

Stock Code :
2033

CHIA TA WORLD CO., LTD.

2023 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Not Available.

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I. Letter to Shareholders

I. Business Report for 2024

(1).Result for Business report for 2023

Unit: NT\$ thousands, Metric Ton

Year Account Names	2022	2023	Difference	
			Amount	%
Sales Revenue	810,803	586,548	-224,255	-27.66
Cost of Sales	759,243	534,430	-224,813	-29.61
Gross Profits	51,560	52,118	558	1.08
Gross Margin	6.36	8.89	2.53	39.73
Operating Expense	66,637	58,190	-8,447	-12.68
Operating Income	-15,077	-6,072	9,005	59.73
Total Non-Operating Income and Expense	587	2,345	1,758	299.49
Income before Tax	-14,490	-3,727	10,763	74.28
Net income	-12,698	-3,112	9,586	75.49
Other Comprehensive Income of the period	-2,843	740	3,583	126.03
Earnings per share	-0.16	-0.04	0.12	75.00
Annual Sales	22,901	16,532	-6,369	-27.81
Annual Yield	14,980	12,290	-2,686	-17.94

Reasons for differences are listed below:

1. In 2023, the wire market remained sluggish, showing slight improvement by the third quarter. The average selling price for the year was on par with last year, and shipment volumes fell by 6,369 metric tons. Fortunately, the higher-priced inventory from 2022 has been mostly sold off, and lower subsequent raw material and goods costs contributed to an increase of 39.73% in gross profit margin compared to last year, with a slight increase of NT\$558,000 in gross profit amount compared to the same period last year.
2. The decrease in sales volume in 2023 led to a reduction in export and domestic shipping costs by NT\$3,577,000. Personnel-related expenses also declined by NT\$3,214,000 due to retirements and unfilled positions, reducing total operating expenses by NT\$8,447,000 compared to 2022.
3. The net amount of non-operating income and expenses decreased by NT\$ 2,548,000 due to a reduction in foreign exchange losses in 2023 compared to the same period last year, resulting in a net increase of NT\$ 1,758,000 in non-operating income.
4. Although the results in 2023 were not as expected, the cost of goods sold decreased each quarter, resulting in an increase in gross profit. While the company broke even in the Q3 and returned to profitability in the Q4, there was still an overall annual loss of NT\$ 3,112,000.

(2) Cash inflows and outflows:

The comparison of cash inflows and outflows of the Company in 2023 and 2022 are listed below:

Items	2022	2023	Difference	
			Amount	%
Net Cash Inflows(Outflows)from operating activities	12,742	58,458	45,716	359.00
Net Cash Inflows(Outflows)from investing activities	-13,674	-5,026	8,648	-63.25
Net Cash Inflows(Outflows)from financing activities	22,858	69,884	-92,741	-405.75

1. Operating activities saw a net cash inflow of \$45,716,000, primarily due to a reduction in notes receivable in 2023, generating a cash inflow of \$29,738,000, and a decrease in inventory in 2023, generating a cash inflow of \$29,242,000.
2. Investing activities saw a net cash inflow of \$8,648,000, mainly due to lower cash outflows for the acquisition of property, plant, and equipment in 2023 compared to 2022.
3. Financing activities saw a net cash outflow of \$92,741,000, primarily due to a cash outflow of \$79,406,000 from not renewing short-term loans in 2023, and a cash outflow of \$10,056,000 from not renewing maturing short-term bills.

(3) Analysis of profitability:

Item	2022	2023	Rate in difference
Returns on assets	-0.74	-0.05	0.70
Returns on equity	-1.22	-0.30	0.92
Profit rate	-1.57	-0.53	1.04

In 2023, the sale of higher-priced inventory from the previous year and the subsequent lower costs for raw materials and goods led to an increase in gross profit each quarter, narrowing the loss margin and resulting in improved profitability compared to 2022.

(4) The research performance in 2023:

1. The Company continuously gather data, analysis, examination in process of production in order to remove the factors leads to the defect and spoilage of the product and therefore rise the quality and yield of the products.
2. With the improvement of pickling racks, relieve pulling and extrusion force, the raw material can reach 100% availability of cleaning rate and therefore improve the quality and yield of products.

II. 2024 Operational plan

Taiwan's economic development has long relied on exports, and all economic activities are significantly affected by global market conditions. The relationship between Taiwan and China is heavily influenced by political factors, often preventing Taiwan from signing more favorable tariff agreements due to Chinese interference. This makes exporting more difficult compared to other Southeast Asian countries, as Taiwan's export costs are relatively high. Moreover, the US-China trade rivalry, the ongoing Russia-Ukraine war, and the Israel-Palestine conflict further hamper export markets. Being an island nation, Taiwan heavily relies on international trade and can only hope for a swift resolution to these conflicts, and a gradual recovery of the Chinese economy. Additionally, economic revitalization plans and infrastructure projects in the US, Europe, and other parts of the world may drive demand in the steel market. The Company's 2024 operational strategies are as follows:

1. Continuously seek out sources of raw materials, procuring those with more competitive pricing to reduce costs.
2. Create grading system for products in order to satisfy the demand of customers.
3. Purchase new model of drawing machine in order to improve the quality and production capacity of the wire extension product.
4. Improve the equipment and production process to improve the yield and quality.
5. Reinforce the communication and services to its customers in order to bring in more orders.
6. Execute ISO 9001:2015 for improve the quality and effectiveness of operation.
7. Strengthen the relationship of suppliers and customers for securing the supply of raw materials, robusting the selling channels and creating win-win scenario.
8. Strengthen the sensitivity of reaction to markets in order to face the fast-changing market.
9. Strictly control the capital expenditure and reduce the portion of liabilities.

3. Future development strategies, the influence of external environment and competition and the influence of regulations and macro-economic environment

(1) Future development strategies

1. The wire market's demand is diverse. The company will supply a variety of products to satisfy different group of customers' needs. To satisfy the demand, the Company will purchase material from different resources and tweak the production process and situation to satisfy the customer in many aspect and rise the satisfaction of the customers.
2. The Company decided to adopted strategy of purchasing from multiple suppliers in order to decrease the risk of shortage of material. In this way, the Company can control the resource of material, diversify the market risk and acquire advantageous price of materials and stable source of supply
3. For fear of over-concentration of sales market, the Company has decided to expand market in Japan, USA, China and South-east Asia in order to rise the overall sales.
4. Improve the quality and yield of product in response to the changes in the market by purchasing new model of drawing machine and upgrading the existed equipment. Reduce the production cost of renewing the control system of electricity which can expand the service life of production equipment.
5. Purchase solar power equipment for generating 154KW for personal use. The Company has acquired Renewable Energy Certificates with the power generated by the

equipment. The move can response to the carbon tax in foreign and domestic market and can served a further movement for dedication to governance of ESG.

(2) The influence of external environment and competition

Global efforts to combat inflation are underway. While raw material prices such as energy, iron ore, and coking coal remain volatile, their fluctuations are narrowing. Moreover, major global economies are implementing economic revitalization policies, suggesting a promising future for the steel market. The Company continues to monitor international market prices and economic trends, allowing for timely adjustments to sales and procurement strategies to reduce the impact of external changes on the company. To address future steel price changes, the Company will adopt more agile raw material procurement and inventory control, effectively managing stocks and securing favorable procurement prices, thus generating higher operational performance and profits.

(3) The influence of regulations and macro-economic environment

The regulation environment has become increasingly stringent. Financial Supervisory Commission also ask listed companies to disclose their examined information on greenhouse gas. The Company will abide by the law for fulfilling its social responsibilities and increasing connection among employees. Though the increase of fuel, utility fee and operating cost, disposal of waste and environment issue have made operating environment tougher, the Company still face the situation with caution to ease the fluence of alternation of environment.

In 2023, demand did not increase as anticipated, and although losses were reduced compared to 2022, we apologize to investors for the lack of profitability. Looking ahead to 2024, in a swiftly changing business environment, we are confident that with the full support of our shareholders and guidance from the board, all our colleagues will strive to achieve our goals.

Chairman: WU,TA-HO

Manager: CHEN,ZHENG-PING

Accounting Supervisor: WANG,QIU-YUE

Company Profile

2.1 Introduction:

(1)Date of establishment: April 23, 1973.

(2)Contact Information:

Plant	Location	Telephone
Head Office	No. 16, Lane 317, Zhongzheng N. Rd., Yongkang Dist., Tainan City	(06)2533-117
Yongkang Plant 1	No. 16, Lane 317, Zhongzheng N. Rd., Yongkang Dist., Tainan City	(06)2533-117
Linyuan Plant	No. 85, Lane 223, Xizhou 1st Rd., Linyuan Dist., Kaohsiung City	(07)641-2388
Yongkang Plant 2	No. 965, Zhongzheng N. Rd., Yongkang Dist., Tainan City	(06)254-7825

(3)Company History:

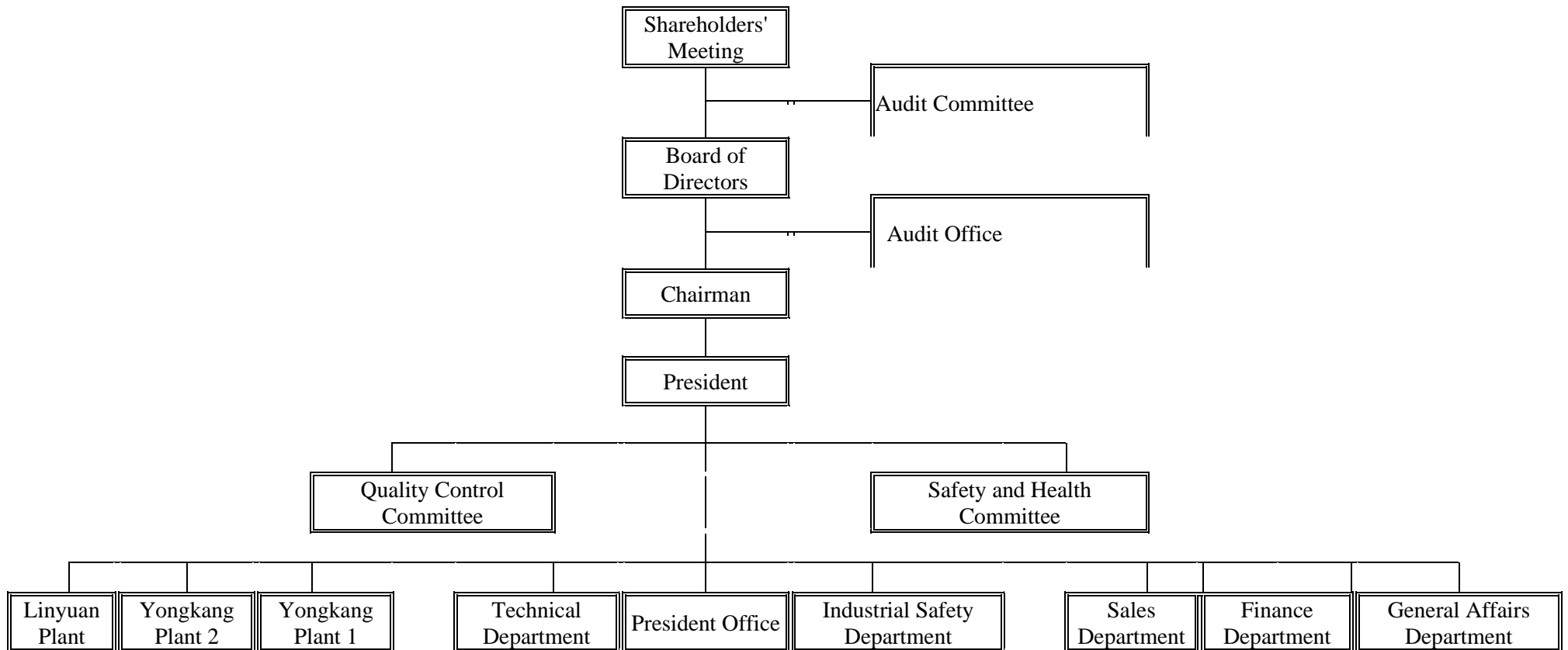
1. The Company was established on April 23, 1973, and located at No. 16, Lane 317, Zhongzheng N. Road, Yongkang District, Tainan City. The Company mainly engages in the manufacturing, processing, and sales of steel wires, galvanized steel wires, galvanized iron wires, prestressed steel wires, prestressed steel strands, shaped prestressed steel bars, steel strands, steel ropes, springs, steel wire products, and machinery hardware parts.
2. On October 1999, the Company changed its name to "Chia Ta World Co., Ltd." as approved by the competent authority.
3. The Company's stock has been traded over-the-counter in the Taipei Exchange since May 1997 and listed on the Taiwan Stock Exchange since September 2000.
4. The Company engages in the following business activities:
 1. CA01060 Steel Wires and Cables Manufacturing
 2. CA01020 Iron and Steel Rolling and Extruding
 3. CA01050 Steel Secondary processing
 4. CA02040 Spring Manufacturing
 5. CB01990 Other machinery manufacturing
 6. CD01030 Motor Vehicles and Parts Manufacturing
 7. CD01040 Motorcycles and Parts Manufacturing
 8. CD01050 Bicycles and Parts Manufacturing
 9. CN01010 Furniture and Decorations Manufacturing
 10. F113050 Wholesale of Computers and Clerical Machinery Equipment
 11. F118010 Wholesale of Computer Software
 12. I301010 Information Software Services
 13. F113030 Wholesale of Precision Instruments
 14. E605010 Computer Equipment Installation
 15. CC01110 Computer and Peripheral Equipment Manufacturing
 16. CC01040 Lighting Equipment Manufacturing
 17. F119010 Wholesale of Electronic Materials
 18. F113020 Wholesale of Electrical Appliances
 19. CC01080 Electronics Components Manufacturing
 20. CB01020 Affairs Machine Manufacturing
 21. CE01010 General Instrument Manufacturing

- 22. CE01030 Optical Instruments Manufacturing
- 23. I301020 Data Processing Services
- 24. I301030 Electronic Information Supply Services
- 25. F401010 International Trade
- 26. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
- 27. F106010 Wholesale of Hardware
- 28. F113010 Wholesale of Machinery
- 29. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- 30. F114040 Wholesale of Bicycle and Component Parts Thereof
- 31. H703090 Real Estate Business
- 32. H701010 Housing and Building Development and Rental
- 33. J901020 Regular Hotel
- 34. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Business of Each Major Department:

Department	Primary Responsibilities
Audit Department	Conducts audits, abnormal response, and improvements regarding internal control and accounting systems in each department.
General Manager Office	In charge of quality management, information management, production management, and education and training.
Industrial Safety Office	Plans occupational safety and health management systems and the implementation.
Safety and Health Management Committee	Establishes and enforces safety and health work guidelines.
Quality Management Committee	Approves and implements quality policies and objectives.
General Affairs Department	Responsible for personnel management, general affairs, procurement of raw materials and supplies, and warehousing of materials and finished products.
Finance Department	Responsible for cost accounting, general accounting, cash management, and processing of import and export affairs.
Sales Department	Responsible for company production and sales management, sales and material planning, customer management, and collection of payments.
Technical Department	Responsible for maintenance and upkeep of company equipment such as machinery and electronics.
Yongkang Plant 1	Responsible for production, control of production volume, quality and machinery performance, and product management of general steel wire and prestressed steel wire.
Yongkang Plant 2	Responsible for production, control of production volume, quality and machinery performance, and product management of prestressed steel strand and special-shaped prestressed steel bar.
Linyuan Plant	Responsible for production of steel cable, quality control, and machinery maintenance of the plant.

