Director	Lu, Yen-Chuan	0	-
	President	Bai, Chih-Ying	0	-
Huanghua Jujin Trading Co., Ltd.	Director	Representative of Huanghua Jujin Hardware Products Co., Ltd.: Chen, Cheng-Li	Capital amount RMB 1,000,000	100
Kingford International Limited	Chairperson	Representative of Tycoon Group Enterprise Co., Ltd.: Huang, Wen-Sung	Capital amount USD 5,938,051	100
Viettycoons Steel Co., Ltd.	Chairperson cum director	Representative of Tycoon Group International Co., Ltd.: Huang, Wen-Sung	Capital amount USD 6,000,000	100
TY Steel Co., Ltd	Director cum Chairperson	Wang, Pi-Chang	0	-
	Director cum President	Chen, Yi-Sung	0	-
	Director	Hsieh Li-Yun	0	-
	Director	Hsu Li-Hung	0	-
	Director	Lin Jiun-Liang	0	-
Tycoons Group (Samoa) Holding Ltd.	Director	Representative of Tycoon Group Enterprise Co., Ltd.: Huang, Wen-Sung	700,000	100
Tycoons Vietnam Co., Ltd.	Director	Representative of Tycoons Group (Samoa) Holding Ltd.: Huang, Wen-Sung	Capital amount VND 14,993,846,000	100
KDB Co., Ltd	Chairperson	Huang, Wen-Sung	74	0.03
	Director	Natthawat Thanapinyanun	148,167	54.95
	Director	Representative of Tycoons Worldwide Group (Thailand) Public Co., Ltd.: Hwang, Feng- Mei	121,321	44.99
Fastbolt International Pte. Ltd.	Director	Huang, Wen-Sung	0	-
	Director	Quek Siow Meng	0	-
Green Engineering Holding Co., Ltd.	Director	Natthawat Thanapinyanun	1	-
Fastbolt Group GmbH	Managing Director	Ekkehard Beermann	18,511	25.10
Fastbolt Schraubengroßhandels GmbH	Managing Director	Ekkehard Beermann	0	-
Fastbolt Distributors (UK) Ltd.	Managing Director	Amanda True	0	-
FB Ibérica Unipessoal Lda.	Geschäftsführer	Moisès Cardoso	0	-
	Geschäftsführer	Ekkehard Beermann	0	-
FQC Mechanical Technology Consultancy Co. Ltd.	General Manager	Eric Ni	0	-
	Chairman	Ekkehard Beermann	0	-
Fastbolt Trading (Shanghai) Co. Ltd.	General Manager	Eric Ni	0	-
	Chairman	Ekkehard Beermann	0	-

(6) Operational highlights of affiliated companies

December 31, 2023

Name of company	Currency	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Profit or loss for the current period (after tax)	After tax Earnings per share (NT$)
Hurco Automation, Ltd.	NT$ (thousand)	120,220	625,434	136,985	488,449	501,023	56,339	50,918	4.24
Tycoons Group International Co., Ltd.	USD	25,752,000	1,230,006	0	1,230,006	0	(257,462)	1,691,445	0.07
Tyoons Worldwide Group (Thailand) Co., Ltd.	THB	4,475,616,750	5,776,116,048	1,098,240,387	4,677,875,661	5,574,702,937	89,340,761	135,762,032	0.23
Huanghua Jujin Hardware Products Co., Ltd.	RMB	81,667,000	207,918,729	69,476,020	138,442,709	329,385,743	15,869,906	8,796,279	1.08
Huanghua Jujin Trading Co., Ltd.	RMB	1,000,000	1,063,222	133,757	929,465	1,038,438	(18,228)	56,002	0.56
Kingford International Limited	USD	5,938,051	12,105,719	69,869	12,035,850	0	(70,912)	598,643	0.10
Viettycoons Steel Co., Ltd.	VND	95,559,907,823	124,479,590,081	94,665,521,851	29,814,068,230	41,653,885,436	9,415,296,498	2,457,012,260	0.26
TY Steel Co., Ltd	THB	2,724,492,000	5,303,390,364	3,924,478,012	1,378,912,352	5,358,720,207	(300,613,972)	(504,328,554)	(1.85)
Tycoons Group (Samoa) Holding Ltd.	USD	700,000	381,267	0	381,267	0	0	(584,023)	(0.83)
Tycoons Vietnam Co., Ltd.	VND	14,993,846,000	104,031,011,128	94,783,011,677	9,247,999,451	90,816,792,728	(8,556,099,773)	(13,923,099,234)	(9.29)
KDB Co., Ltd	THB	269,636,000	316,082,715	53,064	316,029,651	0	(1,318,527)	(1,243,963)	(4.61)
Fastbolt International Pte. Ltd.	EUR	9,600,000	17,499,235	14,938	17,484,297	0	(108,601)	7,852,902	0.82

Name of company	Currency	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Profit or loss for the current period (after tax)	After tax Earnings per share (NT$)
Green Engineering Holding Co., Ltd.	THB	75,000,000	74,996,223	28,000	74,968,223	0	(31,777)	(31,777)	(0.42)
Fastbolt Group GmbH	EUR	73,750	1,931,545	570,610	1,360,935	0	0	(59,770)	(0.81)
Fastbolt Schraubengroßhandels GmbH	EUR	255,646	27,289,695	7,997,697	19,291,998	29,131,553	5,374,248	1,598,380	6.25
Fastbolt Distributors (UK) Ltd.	GBP	18,900	4,441,818	2,186,869	2,254,949	6,096,966	273,456	164,068	8.68
FB Ibérica Unipessoal Lda.	EUR	50,000	1,628,277	974,866	653,410	1,630,325	41,609	1,608	0.03
FQC Mechanical Technology Consultancy Co. Ltd.	RMB	3,699,375	766,316	104,863	661,453	0	(79,143)	(76,919)	(0.21)
Fastbolt Trading (Shanghai) Co. Ltd.	RMB	869,772	10,705,233	4,592,603	6,112,630	8,413,533	1,513,528	1,512,078	17.38

(II) Consolidated financial statements of affiliated enterprises:

Declaration

The entities that are required to be included in the combined financial statements of the Company as of and for 2023 (from January 1, 2023, to December 31, 2023) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, no separate set of combined financial statements is prepared.

To

Company name: Tycoons Group Enterprise Company Limited
Representative: Huang, Wen-Sung

(III) Affiliation reports: Nil.

II. Private placement of securities: Nil.

III. For the most recent year and up to the publication date of the annual report, the shareholding or disposal of shares of the company by subsidiaries: Nil.

IV. Other Supplementary Information: Nil.

Nine. For the most recent year and up to the publication date of the annual report, matters affecting shareholders' equity stock price as prescribed in the Securities and Exchange Act, Article 36, Paragraph 3, Subparagraph 2: Nil.

TYCOONS GROUP ENTERPRISE CO., LTD.

Chairman: Huang, Wen-Sung

April 8, 2024