3.2 Information on Directors, Supervisor, General Managers and Major Shareholders of Corporation Shareholders

3.2.1 Information on directors and independent directors

(1) Directors and independent directors:

May 13, 2024

Title (Note 1)	Nationality or registered	Name	Gender & Age (Note 2)	Date of Election	Term	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education & Experience (Note 4)	Concurrent Positions	Spouse or relative holding a position as Key Manager, Director or Supervisor			Footnot e (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Wu, Ta-He	Male 78	July 26, 2021	3	April 8, 1973	6,859,931	8.50%	6,859,931	8.50%	1,729,931	2.14%	0	0.00%	Feng Chia University President of Chia Ta	Director of Advanced Electronic Materials	Director	Tseng, Wen-Chun	Spouse's brother	None
Deputy Chairman	ROC	Hao Fu Investment Co., Ltd.	-	July 26, 2021	3	June 24, 2015	1,049,946	1.30%	1,049,946	1.30%	-	0.00%	0	0.00%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	None
	ROC	Representative: Chuang, Hui-Chen	Female 58	July 26, 2021	3	August 7, 2017	1,550,600	1.92%	1,550,600	1.92%	2,108,714	2.61%	0	0.00%	Senior High School Chairman of Yuan Ying Construction	Chairman of Yuan Ying Construction	None	None	None	None
Director	ROC	Tseng, Wen-Chun	Male 73	July 26, 2021	3	July 26, 2021	3,285,730	4.07%	3,285,730	4.07%	279,106	0.35%	0	0.00%	Chia Nan University of Pharmacy and Science Vice President of Chia Ta	Chairman of Wan Ying Investment	Chairman	Wu, Ta-He	Brother-in-law	None
Director	ROC	Li, Shih-Min	Male 59	July 26, 2021	3	June 24, 2010	338,000	0.42%	338,000	0.42%	0	0.00%	0	0.00%	Junior High School Assistant Manager of General Affairs of Chia Ta World	Assistant Manager of General Affairs of Chia Ta World	None	None	None	None
Independent Director	ROC	Yang, Pi-Tsun	Male 71	July 26, 2021	3	June 24, 2015	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Central Police University Head of Detective A Team at National Police Agency	Executive Director of Bade Development	None	None	None	None
Independent Director	ROC	Huang, Min- Shan	Male 52	July 26, 2021	3	July 26, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Taiwan University Manager of ChipMOS Technologies	Assistant Manager of Solar Applied Materials	None	None	None	None
Independent Director	ROC	Hu, Chin-Lien	Female 47	July 26, 2021	3	July 26, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ling Tung University CPA of Candor Taiwan	CPA of Candor Taiwan	None	None	None	None

Note 1: For corporate shareholders, the name of the corporate shareholder and the representative should be listed separately (if the representative is also a corporate shareholder, the name of the corporate shareholder should be indicated), and Table 1 below should be filled out.

Note 2: Please list the actual age, optionally using a range, such as 40–50 or 51–60.

Note 3: Provide the time when the person first served as a company director or supervisor. If there have been interruptions, include an explanatory note.

Note 4: Include relevant experience related to the current position. If, during the specified period, the individual worked at an auditing CPA firm or related company, state the title and responsibilities.

Note 5: If the Company's chairman and the general manager or equivalent position (highest executive officer) are the same person, spouses, or first-degree relatives, the reason, rationality, necessity, and relevant information on measures taken in response (such as increasing the number of independent director seats, and having more than half of the directors not concurrently serving as employees or managers, etc.) should be explained

(2) Major shareholders of the corporation shareholders

Name of Corporation Shareholders (Note 1)	Major Shareholders (Note 2)			
Hao Fu Investment Co., Ltd.	Shareholder Name:	Li, Chen-Ting	Li, Chen-Kuan	Li, Chen-Chieh
	Ownership:	25%	25%	25%
			Li, Chen-Hao	25%

Note: Source - Ministry of Economic Affairs, Department of Commerce

Note 1: If directors or supervisors are representatives of corporation shareholders, please provide the name of the corporation shareholder.

Note 2: Fill in the names of the major shareholders of the corporate shareholder (the top ten shareholders) and their shareholding ratios.

Note 3: If the corporate shareholder is not an organizational entity of the company, please disclose the names and shareholding ratios of the shareholders, which are the names and contribution/donation ratios of the contributors or donors.

(3) Professional qualifications and independence analysis of directors and independent directors

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status(Note 2)				Number of other public companies in which the individual is concurrently serving as an independent director
		Does natural person, spouse, or relatives within the second degree serve as directors, supervisors or employees of this company or its affiliates	Number and ratio of company shares held by natural person, spouse, and relatives within the second degree (or held by the person under others' name)	Does a natural person serve as a director, supervisor, or employee of a company with a specific relationship with the Company (as Item 1 stipulated in Clauses 5-8 of Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)	Remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliates in the past two years	
Director: Wu,Ta-He	1.Chairman of Advanced Electronic Materials & Chia Ta World. 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	8,589,862 shares with shareholding of 10.64 %	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Hao Fu Investment Representative: Chuang, Hui-Chen	1.Chairman of Yuan Ying Construction 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	3,659,314 shares with shareholding of 4.53%	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Director: Tseng, Wen-Chun	1.Chairman of Wan Ying Investment 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	3,564,836 shares with shareholding of 4.42%	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Director: Li, Shih-Min	1.Senior Manager of General Affairs of Chia Ta World 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	338,000 shares with shareholding of 0.42%	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director: Yang, Pi-Tsun	1.Head of Detective A Team at National Police Agency 2.Executive Director of Bade Development 3.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director: Huang, Ming-Shan	1.Senior Manager of ChipMOS Technologies 2.Concurrent Senior Manager of SOLARtech 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director: Hu, Chin-Lien	1.Accountant of HLB Candor Taiwan CPAs 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Concurrently serving as an independent director in TienPin United Enterprise Co., Ltd. (6199)

Note 1: Professional Qualifications and Experience: Describe the individual qualifications and experience of each director and supervisor. If they are members of the Audit Committee and possess accounting or financial expertise, describe their accounting or financial background and work experience. Also, indicate whether there are any circumstances prohibited by Article 30 of the Company Act.

Note 2: Independent Directors should state their independence status, including but not limited to the natural person who serve as directors, supervisors, or employees of the company or its affiliates together with the spouses, or relatives within second degree of kinship; the company shares and ratio holds by the natural person together with their spouses or relatives within second degree of kinship(or held under the name of third parties); and whether they are serve in specified company or institution that have relationship with the company (refer to regulations for independent directors in publicly traded companies).

(4) Diversity Status of the composition of Directors

The Company's board diversity policy is not limited to selection criteria. Directors are only required to possess certain professional qualifications and experience, with no restrictions on gender, age, or nationality. Currently, the board consists of seven members, including three independent directors specializing in legal affairs, metallurgical technology, and accounting. The gender ratio is 5:2. The directors' ages range from 47 to 78, and each brings their own expertise. The independence of the Company has been disclosed in the previous table.

3.2.2 Information on management Team

May 12, 2024

Title (Note 1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education & Work Experience (Note 2)	Concurrent positions at other Companies	Spouses or Relative Within Two Degrees of Kinship Holding a Position as Manager			Note (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
General Manager	ROC	Chen, Zheng-Ping	male	February 3, 2015	0	0.00%	0	0.00%	0	0.00%	Tamkang University Senior Manager of Sales	None	None	None	None	None
Senior Manager of General Affairs Office	ROC	Huang, Jin- De	male	February 1, 2011	0	0.00%	0	0.00%	0	0.00%	Senior High School Chief of Yongkang Plant 1	None	None	None	None	None
Manager of Industrial Technology Office	ROC	Wang, Diao-Gui	male	July 26, 2021	0	0.00%	0	0.00%	0	0.00%	Master of NCKU Chief of Yongkang Plant 2	None	None	None	None	None
Manager of Auditing Office	ROC	Wu, Ji-Dun	male	March 1, 2012	5,046	0.01%	817	0.00%	0	0.00%	National Taipei University of Technology Chia Ta Audit Supervisor	None	None	None	None	None
Assistant Manager of Financial Affairs Office	ROC	Wang, Qiu- Yue	female	August 1, 2021	316	0.00%	0	0.00%	0	0.00%	Vocational High School Chia Ta Finance Supervisor	None	None	None	None	None
Factory Chief	ROC	Chen, Qing-Hong	male	August 1, 2021	0	0.00%	0	0.00%	0	0.00%	Far East University Chia Ta Quality Control Supervisor	None	None	None	None	None
Factory Chief	ROC	Wang, Yong-Zhou	male	July 1, 2015	0	0.00%	0	0.00%	0	0.00%	University Chia Ta Assistant Manager of General Affairs	None	None	None	None	None
Factory Sub-Chief	ROC	Li, Jian- Yuan	male	May 15, 2023	0	0.00%	0	0.00%	0	0.00%	Senior High School Chia Ta Section Manager of Production	None	None	None	None	None

Note 1: The information should include general managers and other major shareholders of corporation shareholders. Any position equivalent to general manager, vice general manager, or senior manager, regardless of job title, should be disclosed.

Note 2: Relevant work experience should be provided, including positions held at auditing and signing accountant firms or related companies during the mentioned period. The job title and responsibilities held should be stated.

Note 3: If the general manager or equivalent position (the highest executive) is the same person as the Chairman, spouses, or is the relative within one degree of kinship, the reasons, reasonableness, necessity, and corresponding measures should be disclosed (e.g., increasing the number of independent director seats and ensuring that more than half of the directors are not employees or executives).

3.3 Remuneration of Directors, Supervisors, President and Vice Presidents: The Company has no related companies or subsidiaries

(1) Remuneration of directors and independent directors

Unit: thousand dollars

Title	Name	Remuneration								Amount and Ratio of Total A, B, C and D to Net Income (Note 10)		Remuneration to a Director Who is an Employee of the Company or of the Consolidated Entities								Amount and Ratio of Total A, B, C, D, E, F and G to Net Income (Note 10)		Compensation to Directors from Non-consolidated Affiliates or Parent Company (Note 11)
		Base Remuneration (A) (Note 2)		Severance Pay and Pensions (B)		Remuneration to Directors (C) (Note 3)		Allowances (D) (Note 4)				Base Remuneration, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Profit Sharing (G) (Note 6)						
		From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World		From All Consolidated Entities (Note 7)		From Chia Ta World	From All Consolidated Entities	
		Cash	Stock	Cash	Stock																	
Chairman	Wu, Ta-He	0	0	0	0	0	0	60	60	1.93	1.93	4,121	4,121	0	0	0	0	0	0	134.34	134.34	0
Vice Chairman	Hao Fu Investment Representative: Chuang, Hui-Chen	0	0	0	0	0	0	60	60	1.93	1.93	4,074	4,074	0	0	0	0	0	0	132.82	132.82	0
Director	Tseng, Wen-Chun	0	0	0	0	0	0	60	60	1.93	1.93	1,204	1,204	0	0	0	0	0	0	40.61	40.61	0
Director	Li, Shih-Min	0	0	0	0	0	0	60	60	1.93	1.93	1,114	1,114	0	0	0	0	0	0	37.71	37.71	0
Independent Director	Yang, Pi-Tsun	0	0	0	0	0	0	120	120	3.86	3.86	0	0	0	0	0	0	0	0	3.86	3.86	0
Independent Director	Huang, Min-Shan	0	0	0	0	0	0	120	120	3.86	3.86	0	0	0	0	0	0	0	0	3.86	3.86	0
Independent Director	Hu, Chin-Lien	0	0	0	0	0	0	120	120	3.86	3.86	0	0	0	0	0	0	0	0	3.86	3.86	0

1. The Company's directors and independent directors do not receive additional remuneration beyond a monthly travel and accommodation allowance of NT\$5,000 and annual director and supervisor remuneration.
2. In addition to the information disclosed in the table above, in the most recent year, company directors provided services (such as serving as non-employee consultants) to all companies in the financial report, earning remuneration: Independent directors Yang, Pi-Tsun and Huang, Min-Shan also serve on the Company's Remuneration Committee, receiving remuneration of NT\$60,000 each annually.

(2) Directors' remuneration range table

Ranges of remuneration paid to the Company's directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company(Note 8)	All companies included in the financial statements(Note 9) H	The Company(Note 8)	All companies included in the financial statements(Note 9) I
Under NT\$ 1,000,000	Wu, Ta-He, Chuang, Hui-Chen, Tseng, Wen-Chun, Li, Shih-Min, Yang, Pi-Tsun, Huang, Ming-Shan, Hu, Chin-Lien	Wu, Ta-He, Chuang, Hui-Chen, Tseng, Wen-Chun, Li, Shih-Min, Yang, Pi-Tsun, Huang, Ming-Shan, Hu, Chin-Lien	Tseng, Wen-Chun, Yang, Pi-Tsun, Huang, Ming-Shan, Hu, Chin-Lien	Tseng, Wen-Chun, Yang, Pi-Tsun, Huang, Ming-Shan, Hu, Chin-Lien
NT\$1,000,000 ~ NT\$1,999,999	None	None	Li, Shih-Min	Li, Shih-Min
NT\$2,000,000 ~ NT\$3,499,999	None	None	None	None
NT\$3,500,000 ~ NT\$4,999,999	None	None	Wu, Ta-He, Chuang, Hui-Chen	Wu, Ta-He, Chuang, Hui-Chen
NT\$5,000,000 ~ NT\$9,999,999	None	None	None	None
NT\$10,000,000 ~ NT\$14,999,999	None	None	None	None
NT\$15,000,000 ~ NT\$29,999,999	None	None	None	None
NT\$30,000,000 ~ NT\$49,999,999	None	None	None	None
NT\$50,000,000 ~ NT\$99,999,999	None	None	None	None
Over NT\$100,000,000	None	None	None	None
Total	7	7	7	7

Note 1: Directors' names are presented separately (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) and distinguished between independent and non-independent directors, while the amounts of benefits are presented in aggregate sums. For directors who are also presidents or executive vice presidents at the Company or the subsidiaries, both this table and tables 3-1 or 3-2 should be completed.

Note 2: Refers to the remuneration of directors during the most recent fiscal year (including director's salary, allowances, severance pay, various bonuses, incentives, etc.)

Note 3: Refers to the amount of director's remuneration allocated by the board of directors during the most recent fiscal year.

Note 4: Payments to the directors to cover business expenses (including travel expenditures, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed but not included in the remuneration.

Note 5: Payments to the director, who is also a president, executive vice president, manager, or employee, to cover business expenses (including travel expenditures, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed but not included in the remuneration. Compensation paid to personal drivers must be noted, when applicable, but not accumulated under the remuneration received. Salary expenses recognized in accordance with IFRS 2 "Share-based Payment" include acquisition of employee stock warrants, new restricted employee shares, and participation in capital increases by cash subscription, which shall all be calculated as remuneration.

Note 6: A person receiving employee remuneration (stock and cash bonus) to the director, (including concurrently serving as a president, executive vice president, other manager, or employee) shall disclose the rewarding amount proposed and resolved by the Board (If cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year). Table 1-3 shall be filled in.

Note 7: Total remuneration paid by the Group companies (including the Company) in the consolidated report to the director shall be disclosed.

Note 8: Disclose remuneration paid by the Company to the director under the suitable range. Name of the receiver must be shown under the suitable range.

Note 9: Disclose remuneration paid by the Group companies (including the Company) in the consolidated report to the director under the suitable range. Name of the receiver must be shown under the suitable range.

Note 10: "Net income" refers to the after-tax net income of the most recent fiscal year. For those which have adopted IFRS, "net income" refers to the after-tax net income of the individual or separate financial statements for the most recent fiscal year.

Note 11: a. This field represents all forms of remuneration that the director received from the invested businesses other than subsidiaries.

b. For directors who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column I of the remuneration ranges table. In which case, column I will be renamed "all invested businesses".

c. Remuneration refers to any return, compensation (including compensations received as an employee, director and supervisor) and professional service fee that the Company's director received for serving as director, supervisor, or manager in invested businesses other than subsidiaries.

* The content of remuneration disclosed in this table differs from the concept of income under the Income Tax Act Therefore, the purpose of this table is for informational disclosure and not for taxation purposes.

(3) Remuneration of the President and Vice Presidents

Unit: NT\$ thousand

Title	Name	Base Remuneration(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Remuneration(D) (Note 4)				Total compensation (A+B+C+D)and the ratio of it to net income(Note 8)		Remuneration Paid to the President and Vice Presidents from an Invested Company other than the Company's Subsidiary or from Parent Company(Note 9)
		The Company	Companies in the financial statement (Note 5)	The Company	Companies in the financial statement (Note 5)	The Company	Companies in the financial statement (Note 5)	The Company		Companies in the financial statement (Note 5)		The Company	Companies in the financial statement (Note 5)	
								Cash	Stock	Cash	Stock			
President	Chen, Zheng-Ping	1,728	1,728	0	0	0	0	0	0	0	0	55.53	55.53	0

* Regardless of job title, any positions equivalent to president or vice president (e.g., president, CEO, and general director) should be disclosed.

(4) The President and Vice Presidents remuneration range table

Range of Remuneration	Names of President and Vice Presidents	
	The Company (Note 6)	Parent company and all invested companies E (Note 7)
Under NT\$ 1,000,000	None	None
NT\$1,000,000 ~ NT\$1,999,999	Chen, Zheng-Ping	Chen, Zheng-Ping
NT\$2,000,000 ~ NT\$3,499,999	None	None
NT\$3,500,000 ~ NT\$4,999,999	None	None
NT\$5,000,000 ~ NT\$9,999,999	None	None
NT\$10,000,000 ~ NT\$14,999,999	None	None
NT\$15,000,000 ~ NT\$29,999,999	None	None
NT\$30,000,000 ~ NT\$49,999,999	None	None
NT\$50,000,000 ~ NT\$99,999,999	None	None
Over NT\$100,000,000	None	None
Total	1	1

Note 1: Names of the presidents and vice presidents must be shown separately. Any directors who co-headed the president or vice president positions are disclosed in this table and in Table (1-1) or (1-2).

Note 2: This includes salary, compensation for professional services, severance pay, and all bonus and bounties paid to the director during the year.

Note 3: Payments to presidents or executive vice presidents to reward or cover business expenses (including travel expenditures, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed but not included in the remuneration. Compensation paid to personal drivers must be noted, when applicable, but not accumulated under the remuneration received. Salary expenses recognized in accordance with IFRS 2 "Sharebased Payment" include acquisition of employee stock warrants, new restricted employee shares, and participation in capital increases by cash subscription, which shall all be calculated as remuneration.

Note 4: Employee remuneration amount (stock and cash; if cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year) to the president or vice president. The rewarding amount is proposed and resolved by the Board of the fiscal years. Table 1-3 shall be filled in.

Note 5: Aggregated amount of individual compensation paid by the Group companies (including the Company) in the consolidated statement to the president or vice president shall be disclosed.

Note 6: Aggregated amount of individual compensation paid by the Company to the president or vice president. Names of the receivers must be shown under the suitable range.

Note 7: Aggregated amount of individual compensation paid by the Group companies (including the Company) in the consolidated statement to the president or vice president. Names of the receivers must be shown under the suitable range.

Note 8: Net income refers to the after-tax net income of the most recent fiscal year. For those which have adopted IFRS, net income refers to the after-tax net income of the individual or separate financial statements for the most recent fiscal year.

Note 9:

- This field represents all forms of remuneration that the president and vice presidents received from the invested businesses other than subsidiaries.
- For president and vice presidents who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column E of the remuneration brackets table. In which case, column E will be renamed "all invested businesses".
- Remuneration n refers to any return, remuneration (including remunerations received as an employee, director and supervisor) and professional service fee that the Company's president and vice presidents received for serving as director, supervisor, or manager in invested businesses other than subsidiaries.

* The remuneration disclosed in this table differs from the income concept defined by the Income Tax Act, and is intended solely for informational disclosure, not for taxation.

(5) Individual disclosure of the top 5 highest paid managers

Unit: NT\$ thousand

Title	Name	Base Remuneration(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Remuneration(D) (Note 4)				Total compensation (A+B+C+D)and the ratio of it to net income(Note 6)		Remuneration Paid to the managers from an Invested Company other than the Company's Subsidiary or Parent Company(Note 7)
		The company	Companies in the financial statement (Note 5)	The company	Companies in the financial statement (Note 5)	The company	Companies in the financial statement (Note 5)	The company		Companies in the financial statement (Note 5)		The company	Companies in the financial statement (Note 5)	
								Cash	Stock	Cash	Stock			
Chairman	Wu, Ta-He	3,849	3,849	0	0	332	332	0	0	0	0	134.34	134.34	0
Vice Chairman	Chuang, Hui- Chen	3,849	3,849	0	0	258	258	0	0	0	0	132.82	132.82	0
President	Chen, Zheng- Ping	1,728	1,728	0	0	0	0	0	0	0	0	55.53	55.53	0
Senior Manager	Li, Shih-Min	1,101	1,101	0	0	72	72	0	0	0	0	37.71	37.71	0
Senior Manager	Li, Shih-Min	975	975	0	0	0	0	0	0	0	0	31.32	31.32	0

Note 1: The term "top five highest-paid executives" refers to company executives. The criteria for identifying these executives should follow the guidelines set forth in the letter issued by the Ministry of Finance and the Securities and Futures Bureau on March 27, 2003, with reference number "Tai Cai Zheng San Zi No. 0920001301." As for the calculation principle for determining the "top five highest-paid" individuals, it should be based on the total amount of salaries, retirement benefits, bonuses, and special allowances received by the company executives from all consolidated financial statements (i.e., A+B+C+D), with the individuals ranked based on this total amount. If directors also hold executive positions, they should be included in both this form and the table (1-1) above.

Note 2: Report the salaries, job allowances, and severance payments of the top five highest-paid executives for the most recent fiscal year.

Note 3: Report the various bonuses, incentives, transportation expenses, special allowances, subsidies, housing, car, and other benefits provided to the top five highest-paid executives for the most recent fiscal year. If assets such as real estates, cars, and other means of transportation are provided, disclose the nature and cost of the assets, the actual or fair market value-based rental expenses, fuel costs, and other payments. If the executives are provided with drivers, provide a note explaining the related compensation paid by the company to the drivers, but do not include it in the remuneration. Additionally, the salary expense recognized under IFRS 2 for share-based payments, including employee stock options, restricted stock, and participation in cash capital increases, should also be included in the remuneration.

Note 4: Employee remuneration amount (stock and cash; if cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year) to the top five highest-paid executives. The rewarding amount is proposed and resolved by the Board of the fiscal years. Table 1-3 shall be filled in.

Note 5: Aggregated amount of individual compensation paid by the Group companies (including the Company) in the consolidated statement to the top five highest-paid executives shall be disclosed.

Note 6: Net income refers to the after-tax net income of the individual or separate financial statements for the most recent fiscal year.

Note 7:

a. This section should clearly list the amount received by the Company's top five highest-paid executives from investments outside of subsidiaries or the parent company. If there are none, please indicate "None".

b. Remuneration refers to the remuneration received by the Company's top five highest-paid executives from investments outside of subsidiaries or the parent company, including fees, compensation (such as employee, director, and supervisor compensation), and business execution expenses.

* The remuneration disclosed in this table differs from the income concept defined by the Income Tax Act, and is intended solely for informational disclosure, not for taxation.

(6) Names of managers entitled to employee Remuneration

Unit: NT\$ thousand

Title (Note 1)	Name (Note 1)	Employee Remuneration - in Stock (Fair Market Value)	Employee Remuneration - in Cash	Total	Ratio of Total Amount to Net Income (%)
Management Team	President	Chen, Zheng-Ping	0	0	0.000
	Senior Manager	Li, Shih-Min	0	0	0.000
	Senior Manager, General Affairs Office	Huang, Jin-De	0	0	0.000
	Manager, Industrial Technology Office	Wang, Diao-Gui	0	0	0.000
	Manager, Auditing Dept.	Wu, Ji-Dun	0	0	0.000
	Assistant Manager, Financial Affairs Office	Wang, Qiu-Yue	0	0	0.000
	Factory Chief	Chen, Qing-Hong	0	0	0.000
	Factory Chief	Wang, Yong-Zhou	0	0	0.000
	Factory Sub-Chief	Li, Jian-Yuan	0	0	0.000

Note 1: Individual names and titles shall be disclosed, whereas profit distributions may be disclosed in aggregate amount.

Note 2: This represents the amount of employee compensation (including stock and cash) approved by the board of directors for the most recent year. In case of unpredictable distribution, the proposed distribution for this year is calculated in proportion to the actual distribution last year. The net income after tax refers to the net income after tax of the most recent year; the net income after tax refers to the net income after tax of individual or separate financial reports of the most recent year where the IFRSs have been adopted.

Note 3: Managers subject to the rewarding (according to per March 27, 2003 Letter No. Securities and Futures Bureaus-III0920001301 of the Financial Supervisory Commission, Executive Yuan of the Taiwan Stock Exchange Corporation) are:

- (1) General Manager and persons in equivalent level
- (2) Deputy General Manager and persons in equivalent level
- (3) Assistant Manager and persons in equivalent level
- (4) Chief of finance department
- (5) Chief of accounting department
- (6) Any other personnel who are entitled to manage and sign for the Company

Note 4: If directors, president and vice president receive employee compensation (including stock and cash), a statement should be made in addition to table 1-2 and this table.

(9) Top Ten Employees Receiving Dividends and Distribution Details

Unit: NT\$ thousand

Title (Note 1)	Name (Note 1)	Employee Remuneration - in Stock (Fair Market Value)	Employee Remuneration - in Cash	Total	Ratio of Total Amount to Net Income (%)
Top Ten Employees Receiving Dividends	Chairman	Wu, Ta-He	0	0	-
	Vice Chairman	Chuang, Hui-Chen	0	0	-
	President	Chen, Zheng-Ping	0	0	-
	Senior Manager	Li, Shih-Min	0	0	-
	Senior Manager	Huang, Jin-De	0	0	-
	Factory Chief	Chen, Qing-Hong	0	0	-
	Factory Chief	Wang, Yong-Zhou	0	0	-
	Manager	Wang, Diao-Gui	0	0	-
	Assistant Manager	Wang, Qiu-Yue	0	0	-
	Assistant Manager	Tseng, Ke-Cheng	0	0	-

3.3.4 Analysis of the ratio of the total amount of remuneration paid to the Company's directors, supervisors, president, and vice president in relation to the net income after tax for the past two years for all companies included in the financial statements, and explanation of the policy, standards and composition, procedures, and association with business performance and future risks of remuneration payment:

1. In 2022, the remuneration of the directors, supervisors, president, and vice president represented 95.17% of the net profits after tax. In 2023, their remuneration constituted 412.57% of the net losses after tax.
2. The remuneration of directors and supervisors for profit distribution is in accordance with the Company's articles of incorporation (Article 30).
3. The remuneration of the chairman, directors, and supervisors is determined by the board of directors in accordance with their level of involvement and contribution to the Company, taking into account industry

standards (Article 25-1 of the articles of incorporation).

4. The remuneration of the president and vice president is paid according to the salary standards approved by the board of directors.

5. Future risk disclosure: None.

3.4 Status of Corporate Governance

3.4.1 Board meeting attendance

1. The Board meetings held 4 times (A) in the most recent fiscal year.

Title	Name (Note 1)	Attendance in Person 【 B 】	Attendance by proxy	Rate of attendance in person (%) 【 B / A 】 (Note 2)	Note
Chairman	Wu, Ta-He	4	0	100.00%	re-elected
Deputy Chairman	Hao Fu Investment Representative: Chuang, Hui-Chen	0	4	0.00%	re-elected
Director	Tseng, Wen-Chun	4	0	100.00%	Newly appointed on July 26, 2021
Director	Li, Shih-Min	4	1	80.00%	re-elected
Independent Director	Yang, Pi-Tsun	5	0	100.00%	re-elected
Independent Director	Huang, Ming-Shan	5	0	100.00%	Newly appointed on July 26, 2021
Independent Director	Hu, Chin-Lien	5	0	100.00%	Newly appointed on July 26, 2021

1. Other noteworthy items:

a. If any of the following circumstances occur, the dates of the board meetings, sessions, contents of motions, opinions of all independent directors and the Company's response to the board meeting's opinion should be stated.

(1) The matter listed in Article 14-3 of the Securities and Exchange Act: In the discussions and resolutions proposed to the board of directors in 2023, there were no matters listed under Article 14-3 of the Securities and Exchange Act.

(2) Apart from the aforementioned item, other board meeting resolutions where independent directors have expressed dissenting or reserved opinions and have records or written statements: None.

b. Recusals of directors due to conflicts of interests, the names of directors, contents of motion, reasons for the recusals of conflicts of interests, and the participation in the vote shall be stated: In 2023, there were no board meetings held that involved discussions on matters where directors had conflicts of interest that could potentially harm the company's interests.

c. A TWSE/TPEx listed company should disclose information such as the evaluation cycle and period, evaluation scope, methodology, and content of the board's self (or peer) evaluation, and complete Table 2 for the implementation of the board's evaluation: In compliance with the regulations of the Taiwan Stock Exchange Corporation and the Taiwan OTC Exchange, the company will conduct an annual board evaluation starting from 2022. The information regarding the board evaluation will be disclosed in the annual report for 2023.

d. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements: In 2021, the Company elected three independent directors during the board election. The board of directors appointed these three independent directors to serve as members of the Audit Committee and the Remuneration Committee. This appointment aims to enhance the Company's supervisory function and improve information transparency. The committees will timely present their decisions and recommendations to the board of directors for discussion. If any decisions meet the criteria of significant information, they will be announced in accordance with the regulations.

Note 1: Directors and supervisors who are legal entities should disclose the names of the shareholders of the legal entity and their representatives.

Note 2:

(1) If there are directors or supervisors who have left their positions before the end of the fiscal year, the date of departure should be indicated in the Note column. The actual attendance rate (%) should be calculated based on the number of board meetings held during their tenure and their actual attendance.

(2) If there are directors or supervisors who have been newly elected before the end of the fiscal year, both the new and former directors or supervisors should be listed, and it should be noted in the remarks column whether they are former, new, reelected, or the date of the election. The actual attendance rate (%) should be calculated based on the number of board meetings held during their tenure and their actual attendance.

2. Implementation Status of Board Performance Evaluation

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Methodology (Note 4)	Evaluation Content (Note 5)
Annual	From January 1, 2023 to December 31, 2023	<ul style="list-style-type: none"> • The Board of Directors as a whole • The Individual Directors • The Audit Committee • The Remuneration Committee 	<ul style="list-style-type: none"> • Internal assessment of the Board • Self-assessments by each board member 	<p>1. Board of Directors Performance Evaluation: Focuses on participation in company operations, decision-making quality, board composition, director selection, ongoing education, and the effectiveness of internal controls.</p> <p>2. Individual Director Performance Evaluation: This includes assessing each director's grasp of the Company's objectives and tasks, their awareness of their responsibilities, their degree of involvement in company operations, their skills in managing and communicating within internal relationships, their professional development, and the robustness of internal controls.</p> <p>3. Audit and Compensation Committees Performance Evaluation: Evaluates the extent of involvement in company operations, comprehension of the roles and responsibilities of functional committees, the quality of decisions made by these committees, their composition and the appointment of their members, and internal controls.</p>

Note 1: Represents the frequency of board performance evaluation.

Note 2: Represents the duration covered by performance evaluation.

Note 3: The scope of assessment covers performance of the board as a whole, the individual directors and functional committees.

Note 4: Assessment methods include: board internal self-assessment, director self-assessment, peer assessment, assessment by external institution or expert, and other methods as deemed appropriate.

Note 5: Assessment details, by scope of assessment, include at least the following:

(1) Board performance assessment: board's participation in the Company's operations, the quality of board's decisions, the board's composition, election and ongoing education of board members, and enforcement of internal control

(2) Director individual performance assessment: director's awareness toward the Company's goals and missions, awareness to duties, level of participation in the Company's operations, maintenance of internal relations and communication, professionalism and ongoing education, and enforcement of internal control.

(3) Performance assessment for functional committees: participation in the Company's operations, awareness to duties, quality of committee's decisions, composition and member selection, and enforcement of internal control.

Evaluation Results

Evaluation Item	Result	Note
A. Participation in Company Operations		
01. Average actual attendance of directors at board meetings (excluding delegated attendance): Good (e.g., those with an attendance rate of 80% are rated as 3, moderate)	12345	In 2023, there were 4 board meetings with attendance rates of 0% 1 person, 75.00% 1 person, and 100% 5 people, resulting in a total attendance rate of 82.14%.
02. Directors' attendance at shareholders' meetings : Good (e.g., those with an attendance rate of at least 50% are rated as 3, moderate)	12345	In 2022, due to the pandemic, 5 directors attended the shareholders' meeting (including two independent directors), resulting in an attendance rate of 71.43%.
03. Directors have read and understood the meeting materials before board meetings	12345	Meeting details are distributed simultaneously via Line app and email three days prior to the meeting.
04. Interaction status between the board of directors and the management team	12345	The management team submits self-generated reports every month to keep the board members informed of the company's operations.
05. The board of directors effectively supervises the company's compliance with laws and regulations	12345	The board of directors ensures compliance with regulations, and there were no violations of laws in 2023.
06. All directors of the company make effective contributions during board meetings	12345	Directors provide professional opinions during board meetings when their expertise is required.
07. The board of directors continues to promote the establishment of governance-related policies, supports the company's participation in corporate assessments, and safeguards shareholder rights to enhance corporate governance.	12345	The company has established the "Corporate Governance Best Practice Principles"; "Ethical Corporate Management Best Practice Principles and so on.
08. Board members have sufficient understanding of the company, the management team, and the industry to which the company belongs	12345	Except for independent directors, all board members or their family members are employed by the company, thus they have a thorough understanding of the industry and the management team.
09. Directors can effectively evaluate and supervise various risks faced by the company, and discuss the implementation and monitoring status of internal control systems	12345	The directors of the Company conduct effective evaluations and supervision of various risks faced by the company, and discuss the implementation and monitoring status of internal control systems.
10. Directors have sufficient communication and interaction with the CPAs (e.g., holding meetings for discussions when there are significant adjustments to accounting bulletins or major changes in financial statements. At least two board meetings are held each year inviting the accountants to attend, focusing on discussions regarding annual and semi-annual reports to fully understand the company's financial status)	12345	In 2023, there were no significant adjustments to accounting bulletins, so there were only full communication and interaction with the CPAs regarding the annual report.
11. The board of directors regularly and thoroughly reviews the management performance of the management team and provides timely rewards and penalties	12345	During board meetings, the company reviews the operational management performance and provides rewards and penalties accordingly.
12. The board of directors can fully and promptly obtain performance reports on corporate operations and quickly grasp any adverse trends	12345	The company provides relevant self-generated reports to board members every month, and the performance reports on corporate operations are discussed to ensure that the directors quickly grasp various trends.
B. Enhancing the Quality of Board Decisions		
13. The board of directors has established the company's core values (discipline, mission, honor, vision, etc.), and can clearly set all strategic goals of the company.	12345	Each year, the management team proposes an operational plan and sets operational goals for the company, which is presented to the board of directors for confirmation.
14. The company engages in appropriate discussions and sets strategic plans and annual budget processes.	12345	Each department is required to establish an annual budget and strategic plan.
15. The frequency of board meetings: Appropriate. (e.g., those holding at least six meetings per year are rated as 3, moderate)	12345	In 2023, a total of 4 board meetings were held.
16. The Company provides complete, timely, and quality information to the board of directors, enabling the board (including independent directors) to fulfill its responsibilities.	12345	The Company provides relevant information to the board and supervisory members prior to board meetings in accordance with the statutory format.
17. The minutes of the board meetings appropriately record the discussion content, as well as individual or collective reservations or concerns.	12345	The minutes of the board meetings comprehensively document the discussion content, as well as individual or collective reservations or concerns.
18. The agenda arranged by the board of directors allocates appropriate discussion time for each agenda item to ensure sufficient time for board members to discuss.	12345	The agenda set by the board of directors allocates adequate discussion time for each agenda item to allow board members sufficient time for discussion.
19. The motion of discussion presented to the board for resolution are appropriate.	12345	All proposals submitted to the board are in compliance with legal requirements.
20. The items required by law to be discussed by the board of directors have been attended by all independent directors.	12345	The attendance rate of independent directors in the company is 91.67%, and except for important

Evaluation Item	Result	Note
		reasons, they have been present for almost all agenda items.
21. The board of directors provides effective communication channels and interacts appropriately with independent directors.	12345	Financial statements and internal audit reports are reported quarterly at board meetings, and relevant executives attend the meetings. The attendance rate of independent directors is 91.67%. In case of any questions, communication can also be conducted through telephone or email after the meeting.
22. The decisions made in board meetings are appropriately followed up.	12345	The implementation status of the previous meeting is included in the report for each board meeting.
23. If there are any conflicts of interest that require directors to recuse themselves, the directors have voluntarily recused themselves or the chairman has duly requested their recusal, and it has been recorded in the minutes of the meeting.	12345	There were no conflicts of interest requiring directors to recuse themselves in 2023.
24. The board of directors, board members, and functional committees undergo regular and efficient performance evaluations.	12345	Starting from 2020, the Company has been conducting regular performance evaluations of the board of directors, board members, and functional committees, and will submit the evaluation report to the board of directors for review by the end of March of the following year. This report will be submitted on March 7, 2024.
C. Composition and Structure of the Board of Directors		
25. The board of directors has established a sufficient number of independent director positions, in compliance with relevant regulations.	12345	The Company currently has 3 independent directors, which complies with relevant legal requirements.
26. The independent directors of the Company possess the necessary professional knowledge and maintain their independence during their tenure.	12345	The current independent directors of the Company possess the necessary professional knowledge and have maintained their independence during their tenure (in accordance with legal requirements).
27. The board of directors has established appropriate and sufficient functional committee.	12345	The Company currently has an audit committee and a remuneration committee, both of which are comprised of 3 independent directors.
28. The existing functional committees have the ability to fulfill the responsibilities assigned by the board of directors.	12345	The members of the functional committee are all independent directors of the Company and have the ability to fulfill the responsibilities assigned by the board of directors. The Company has always respected professionalism.
29. The Company has formulated and implemented a policy for board member diversification based on the Company's development needs.	12345	The Company's board appointment procedure includes a policy that promotes board member diversification, and currently there are 2 female directors.
30. There are no more than two directors in the Company who are spouses or within the second degree of kinship, ensuring the objective independence of the board members.	12345	In the current term, there are no instances of familial relationships among the Company's directors as mentioned in this item.
31. The composition of the board members is appropriate and they possess the necessary expertise for the decision-making process.	12345	In the current term, all board members possess the required expertise for the decision-making process.
Directors' appointment and continuing education		
32. The Company has established a rigorous and transparent procedure for the appointment of directors and a succession plan.	12345	The Company has established a rigorous and transparent procedure for the appointment of directors in accordance with legal requirements and follows the prescribed process.
33. The selection process for board members is based on the Company's policy for board member diversity.	12345	The selection process for board members is based on the Company's policy for board member diversity, which serves as the benchmark.
34. The selection process for board members takes individual performance evaluations into account.	12345	The selection process for board members considers not only the diversity policy but also individual performance evaluations.
35. The selection process for board members considers the Company's actual needs and fully considers the skills, knowledge, and experience of the board members. For independent directors who have served three consecutive terms, their independence is evaluated.	12345	The selection process for board members considers the company's actual needs and takes into account the skills, knowledge, and experience of the board members. For independent directors who have served three consecutive terms, their independence is also evaluated.
36. The board provides appropriate onboarding instructions to newly appointed directors to help them understand their responsibilities and familiarize themselves with the company's operations and environment.	12345	The Company provides relevant documents and ensures that relevant departments provide briefings to newly appointed directors to help them understand their responsibilities and become familiar with the company's operations and environment.
37. Directors receive training in diverse courses beyond their professional expertise and participate in appropriate training hours each year.	12345	The Company covers the expenses for directors to participate in diverse courses beyond their professional expertise.

Evaluation Item	Result	Note
38. The Company maintains records of formal director training hours and implements a continuous professional development plan to enhance directors' knowledge and skills.	12345	If directors have a need to enhance their knowledge and skills, the Company will fully cooperate, and the training hours are recorded by the relevant departments.
D. Internal Control		
39. The board of directors effectively incorporates risk assessment and control by management into the Company's decision-making process.	12345	Significant decisions are reported to the board of directors as required, and the reports from management include risk assessment and control.
40. The board of directors can effectively assess and supervise the effectiveness of internal control systems and risk management.	12345	During regular quarterly board meetings, the audit department includes audit reports on the agenda. The board of directors effectively assesses and supervises the effectiveness of internal control systems and risk management through these meetings.
41. The internal control systems approved by the board of directors include the five fundamental elements/principles and cover all operational activities and transaction cycles.	12345	On November 7, 2023, the board of directors approved the internal control system for the fiscal year 2024, which includes the five fundamental elements and controls for all operational activities and transaction cycles.
42. The Company's officer of internal audit/auditor attends board meetings and presents internal audit reports. Audit reports (including follow-up reports) are delivered or notified to the supervisors (or audit committee) and independent directors as required.	12345	During regular quarterly board meetings, the audit department includes audit reports on the agenda, and the officer of internal audit also attends the board meetings. After the meetings, a meeting record is sent via email to all participants.
43. The appointment, evaluation, and compensation of internal auditors should be reported to the board of directors or approved by the chairman upon the recommendation of the officer of internal audit.	12345	The appointment, evaluation, and compensation of internal auditors in the Company are recommended by the officer of internal audit and approved by the chairman.
44. When the auditors provide non-audit services, appropriate arrangements are made to ensure the objectivity and independence of the auditors.	12345	In 2023, the Company did not receive any other non-audit services from the auditors.
45. Directors on the board have a clear understanding and oversight of the company's accounting system, financial condition, financial reports, audit reports, and their follow-up.	12345	During regular quarterly board meetings, the board of directors receives reports on the financial condition and financial reports, as well as audit reports, as required. This enables the directors to have a clear understanding and oversight of the situation.
E. Other Items (Please evaluate and determine)		
Additional Explanation (For example, suggestions for improving the operation of the board of directors)	No additional explanation	
Overall Comment	<p>The total score is approximately 4.82.</p> <p>In 2023, the average attendance rate of the board of directors was 82.14%, and the attendance rate at shareholders' meetings was 71.43%. Except for independent directors, other directors are currently employed or retired employees of the company, which gives them a good understanding of the industry in which the company operates. This contributes to the board of directors' evaluation, supervision, and tracking of the company's operations. There is good interaction between the company's management team and the members of the board of directors, and the board members provide suggestions to the company in their respective areas of expertise.</p>	

3.4.2 Implementation Status of Audit Committee and the Participation of Supervisors in the Operation of the Board

(1) Audit Committee Meeting Status

In the most recent year, the Audit Committee held 4 meetings (A). The independent director's attendance status is shown in the following table:

Title	Name (Note 1)	Attendance in Person 【 B 】	By Proxy	Rate of attendance in person (%) 【 B / A 】 (Note 2)	Notes
Independent Director	Yang, Pi-Tsun	4	0	100.00%	Re-elected
Independent Director	Huang, Ming-Shan	3	1	75.00%	Newly appointed on July 26, 2021
Independent Director	Hu, Chin-Lien	4	0	100.00%	Newly appointed on July 26, 2021

Annotations:

- For any of the following scenarios, details such as the date of the Audit Committee meeting, the session, the motion items, any dissenting or reserved opinions from independent directors, major suggestions, resolutions from the Audit Committee, and the Company's response to these opinions should be clearly stated:
 - Issues pursuant to Article 14-3 of the Securities and Exchange Act: In 2023, no matters requiring decision by the Audit Committee were related to Article 14-3 of the Securities and Exchange Act.
 - Other issues not approved by the Audit Committee yet passed by a two-thirds majority of the board: No such instances occurred in the 2023 board meetings.
- Recusals of Independent Directors due to Conflicts of Interests: It should detail the independent director's name, motion contents, reasons for recusal, and their participation in voting. In 2023, no motions necessitated the recusal of independent directors due to conflicts of interest.
- Descriptions of the communications between the Independent Directors, the internal auditors, and the independent auditors (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.): The internal auditors ensures timely delivery of audit documentation, which is then addressed in Audit Committee meetings. Additionally, discussions with accountants occur during their auditing activities.

(2) Important Resolutions of the Audit Committee:

Meeting Date	Important Resolutions
The 7th meeting of 1st session March 7, 2023	<ol style="list-style-type: none"> 1. Approved the 2022 financial statements of the Company. 2. Approved the 2022 business report and the 2023 operational plan. 3. Approved the 2022 appropriation of losses. 4. Approved the assessment of effectiveness of the Company's 2022 internal control system and the internal control statement. 5. Approved the renewal of Mega Bank's trading limits for forward foreign exchange and other derivative financial products.
The 8th meeting of 1st session May 9, 2023	<ol style="list-style-type: none"> 1. Approved the 2023 Q1 financial statements. 2. Approved the purchase of director and key officer liability insurance.
The 9th meeting of 1st session August 8, 2023	<ol style="list-style-type: none"> 1. Approved the 2023 Q2 financial statements.
The 10th meeting of 1st session November 7, 2023	<ol style="list-style-type: none"> 1. Approved the 2023 Q3 financial statements. 2. Approved the suitability and independence assessment of the auditors for the Company. 3. Approved the draft of 2023 internal audit work plan. 4. Set the dates for the Board of Directors' meetings in 2024.
The 11th meeting of 1st session March 7, 2024	<ol style="list-style-type: none"> 1. Approved the 2023 financial statements of the Company. 2. Approved the 2023 business report and the 2024 operational plan. 3. Approved the 2023 appropriation of losses. 4. Approved the assessment of the effectiveness of the Company's 2023 internal control system and the internal control statement.
The 12th meeting of 1st session May 8, 2024	<ol style="list-style-type: none"> 1. Approved the 2024 Q1 financial statements. 2. Approved the purchase of director and key officer liability insurance.

3.4.3 Corporate Governance Status and Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Items of Evaluation	Implementation Status (Note 1)			Deviations from“ the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summaries	
1.Deviations from“ the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons		V	The Company has not yet established the "Corporate Governance Best-Practice Principles," but it is covered by the existing internal control system and regulations.	Has not established yet
2.Shareholding Structure & Shareholders’ Rights (1) Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedure been implemented accordingly? (2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders? (3) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates? (4) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	V V V V		The Company has a spokesperson, stock transfer agency (Yuanta Securities) and dedicated personnel responsible for handling shareholder suggestions, concerns, disputes, and litigation matters. The company has a designated person to maintain a list of major shareholders and their ultimate decision-makers. The Company has established operational management procedures for its subsidiaries in accordance with the law and has implemented them accordingly. However, the Company currently has no subsidiaries. The Company has established "Prevention of Insider Trading Management" and " Procedures for Handling Internal Significant Information" to prohibit internal personnel from trading securities using undisclosed information in the market.	No discrepancy
3. Composition and Responsibilities of the Board of Directors (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly? (2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees? (3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the board, and uses it as a reference for individual directors’ remuneration and renomination? (4) Does the Company regularly evaluate its external auditors’ independence?	V V V V	V V V	The Company has not yet established a diversification policy for the composition of its Board of Directors. However, anyone who possesses the necessary knowledge, skills, and qualities required to perform their duties and who can benefit the Company's management can be a candidate, regardless of basic criteria, values, professional knowledge, and skill standards. The Company has not established any other functional committees yet. The Company has not established the “Rules for Performance Evaluation of Board of Directors” and the evaluation method. The auditors appointed by the Company are all independent and comply with the regulations of the TWSE, which require periodic rotation and joint signing by different auditors. (Note 2)	No diversification policy for the board of directors has been established yet. Under discussion Has not established a evaluation rules and methodology No discrepancy

4. Has a TWSE/TPEX listed company appointed an appropriate number of suitable corporate governance personnel, and designated a corporate governance officer to be in charge of corporate governance affairs (including, but not limited to, providing directors and supervisors with the information necessary to execute business, assisting directors and supervisors in complying with laws, handling matters related to board meetings and shareholders meetings in accordance with the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings)?	V		The finance department of our company is responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors for their duties, handling matters related to board of directors and shareholders meetings in accordance with laws and regulations, registering and updating company information, preparing minutes of board of directors and shareholders meetings, etc.).	No discrepancy
5. Whether the company has established channels of communication with Stakeholders (including but not limited to shareholders, employees, customers and suppliers), and open the Stakeholders section on the company's website, and respond appropriately to Stakeholders' interests/concerns regarding corporate social responsibility.	V		The Company has a spokesperson and can communication with stakeholders through the Company's website, phone and fax.	No discrepancy
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The Company has entrusted all Shareholders' Meeting-related matters to Yuanta Securities Agency.	No discrepancy
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		The Company discloses relevant information about finance, business, and corporate governance on its website. http://www.ctworld.com.tw/ The Company has dedicated personnel responsible for the collection of company information, and the spokesperson system is in place. The Company's financial reports and monthly operations have been reported within the deadline.	No discrepancy No discrepancy No discrepancy
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V			
(3) Does the Company announce and report the annual financial report within two months of the fiscal year end, and announce and report the financial reports for the first, second and third quarter and each month's operating performance ahead of the required deadline?	V			
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		① The Company prioritizes the rights of customers, shareholders, and employees, employing both systematic and humane management practices. Employees participate in profit sharing during profitable periods, enhancing their commitment and fostering harmonious labor relations. In dealings with banks, suppliers, and customers, the principle of mutual benefit and equality guides transactions, with the goal of achieving mutually beneficial outcomes. ② Supervisors participate in board meetings to gain insights into company operations and major decisions and to offer their valuable perspectives. ③ Directors abstain from voting on matters where there is a conflict of interest. ④ In 2023, the training for directors exceeded routine sessions, including 42 hours of external training.	No discrepancy No discrepancy No discrepancy No discrepancy
9. Please indicate the improvement of the results of the corporate governance evaluation issued by the Company's Center for Corporate Governance in the last year of the TWSE and provid priority measures and measures for those who have not yet improved.	V		The Company places significant importance on governance evaluation results and conducts reviews and improvements for those items that did not achieve the standards.	No discrepancy

Note 1: Whether the implementation status is checked as "Yes" or "No", it should be described in the summary field.

Note 2: The auditor's independence assessment form was evaluated on October 27, 2023, and was approved by the Board of Directors and the Audit Committee on November 8, 2023.

Evaluation of the 2023 External Auditor's Independence and Suitability

1. Unit: Board of Directors
2. Evaluation Year: 2023
3. Evaluation Date: October 27, 2023
4. Appointed Audit Firm and Auditors:
Nan Tai CPAs & Co./ Tsai, Yu-Qin and Zhang, Tai Yuan
5. Evaluation Content: Referring to Article 47 of the Accountants Act and Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, "Integrity, Fairness, Objectivity, and Independence," the following evaluation items are assessed:

Evaluation Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
1. The auditor has no direct or significant indirect financial interests with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. The auditor has no significant close business relationship with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. The auditor does not have a potential employment relationship while auditing the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. The auditor has no financial borrowing or lending arrangements with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. The auditor has not received significant gifts or favors of value from the Company, its directors, supervisors, or executives (exceeding general social etiquette standards).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. The auditor has not provided auditing services to the Company continuously for seven years.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. The auditor does not hold any shares of the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. The auditor him/herself, their spouse, dependents, or audit team members have not held positions as directors, supervisors, executives of the Company or had significant influence on audit matters during the audit period or within the past two years. It is also confirmed that they will not hold such positions in the future audit period.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. Whether the auditor meets the requirements of Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant regarding independence and has obtained the auditor's "Independence Declaration".	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

6. Evaluation Result:

For the financial statements of the Company for 2023, which were audited and certified by Tsai Yu-Qin and Zhang, Tai Yuan, CPAs from Nan Tai CPAs & Co. Upon assessment, it was determined that both auditors had no evaluation-related conflicts, ensuring their independence and suitability. The financial reports prepared by them were found to be correct and without error.

Evaluation Unit: Finance Department

Evaluation Date: October 27, 2023

3.4.4 Composition, Responsibilities and Operations of the Remuneration Committee

(1) Compensation Committee

Criteria Name Identity		Professional Qualification and Experience(Note 1)	Independence Status(Note 2)				Number of other public companies in which the individual is concurrently serving as an independent director
			Does natural person, spouse, or relatives within the second degree serve as directors, supervisors or employees of this company or its affiliates	Number and ratio of company shares held by natural person, spouse, and relatives within the second degree (or held by the person under others' name)	Does a natural person serve as a director, supervisor, or employee of a company with a specific relationship with the Company (as Item 1 stipulated in Clauses 5-8 of Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)	Remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliates in the past two years	
Independent Director	Yang, Pi-Tsun	1.Head of Detective A Team at National Police Agency 2.Executive Director of Bade Development 3.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director	Huang, Ming-Shan	1.Senior Manager of ChipMOS Technologies 2.Concurrent Senior Manager of SOLARtech 3.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director	Hu, Chin-Lien	1.Accountant of HLB Candor Taiwan CPAs 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Concurrently serving as an independent director in TienPin United Enterprise Co., Ltd.

Note 1: Please specify in the table the relevant work experience, professional qualifications and experience, and independence status of each member of the Remuneration Committee. If they are independent directors, please note that the relevant information can be found in Appendix One, page OO, Director and Supervisor Information (1). Please indicate whether they are independent directors or other (if they are the convener, please indicate).

Note 2: **Professional Qualifications and Experience:** Describe the professional qualifications and experience of each remuneration committee member.

Note 3: **Independence Status:** Describe the remuneration committee members' independence status, including but not limited to whether the individual, their spouse, and relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliated enterprises; the number and proportion of company shares held by the individual, their spouse, and relatives within the second degree of kinship (or held in the name of others); whether they serve as directors, supervisors or employees of companies with specific relationships with the company (refer to Article 6, Paragraph 1, Clauses 5~8 of the Measures for the Establishment and Exercise of Authority of the Remuneration Committee for companies listed or traded at securities firm); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises in the past 2 years.

(2) Attendance of Members at Remuneration Committee Meetings

1. The Remuneration Committee consists three members.
2. Term of Committee Member: July 26, 2021 to July 25, 2024. The committee convened 2 times (A) in 2023.
3. Qualifications and Attendance Status of Committee Members are as follows:

Title	Name	Attendance in Person 【B】	By Proxy	Rate of attendance in person (%) 【B/A】 (Note 2)	Notes
Convener	Yang, Pi-Tsun	2	0	100.00%	Re-elected
Committee	Huang, Ming-Shan	2	0	100.00%	Appointed on July 26
Committee	Hu, Chin-Lien	2	0	100.00%	Appointed on July 26
Annotations: 1. If the Board of Directors rejects or modifies the Remuneration Committee's recommendations, it shall be disclosed including the date of the board meeting, session, the content of motion, the resolution of the board meeting, and how the board handled the Remuneration Committee's opinions: In 2023, There were no such instances during the board meeting. 2. When there are dissenting or reserved opinions among Remuneration Committee members that are documented or stated in writing, details including the date of the committee meeting, session, content of the motion, all member opinions, and how these opinions were handled should be disclosed: In 2023, there were no dissenting or reserved opinions among the Remuneration Committee members.					

Note 1: If there are committee members who have left their positions before the end of the fiscal year, please indicate the departure date in the note column. The actual attendance rate (%) should be calculated based on the number of Remuneration Committee meetings held during their tenure and their actual attendance.

Note 2: If there are changes in the Remuneration Committee members before the end of the fiscal year, both the resigned and newly-elected committee members should be listed, and the note column should indicate whether they are resigned, newly-elected, reelected, or the date of the change. The actual attendance rate (%) should be calculated based on the number of Compensation Committee meetings held during their tenure and their actual attendance.

(3) Important resolutions of the Remuneration Committee

Meeting date	Resolution
The 4 th Meeting of the 5 th Term March 7, 2023	Approved the amendment of the "Procedures of Remuneration to Directors and Managers".
The 5 th Meeting of the 5 th Term November 7, 2023	1. Approved the distribution of the 2023 annual performance bonuses. 2. Approved the provision for the 2024 compensation of directors and managers. 3. Approved the monthly accrual of the 2024 annual performance bonuses. 4. Approved the salary adjustment rates for employees in 2024.
The 6 th Meeting of the 5 th Term March 7, 2024	Approved the distribution of the 2023 joint guarantee allowance.

3.4.5 Implementation of sustainable development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

1. Implementation status of the sustainable development:

Assessment Item	Implementation status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary (Note 2)	
1. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to boost sustainable development, which top management team is authorized by the board of directors to handle, and supervised by the board of directors?			The Company has not established a dedicated ESG project organization for promoting sustainable development. However, there are individuals responsible for relevant issues and driving sustainable development.	No discrepancy
2. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies in accordance with the materiality principle? (Note 3)	V		The Company has not established the "Sustainable Development Best Practice Principles" separately but incorporates them into various regulations. The Company conducts annual risk assessments of environmental, social, and corporate governance issues related to its operations and formulates relevant risk management policies or strategies.	No discrepancy
3. Environmental Issues				
(1) Has the Company set an Environmental management system designed to industry characteristics?	V		The Company has established an environmental management system in accordance with industry characteristics for many years. It has consistently adhered to the pollution prevention concept and continuously improved based on environmental considerations.	No discrepancy
(2) Is the company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V		The Company is committed to improving resource utilization efficiency and promoting the use of low environmental impact materials (e.g., replacing fuel oil with gas).	No discrepancy
(3) Does the company assess the current and future potential risks and opportunities of climate change for the company and take measures in reaction to related issues?	V		The Company has established an environmental management system based on industry characteristics for many years and continuously monitors and reviews climate-related issues.	No discrepancy
(4) Has the company counted greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water consumption or other waste management?	V		The Company complies with regulations by calculating greenhouse gas emissions, water consumption, and total weight of waste and reporting them as required. The responsible departments propose policies for energy conservation, carbon reduction, water reduction, or other waste management in management meetings.	No discrepancy
4. Social Issues				
(1) Does the company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		The Company establishes management policies in the employee handbook based on internationally recognized principles of basic labor rights, detailing labor regulations and employee rights.	No discrepancy
(2) Has the company established and implemented a reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.) where operating performance or results are appropriately reflected in employee compensation?	V		The Company specifies employee welfare measures (including remuneration, vacation, and other benefits) in the employee handbook, and the employee compensation ratio is defined in the articles of incorporation.	No discrepancy
(3) Does the company provide employees with a safe and healthy working environment, with regular safety and health training?	V		The Company attaches great importance to the safety and health of the employees' working environment. Therefore, regular safety and health education and training are conducted, such as promoting the 5S system, conducting air raid drills, and fire drills.	No discrepancy

Assessment Item	Implementation status (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary (Note 2)	
(4) Has the Company established effective career development training plans?	V		The Company regularly organizes internal education and training programs and provides relevant external courses on a monthly basis to enhance employees' professional and technical capabilities.	No discrepancy
(5) Does the company comply with relevant laws, regulations and international standards on issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, and develop relevant consumer or customer protection policies and complaint procedures?	V		The company requires suppliers to comply with the regulations specified in the supplier management policy and has well-established customer management procedures and smooth customer complaint channels to ensure consumers' rights.	No discrepancy
(6) Has the company formulated a supplier management policy that requires suppliers to follow relevant guidelines on issues such as environmental protection, occupational safety and health or labor rights, and their implementation?	V		In accordance with the "Safety and Health Management Manual" and "Supplier Management Policy," the Company requires suppliers to comply with the regulations and not violate occupational safety and health or labor rights. Relevant clauses are included in the contract when signing agreements.	No discrepancy
5. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on corporate non-financial information such as corporate social responsibility reports? Has the aforementioned report obtained an assurance opinion of a third-party verification organization?		V	The Company has not yet adopted internationally recognized regulations governing the preparation of report or guidelines for compiling reports on corporate non-financial information, such as corporate social responsibility reports.	The matter is still under discussion.
6. If the company has established its sustainable development code of practice according to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the operational status and differences: None.				
7. Other important information to facilitate better understanding of the company's implementation of sustainable development: The Company has not established related policy.				

Note 1: Whether the implementation status is checked as "Yes" or "No", it should be described in the summary field.

Note 2: If the Company has prepared a CSR report, the summary field may indicate how to access the report and its corresponding page numbers as an alternative.

Note 3: Materiality principle refers to issues related to the environment, society, and corporate governance that have a significant impact on the company's investors and other stakeholders.

2. Implementation of Climate-Related Information:

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>① The Company's Board of Directors serves as the supreme authority on climate issues, with the Climate Change Response Team providing regular annual reports to the Board about climate change adaptations.</p> <p>② The Company's EHS manager is the person in charge of the Climate Change Response Team, responsible for establishing identification systems for climate change risks and opportunities, developing response strategies, and effectively managing climate risk through various management objectives.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Climate Risks: Severe weather and climate events pose significant threats to production and manufacturing processes.</p> <p>Climate Opportunities: If technologies resistant to extreme climate impacts are utilized before competitors, it could lead to enhanced profitability.</p> <p>Short-term: Expand the implementation of solar power and energy storage systems to fulfill energy market demands and attract new customers, thereby increasing revenues.</p> <p>Medium-term: Participate in developing low-carbon technologies and actively invest in generating, producing, and innovating renewable energy, potentially yielding significant investment returns and attracting investors. Continue to assess market potential and regulatory environments and adjust corporate operational strategies accordingly.</p> <p>Long-term: Climate risks may decrease production capacity or cause disruptions, increasing both operational and infrastructure costs.</p> <p>Strategies:</p> <p>① Mitigation: Implement new renewable energy devices and smart energy monitoring systems to improve energy efficiency.</p> <p>② Adaptation: Regulate temperatures in offices and equipment to enhance organizational resilience against climate impacts.</p> <p>③ Efficient Technology Implementation: Apply external expert system to improve energy efficiency.</p> <p>④ Incorporate Low-carbon Product Goals: Integrate low-carbon product objectives into the Company's supplier management to develop a low-carbon supply chain.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	<p>① Reduce the operating costs ;</p> <p>② Increase revenue</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>① Incorporating “Climate Risk” into the Company's Enterprise Risk Management (ERM) procedures.</p> <p>② Climate Change Response Team is a cross-functional group made up of members from the production, management, and accounting departments, tasked with fostering interdepartmental collaboration and executing climate management across the value chain.</p> <p>③ Evaluate the financial consequences and develop corresponding strategies, aligning them with the annual budget planning of the Company.</p> <p><u>Present a report to the Board of Directors detailing the execution status for the current year and the operational plans for the upcoming year.</u></p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>The Company has implemented the TCFD framework to structure its climate risk identification process. After discussions across various departments, a total of 9 opportunities and 6 risks related to climate have been identified.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>① Establish climate-related performance indicators and quantitative targets, regularly track progress, and transparently disclose the results to the public.</p> <p>② The Company takes into account industry-specific characteristics, identifies relevant risk factors, and enhances the evaluation of climate risks and opportunities. Through ongoing communication and consultations, we examine the potential impacts and implications.</p> <p>③ Water Resource: In response to the reduction of water resources from climate change, develop strategies for sustainable water use to increase efficiency with an aim for zero wastewater emissions.</p> <p>④ Air Pollution: For the characteristics of emissions from our processes, we have designed various air pollution control measures. Start by installing suitable collection devices in each process to reduce escape of emissions, followed by implementing recycling and pollution control equipments to reduce discharge and fortify environmental protections against contamination of water, air, and land.</p> <p>⑤ Advancing Pollution Prevention and Control Technology: Engage with external experts to advance our environmental technologies. This involves refining our process designs and upgrading equipment to minimize the use of raw materials and energy.</p> <p>⑥ Greenhouse Gas Emissions Inventory and Reduction: Proactively disclose information on greenhouse gas management for stakeholders.</p> <p>⑦ Total Waste Weight: Implement strategies focused on “Reducing Overall Waste” and “Converting Waste into Resources”. By improving process technologies and reducing raw material usage, we aim to minimize environmental pollution and actively lower the total waste generated.</p>

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company determined the cost per ton of carbon reduction using actual measures and the amounts invested in carbon reduction. For departments that fail to meet their electricity and carbon reduction goals, detail the total excess carbon emissions and the corresponding additional costs they are responsible for. Suggest practical carbon reduction strategies to these units for necessary improvements.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company, predominantly focused on domestic sales, has not yet established specific climate-related targets. However, we continue to integrate carbon reduction strategies into our annual planning to reduce the impact of our operations on climate change. The Company use clean fuel natural gas instead of higher-pollution low-sulfur fuel oil to decrease air pollutant emissions. Furthermore, we have installed solar energy systems on our factory roofs to improve local air quality and uphold our commitment to environmental protection.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Please refer to the table below.

3. Greenhouse Gas Inventory and Assurance Status

The Company	Total Emissions (metric ton CO2e)	Intensity (metric ton CO2e / NT\$ million) (Note 2)	Assurance agency	Assurance statement
Scope 1	778.531	1.3273	N/A	N/A
Scope 2	2,737.020	4.6663	N/A	N/A
Scope 3	701.202	1.1955	N/A	N/A
Total	4,216.753	7.1891	-	-

- Information for Scope 1 and Scope 2 must be managed according to the timelines established under Paragraph 2 of Article 10 of the regulation, whereas Scope 3 information may be voluntarily disclosed by enterprises.
- The company may conduct greenhouse gas inventories according to the following standards:
 - (1) Greenhouse Gas Protocol (GHG Protocol).
 - (2) ISO 14064-1 published by the International Organization for Standardization (ISO).
- Assurance agencies shall comply with the regulations related to sustainability report assurance stipulated by the Taiwan Stock Exchange Corporation and Taipei Exchange.
- Subsidiaries can report individually, report as groups (e.g., by country or region), or conduct consolidated reporting (Note 1).
- The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue. However, at least the data calculated based on revenue (in million NTD) should be disclosed (Note 2).
- Operating locations or subsidiaries that are not included in the inventory calculation should not account for more than 5% of the total emissions. The total emissions mentioned above refer to the emissions calculated according to the requirements of the mandatory inventory scope, as explained in Form-filing Instructions 1.
- The assurance statement should summarize the contents of the assurance report from the assurance provider and include the letter of assurance as an annex to the annual report.

3.4.6 Ethics Management Performance and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summaries (Note 2)	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(1) Has the Company formulated a policy of ethical management approved by the board of directors, and clearly state, in the bylaw and external documents, the policies and practices of ethical management and the commitment of the board and senior management to actively implement the operating policy?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and "Work Rules" for all directors, managers, and employees to follow.	No discrepancy
(2) Has the Company established a mechanism for evaluating the risk of unethical behavior, regularly analyzed and evaluated business activities with a higher risk of unethical behavior in the business scope, and formulated a plan, which covers at least the precautionary measures in the second paragraph of Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, to prevent unethical behavior?	V		1. According to Article 12 of the Company's work rules, employees are prohibited from accepting kickbacks or other illegal benefits related to their job duties. 2. Employees are provided with a copy of the "Work Rules" to familiarize themselves with disciplinary actions for violations and the complaint handling process.	No discrepancy
(3) Has the Company clearly defined the operating procedures, behavior guidelines, punishment and appeal systems for violations in the unethical conduct prevention plan, and does it implement and regularly review and revise the aforementioned plan?	V		According to Articles 10 to 13 of the Company's "Ethical Corporate Management Best Practice Principles," various forms of unethical behavior are strictly prohibited. The authorization and supervision of the implementation of these rules are delegated from the Board of Directors to various levels of management in accordance with company regulations.	No discrepancy
2. Ethic Management Practice				
(1) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		1. According to the Company's measures of procurement management, procurement decisions are based on the principle of integrity to obtain products of good quality, timely delivery, and reasonable prices. Relevant information is recorded based on transaction records. 2. According to Article 12 of the Company's work rules, employees are prohibited from accepting kickbacks or other illegal benefits related to their job duties.	No discrepancy
(2) Has the Company established a unit affiliated with the board to promote corporate ethical management, and regularly (at least once a year) report to the board its ethical management policies and plans to prevent unethical conduct and monitor implementation?	V		1. The Company has an internal audit unit that regularly assesses various departments and prepares audit reports submitted to the Board of Directors. 2. The Board of Directors fulfills its fiduciary duty to oversee the prevention of unethical conduct, continually reviewing the effectiveness of its implementation and seeking continuous improvement to ensure the implementation of ethical management policies.	No discrepancy
(3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		According to Article 16 of the Company's "Ethical Corporate Management Best Practice Principles," directors, supervisors, and managers are required to be aware of and actively avoid conflicts of interest. They may present opinions and respond during Board of Directors meetings, but are not allowed to participate in discussions or voting.	No discrepancy

Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summaries (Note 2)	
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, where the internal audit unit prepared relevant audit plans based on the result of risk assessment of unethical conducts, and checked the compliance with the plan to prevent unethical conducts, or delegated an accountant to perform the verification?	V		1. According to Article 17 of the Company's "Ethical Corporate Management Best Practice Principles," the Company has established an effective accounting system and internal control system for business activities with a higher risk of unethical behavior, without external or undisclosed accounts. The system is continuously reviewed to ensure its effectiveness.	No discrepancy
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		2. The internal audit personnel regularly assess the adherence to the aforementioned system and prepare audit reports submitted to the Board of Directors. The Company provides education and training to employees, including new recruits, to familiarize them with relevant company regulations.	No discrepancy
3. Implementation of Complaint Procedures				
(1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		According to Article 20 of the Company's "Ethical Corporate Management Best Practice Principles," the General Manager's Office and the email: ct100@ms33.hinet.net has been announced as the channels for reporting and complaints.	No discrepancy
(2) Has the Company established standard operating procedures for investigating the complaints received, take corresponding measures after investigation, and ensuring such complaints are handled in a confidential manner?	V		According to Article 20 of the Company's "Ethical Corporate Management Best Practice Principles," the relevant department heads, as well as the General Manager's Office and the email ct100@ms33.hinet.net , have been announced as the channels for reporting and complaints to avoid confidentiality breaches.	No discrepancy
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V		When dealing with dereliction of duty, the Company publicly discloses information on the violator's position, name, date of violation, violation content, and handling outcome on the company bulletin board. This protects the complainant from undue measures due to reporting.	No discrepancy
4. Information Disclosure				
Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (“MOPS”)?	V		The Company discloses relevant information on its website, specifically in the "Investor Relations" section under "Corporate Governance Information," which can be accessed at http://www.ctworld.com.tw .	No discrepancy
5. If the Company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: None.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy).				
1. The Company adheres to the Company Act, the Business Entity Accounting Act, the Securities and Exchange Act, relevant regulations for listed and over-the-counter companies, and other applicable laws and regulations related to commercial activities as the basis for practicing ethical business conduct.				
2. The Company has established a "Board Meeting Rules" that clearly defines the system for directors to avoid conflicts of interest. This system is strictly implemented to prevent any harm to the company's interests and shareholders' rights.				

The Company has always upheld "integrity" as the highest standard in our business philosophy. In addition to ensuring transparency in corporate operations, the Company has been gradually strengthening the responsibilities and functions of the board of directors and supervisors in corporate governance. The Company has implemented various management systems to ensure that board members and employees can follow them in carrying out their respective duties.

- 3.4.7 Inquiry on corporate governance principles and related regulations of this Company: None.
- 3.4.8 Other information material to the understanding of corporate governance within the Company:
In the most recent fiscal year and up to the date of the annual report printing, a total of 0 executives from our company participated in governance-related training and development, accumulating a total of 0 hours.
- 3.4.9 Internal Control System Execution Status
(1) Statement of Internal Control System

Chia-Ta World Co., Ltd.
Statement of Internal Control System

March 7, 2024

Based on the findings of a self-assessment, Chia Ta World Co., Ltd. states the following with regard to its internal control system during the year 2023:

1. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability in financial reporting, and adherence to relevant laws.
2. The effectiveness of the internal control system is subject to inherent limitations. Regardless of how well-designed, an effective internal control system can only provide reasonable assurance for the aforementioned goals. Additionally, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the Company's internal control system includes self-monitoring mechanisms, and any deficiencies identified will be promptly addressed.
3. The Company evaluates the effectiveness of the internal control system based on the criteria outlined in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (referred to as the "Regulations"). These criteria divide the internal control system into five components: control environment, risk assessment, control activities, information and communication, and monitoring. Each component consists of several elements. Please refer to the provisions of the "Regulations" for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the results of the assessment, the Company believe that the internal control system (including the supervision of subsidiaries) as of December 31, 2023, regarding the design and implementation related to achieving goals such as operational effectiveness and efficiency, reliable financial reporting, and compliance with relevant laws and regulations, is effective and can reasonably ensure the achievement of these goals.
6. This statement will be included as a major content in the Company's annual report and public disclosure documents. If any false or concealed information is found in the disclosed content, it may incur legal liabilities under the Securities and Exchange Act, including Articles 20, 32, 171, and 174.
7. This statement was approved by the Board of Directors on March 7, 2024. Out of the seven attending directors (including one delegated director), none opposed, and all others agreed with the content of this statement.

Chia Ta World Co., Ltd.

Chairman: Wu, Ta-He



President: Chen, Zheng-Ping



- (2) If CPA was retained to conduct a special audit of the internal control system, disclose the audit report: None.

3.4.10 Legal penalties by competent authority to the Company or its employees, and the Company's punishment on its employees for violation of internal control system, major deficiencies and improvement measures in the most recent year and as of the publication of this annual report: None.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings

(1) Major Resolutions and Implementation of Shareholders' Meeting

Meeting Date: June 20, 2023

Location: No. 16, Lane 317, Zhongzheng North Road, Yongkang District, Tainan City (First Conference Room, Yongkang Plant of the Company)

The resolutions and implementation status are listed below:

Resolution of shareholder's meeting	Implementation Status
• 2022 Business Report and Financial Statements	<ol style="list-style-type: none"> 1. For 2022, the Company's net sales revenue amounted to NT\$810,803 thousand. The net loss for the period was NT\$12,698 thousand, translating to a loss per share of NT\$0.16. 2. The proposal received a majority of votes in favor, surpassing the required legal amount, and was approved and implemented as resolved by the shareholders' meeting.
• 2022 Appropriation of Losses	<ol style="list-style-type: none"> 1. The net loss after tax for 2022 was NT\$12,698 thousand. Considering the Company's future operational plans and capital requirements, the retained earnings for the year will not be distributed. 2. The proposal received a majority of votes in favor, surpassing the required legal amount, and was approved and implemented as resolved by the shareholders' meeting.

(2) Major Resolutions of Board Meetings

Session	Important resolution
The 9 th meeting of the 17 th Term Mar 7, 2023	<ol style="list-style-type: none"> 1. Approved the 2022 financial statements. 2. Approved the 2022 business report and the 2023 operational plan. 3. Approved the 2022 appropriation of losses. 4. Approved the arrangements for the 2023 Annual General Meeting. 5. Approved the procedure for handling shareholder proposals at the Annual General Meeting. 6. Approved amendments to certain articles of the "Rules of Procedure for Board of Directors Meeting". 7. Approved the assessment of effectiveness of the Company's 2022 internal control system and the internal control statement. 8. Approved 2022 performance assessments of the Board members. 9. Approved the renewal of Mega Bank's trading limits for forward foreign exchange and other derivative financial products. 10. Approved the establishment of a governance officer role to ensure compliance with legal regulations.
The 10 th meeting of the 17 th Term May 9, 2023	<ol style="list-style-type: none"> 1. Approved the 2023 Q1 financial statements. 2. Approved the purchase of director and key officer liability insurance.
The 11 th meeting of the 17 th Term August 8, 2023	<ol style="list-style-type: none"> 1. Approval of the 2023 Q2 financial statements. 2. Approved the establishment of dedicated cybersecurity officer and personnel roles in compliance with legal regulations.
The 12 th meeting of the 17 th Term November 7, 2023	<ol style="list-style-type: none"> 1. Approved the 2023 Q3 financial statements. 2. Approved the suitability and independence assessment of the auditors for the Company. 3. Approved the draft of 2023 internal audit work plan. 4. Approved the renewal of financing contracts with the Company's banking partners as they come due. 5. Set the dates for the Board of Directors' meetings in 2024.
The 13 th meeting of the 17 th Term Mar 7, 2024	<ol style="list-style-type: none"> 1. Approved the 2023 financial statements 2. Approved the 2023 business report and the 2024 operational plan. 3. Approved the 2023 appropriation of losses. 4. Approved the comprehensive re-election of the Company's directors. 5. Approved the lifting of non-compete restrictions for new directors and their representatives. 6. Approved the procedure for handling shareholder proposals at the Annual General Meeting. 7. Agreed to review shareholder nominations for potential inclusion in the election slate. 8. Approved the arrangements for the 2024 Annual General Meeting. 9. Approved the assessment of effectiveness of the Company's 2023 internal control system and the internal control statement. 10. Approved the amendment of certain articles of the Company's Articles of Incorporation. 11. Approved 2023 performance assessments of the Board members. 12. Approved the application for a new branch of Chia-Ta World Co., Ltd. in Kaohsiung.
The 14 th meeting of the 17 th Term May 8, 2024	<ol style="list-style-type: none"> 1. Approved the 2023 Q1 financial statements. 2. Approved the purchase of director and key officer liability insurance. 3. Confirmed the list and qualification assessment of nominees for directors and independent directors.

Note: From January 2023 to the date of the annual report in 2024, except for items 1-5 of the resolutions of the board of directors on March 7, 2024, which need to be executed according to the resolutions after being approved by the shareholders' meeting on June 20, 2024, the rest have been completed according to the resolutions of the board of directors.

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

3.4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate governance officer and R&D: None.

3.5 Information Regarding the Company's Audit Fee

1. Information on service fees of CPAs

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Note
Nan Tai CPAs & Co.	Tsai, Yu-Chin	01/01/2023-12/31/2023	1,740	20	1,760	None
	Chang, Tai-Yuan					

2. Accountant Audit Fee Scale table

Unit: NT\$ thousand

Audit Fee Items		Audit Fee	Non-Audit Fee (Note 1)	Total
Amount Range				
1	Below 2,000	V	V	V
2	2,000~3,999	0	0	0
3	4,000~5,999	0	0	0
4	6,000~7,999	0	0	0
5	8,000~9,999	0	0	0
6	Over 10,000	0	0	0

Non-audit fees are full-time employee salary verification fees.

Note:

1. The ratio of non-audit fees to audit fees of the accounting firm and its related enterprises is not more than one quarter, and the non-audit fees do not exceed NT\$500,000: None.
2. If a change of accounting firm has taken place during the year, please divide the audit period and disclose audit and non-audit fee in chronological order: None.
3. If audit fee is reduced by 15% or more from the previous year: None.

3.6 Replacement of CPA: Not applicable.

3.7 Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

3.8 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title(Note 1)	Name	2023		As of May 12, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Wu, Ta-He	0	0	0	0
Director	Hao Fu Investment Co., Ltd.	0	0	0	0
Director	Hao Fu Investment Representative: Chuang, Hui-Chen	0	0	0	0
Director	Tseng, Wen-Chun	0	0	0	0
Director	Li, Shih-Min	0	0	0	0
Independent Director	Yang, Pi-Tsun	0	0	0	0
Independent Director	Huang, Ming-Shan	0	0	0	0
Independent Director	Hu, Chin-Lien	0	0	0	0

Note 1: Information on the counterparty and related parties in the transfer of equity: None.

3.9 Relationship among the Top Ten Shareholders

Name (Note 1)	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Notes
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Name	Relationship	
Li Pei International Investment Co., Ltd.	7,388,000	9.16%	0	0.00%	0	0.00%	None	None	None
Representative of Li Pei International Investment: Chuang, Hui-Chen	1,550,600	1.92%	2,108,600	2.61%	0	0.00%	Representative of TienPin United: Li, Chen-Kuan	Mother-Son	None
Wu, Ta-He	6,859,931	8.50%	1,729,931	2.14%	0	0.00%	Wu, Tseng, Li-Yueh, Tseng, Wen-Chun, Tseng, Wen-Yen, Tseng, Wen-Chi	Spouse, Brother-in-law	None
TienPin United Enterprise Co., Ltd.	5,107,020	6.33%	0	0.00%	0	0.00%	None	None	None
Representative of TienPin United: Li, Chen-Kuan	0	0.00%	0	0.00%	0	0.00%	Representative of Li Pei International Investment: Li, Chao-Mao	Father-Son	None
Fu Ying Investment Co., Ltd.	3,793,422	4.70%	0	0.00%	0	0.00%	Fu He Investment	Same person as the Chairman	None
Representative of Fu Ying Investment: Wu, Tseng, Li-Yueh	1,729,931	2.14%	6,859,931	8.50%	0	0.00%	Fu He Investment, Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Yen, Tseng, Wen-Chi	Chairman, Spouse, Siblings	None
Tseng, Wen-Chun	3,285,730	4.07%	279,106	0.35%	0	0.00%	Wu, Ta-He, Tseng, Wen-Chi, Tseng, Wen-Yen, Wu, Tseng, Li-Yueh	Brothers, Siblings, Brother-in-law	None
Tseng, Wen-Yen	3,275,658	4.06%	279,106	0.35%	0	0.00%	Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Chi, Wu, Tseng, Li-Yueh	Brothers, Siblings, Brother-in-law	None
Tseng, Wen-Chi	3,218,711	3.99%	279,106	0.35%	0	0.00%	Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Yen, Wu, Tseng, Li-Yueh	Brothers, Siblings, Brother-in-law	None
Fu He Investment Co., Ltd.	3,162,689	3.92%	0	0.00%	0	0.00%	Fu Ying Investment	Same person as the Chairman	None
Representative of Fu He Investment: Wu, Tseng, Li-Yueh	1,729,931	2.14%	6,859,931	8.50%	0	0.00%	Fu Ying Investment, Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Yen, Tseng, Wen-Chi	Chairman, Spouse, Siblings	None
Concord International Securities Co., Ltd.	2,437,000	3.02%	0	0.00%	0	0.00%	None	None	None
Li, Chao-Mao	2,108,714	2.61%	353,600	0.44%	0	0.00%	Representative of Li Pei International Investment, Representative of TienPin United	Natural Person, Father-Son	None

3.10 Ownership of Shares in Affiliated Enterprises

Comprehensive Ownership Ratio

Unit: thousand shares ; %

Information on investees	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)
TienPin United Enterprise Co., Ltd.	557	0.98%	0	0%	557	0.98%
The Great Tainan Gas Corporation	3,460	2.88%	0	0%	3,460	2.88%
Shing Ecoblue Co., Ltd. (Note)	1,000	20.00%	0	0%	1,000	20.00%

Note: It refers to investments accounted for using the equity method.

Company Shares and Fund Raising

4.1 Capital and Shares

Changes in share capital

Month/Year	Per Value (NT\$)	Authorized Capital		Capital Stock		Notes		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
1975.04	1,000	3,000	3,000,000	3,000	3,000,000	Cash capital of NT\$ 3,000 thousand during establishment	None	None
1976.04	1,000	7,000	7,000,000	7,000	7,000,000	New issuance of shares of NT\$ 4,000 thousand	None	None
1977.04	1,000	20,000	20,000,000	20,000	20,000,000	New issuance of shares of NT\$ 13,000 thousand	None	None
1979.04	1,000	34,000	34,000,000	34,000	34,000,000	New issuance of shares of NT\$ 14,000 thousand	None	None
1982.11	100	510,000	51,000,000	510,000	51,000,000	New issuance of shares of NT\$ 17,000 thousand	None	None
1985.06	10	8,500,000	85,000,000	8,500,000	85,000,000	New issuance of shares of NT\$ 20,000 thousand	Capital increase of NT\$14,000,000 through merger with Jia Gu	None
1988.09	10	11,500,000	115,000,000	11,500,000	115,000,000	Surplus transferred to increase capital by 8,500 thousand ; New issuance of shares of NT\$ 21,500 thousand	None	None
1993.05	10	19,000,000	190,000,000	19,000,000	190,000,000	Surplus transferred to increase capital by 24,500 thousand ; Capital reserve increased by NT\$10,000 thousand ; New issuance of shares of NT\$ 40,500 thousand	None	None
1994.12	10	50,000,000	500,000,000	31,000,000	310,000,000	Surplus transferred to increase capital by 76,000 thousand(Note 1) ; New issuance of shares of NT\$ 44,000 thousand	None	None
1995.09	10	50,000,000	500,000,000	34,100,000	341,000,000	Surplus transferred to increase capital by 31,000 thousand (Note 2)	None	None
1997.02	10	50,000,000	500,000,000	37,510,000	375,100,000	Surplus transferred to increase capital by 34,100 thousand (Note 3)	None	None
1997.12	10	50,000,000	500,000,000	41,261,000	412,610,000	Surplus transferred to increase capital by 37,510 thousand (Note 4)	None	None
1999.03	10	80,000,000	800,000,000	59,261,000	592,610,000	Surplus transferred to increase capital by 180,000 thousand (Note 5)	None	None
2000.10	10	80,000,000	800,000,000	65,187,100	651,871,000	Surplus transferred to increase capital by 47,408.8 thousand ; Capital reserve increased by NT\$11,852.2 thousand (Note 6)	None	None
2002.07	10	80,000,000	800,000,000	68,446,455	684,464,550	Surplus transferred to increase capital by 26,074.84 thousand ; Capital reserve increased by NT\$6,518.74 thousand.(Note 7)	None	None
2003.08	10	80,000,000	800,000,000	71,184,313	711,843,130	Surplus transferred to increase capital by 23,378.58 thousand (Note 8)	None	None
2005.09	10	80,000,000	800,000,000	74,031,685	740,316,850	Surplus transferred to increase capital by 28,473.72 thousand (Note 9)	None	None
2009.07	10	120,000,000	1,200,000,000	80,694,536	806,945,360	Surplus transferred to increase capital by 66,628.51 thousand (Note 10)	None	None

Note 1: Approved by Letter No. 32648 from Taiwan Finance Securities (1) on October 13, 1994.

Note 2: Approved by Letter No. 39159 from Taiwan Finance Securities (1) on July 5, 1995.

Note 3: Approved by Letter No. 67780 from Taiwan Finance Securities (1) on November 21, 1996.

Note 4: Approved by Letter No. 785 from Taiwan Finance Securities (1) on October 1, 1997.

Note 5: Approved by Letter No. 85904 from Taiwan Finance Securities (1) on October 13, 1998.

Note 6: Approved by Letter No. 59511 from Taiwan Finance Securities (1) on July 12, 2000.

Note 7: Approved by Letter No. 0910134651 from Taiwan Finance Securities (1) on June 25, 2002.

Note 8: Approved by Letter No. 0920135273 from Taiwan Finance Securities (1) on August 5, 2003.

Note 9: Approved by Letter No. 0940127821 from Financial Supervisory Commission on July 11, 2005.

Note 10: Approved by Letter No. 0980034113 from Financial Supervisory Commission on July 9, 2009.

Type of Stock

Shares Category	Authorized capital			Notes
	Issued shares (note)	Non-issued	Total	
Common shares	80,694,536	39,305,464	120,000,000	Listed stocks

Note: The Company is listed on the stock exchange.

4.2 Composition of Shareholders

Shareholding Structure

Category Number	Government Agencies	Financial Institution	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of Shareholders	0	0	24	7,626	14	7,664
Shareholding (Shares)	0	0	30,694,963	49,324,281	675,292	80,694,536
Percentage (%)	0.00%	0.00%	38.04%	61.12%	0.84%	100.00%

4.3 The Distribution of Shareholdings

The Distribution of Shareholdings

Shareholding Range			No. of Shareholders	Shareholding	Shareholding (%)
1	~	999	2,743	313,950	0.39%
1,000	~	5,000	4,069	8,043,374	9.97%
5,001	~	10,000	490	4,068,936	5.04%
10,001	~	15,000	101	1,291,061	1.60%
15,001	~	20,000	81	1,509,690	1.87%
20,001	~	30,000	55	1,457,135	1.81%
30,001	~	40,000	22	808,390	1.00%
40,001	~	50,000	19	881,368	1.09%
50,001	~	100,000	34	2,444,051	3.03%
100,001	~	200,000	12	1,716,944	2.13%
200,001	~	400,000	16	4,404,288	5.46%
400,001	~	600,000	1	560,000	0.69%
600,001	~	800,000	1	610,000	0.76%
800,001	~	1,000,000	4	3,473,290	4.30%
1,000,001	~	9,999,999,999	16	49,112,059	60.86%
Total			7,664	80,694,536	100%

4.4 The List of Major Shareholders: The names of shareholders with ownership exceeding 5% or ranked among the top ten shareholders, their shareholdings, and respective percentages are as follows:

List of Major Shareholders

Shares Name	Number of Shares	Shareholding (%)
Li Pei International Investment Co., Ltd.	7,388,000	9.16%
Wu, Ta-He	6,859,931	8.50%
TienPin Investment Holding Co., Ltd.	5,107,020	6.33%
Fu Ying Investment Co., Ltd.	3,793,422	4.70%
Tseng, Wen-Chun	3,285,730	4.07%
Tseng, Wen-Yen	3,275,658	4.06%
Tseng, Wen-Chi	3,218,711	3.99%
Fu He Investment Co., Ltd.	3,162,689	3.92%
Concord International Securities Co., Ltd.	2,437,000	3.02%
Li, Chao-Mao	2,108,714	2.61%

4.5 Market Price, Net Worth, Earnings, and Dividends Per Share for The Most Recent Two Years

Unit:NT\$ thousand

Period Item		2022	2023	2024 (As of March 31)
Market Price Per Share (Note 1)	Highest	26.15	20.80	19.40
	Lowest	11.35	13.85	15.40
	Average	16.70	15.19	17.19
Net Value Per Share (Note 2)	Before Distribution	12.74	12.74	12.67
	After Distribution (Note 1)	12.74	12.74	Undistributed
Earnings Per Share	Weighted Average Share Numbers	80,694,536	80,694,536	80,694,536
	Earnings Per Share (Note 3)	-0.16	-0.04	0.01
Dividend Per Share	Cash Dividend	0.00	0.00	0.00
	Stock Dividend	Retained Earning (Note 1)	0.00	0.00
		Capital Surplus	0.00	0.00
	Accumulated unpaid dividends (Note 4)		0.00	0.00
Return on Investment Analysis	P/E Ratio (Note 5)	-104.38	-379.75	1,719.00
	P/D Ratio (Note 6)	0.00	0.00	0.00
	Cash Dividend Yield (Note 7)	0.00	0.00	0.00

Note 1: The distribution is recorded based on the resolution of the subsequent year's shareholders' meeting.

Note 2: Earnings per share are calculated based on the weighted average number of outstanding ordinary shares; earnings or capital surplus from capital increases are retrospectively adjusted.

4.6 Dividend Policy and Implementation Status

1. Dividend Policy

After each fiscal year, if the Company has retained earnings, it shall allocate 10% of the statutory retained earnings, excluding the payment of corporate income tax and the offsetting of previous years' losses. However, if the statutory retained earnings have reached the total capital amount, this requirement does not apply. Additionally, the remaining balance shall be allocated in accordance with legal requirements or the reversal of special retained earnings, along with the allocation of 50% to 95% of the accumulated undistributed earnings from the previous year, subject to adjustment based on the actual profits and financial situation of the current year as determined by the shareholders' meeting.

In consideration of the Company's future funding needs and long-term operational planning, if there are retained earnings in the annual financial statements, the annual cash dividends shall not be less than 10% of the total dividends for the year; however, cash dividends below NT\$0.1 per share will not be distributed. In the event of accumulated or current year's deductions from shareholder's equity that exceed the current year's after-tax profits, an equivalent amount shall be allocated from the accumulated undistributed earnings of the previous year to the special retained earnings. These deductions shall be deducted prior to the allocation for distribution. Subsequently, when there is a reversal of the deductions from shareholder's equity, the corresponding portion of the profits may be distributed.

2. Proposed Distribution of Dividend

For the fiscal year 2023, due to the after-tax loss, it is proposed in accordance with the board of directors' resolution on March 7, 2024 not to distribute dividends.

4.7 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

4.8 Directors' Remuneration and Employees' Profit Sharing

1. According to Article 30 of the company's articles of association: If the company is profitable in a given year, the allocation for directors' and employees' remuneration shall be as follows:

- ① 1% to 5% of the annual profit should be allocated to employees as a profit sharing.
- ② Up to 5% of the annual profit to directors as remuneration.

In cases where the company is still addressing accumulated losses, funds must first be reserved to offset these losses.

Employee remuneration may be granted in the form of stock or cash, including to employees of subsidiaries who qualify under the criteria established by the board of directors. Directors' remuneration is exclusively in cash.

These decisions on remuneration must be made by the board of directors and subsequently presented at the shareholders' meeting.

2. Basis for estimating the amount of employee remuneration and remuneration for directors and supervisors in the current period, the basis for calculating the number of stocks for employee remuneration, and accounting treatment if the actual distributed amount differs from the estimate:

- ① Basis for estimating the amount of employee remuneration and remuneration for directors and supervisors:
This is based on the pre-tax net profit up to the end of the period, and a certain percentage within the range specified in the articles of incorporation is used for the estimation.
- ② Basis for calculating the number of stocks for employee remuneration: Not applicable
- ③ Accounting treatment if there is a difference from the estimate: Please refer to the explanation on page 94 of this annual report.

3. Information on employee remuneration approved by the board of directors:

- ① The amount of director, supervisor, and employee remuneration distributed in cash or stock: The after-tax loss for 2023 was NT\$ 3,112,300. On March 7, 2024, it was approved not to distribute director and employee remuneration.
- ② Differences, Reas, and Handling of Variances Between Recognized Employee Bonuses and Director Remuneration: Not applicable.
- ③ The amount of employee remuneration distributed in stock and the ratio of the total amount of net profit after tax and total employee remuneration in the current individual or separate financial report: Not applicable.

4. The actual distribution of director and employee remuneration in the previous year (including the number of shares distributed, the amount, and the stock price), and if there are differences with the recognized employee bonus and director remuneration, the difference, reason, and handling should be stated:

- ① Issuance of Employee Cash Bonuses, Stock Bonuses, and Director Remuneration: In 2023, the Company reported a net loss, leading to cash bonus of NT\$0 being issued for directors, supervisors, or employees.
- ② Difference, Reasons, and Status with the recognized employee bonus and director remuneration: Not applicable.
- ③ Please see page 94 of the annual report for an explanation of the applicable accounting principles.

4.9 Buyback of Common Stock: None.

4.10 Issuance of Corporate Bonds: None.

4.11 Issuance of Preferred Stock: None.

4.12 Issuance of Global Depositary Shares: None.

4.13 Employee Stock Options: None.

4.14 Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

4.15 Implementation of the Company's Fund Raising and Utilization

① Planned content:

Analysis of the yet to be completed issuances or private placements of securities and the projected benefits of the fund utilization plan for the last three fiscal years that have not yet materialized: None.

② Implementation status:

For each of the plans mentioned above, an item-by-item analysis is made until the quarter before the annual report's printing date, comparing its implementation with the original projected benefits: None.

Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

1. Main areas of business operations:

- (1) Trading of motorcycle, automobile, and bicycle parts.
- (2) Manufacturing, processing, and trading of steel wire, galvanized steel wire, galvanized iron wire, prestressed steel wire, prestressed steel stranded wire, special-shaped prestressed steel bars, steel stranded wire, steel cables, springs, steel wire products, mechanical hardware parts.
- (3) Wholesale of Computers and Clerical Machinery Equipment
- (4) Wholesale of Computer Software
- (5) Information Software Services
- (6) Wholesale of Precision Instruments
- (7) Computer Equipment Installation
- (8) Computer and Peripheral Equipment Manufacturing
- (9) Lighting Equipment Manufacturing
- (10) Wholesale of Electronic Materials.
- (11) Wholesale of Electrical Appliances.
- (12) Electronics Components Manufacturing
- (13) Affairs Machine Manufacturing
- (14) General Instrument Manufacturing
- (15) Optical Instruments Manufacturing
- (16) Data Processing Services
- (17) Electronic Information Supply Services
- (18) International Trade
- (19) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution

Unit: NT\$ thousand

Revenue distribution	Total Sales	(%) of Total Sales
General steel wire	433,547	73.92%
Galvanized steel wire	38,445	6.55%
Steel cables	113,693	19.38%
Others	863	0.15%
Total	586,548	100.00%

3. New products and Services development

The Company is currently committed to improving the quality of existing products and gradually increasing the completeness of product sizes to meet market demand.

5.1.2 Industry Overview

1. Current Dynamics and Prospects

Taiwan's economic growth is export-driven, heavily influenced by the global economic climate. Strained relations with China often prevent the establishment of advantageous tariff arrangements, pushing up export costs and creating challenges in breaking through export limitations. Complicating factors include ongoing U.S.-China trade disputes, the persistent conflict in Ukraine, and the recent escalations in the Israel-Palestine situation, all of which exacerbate the difficulties faced in export markets. Domestically, competition from low-priced imported goods threatens market share, resulting in a continuous decline in gross profits for local enterprises. Moreover, the impending costs associated with carbon taxes and environmental costs pose significant challenges for businesses.

Externally: With the post-pandemic landscape, there is optimism for a resolution to the conflicts in Russia-Ukraine and Israel-Palestine and for a gradual warming of the Chinese economy. This could be further supported by economic recovery initiatives and infrastructure investments in the U.S. and Europe, potentially boosting demand in the steel market.

Internally: There is hope that the government's proactive advancement of public infrastructure projects will spur domestic demand. A softening of U.S.-China trade tensions and international conflicts might also pave the way for positive economic growth moving forward.

2. Correlation of the industry supply chain

Upstream: Steel refining, Large Steel Billets, Small Steel Billets, Wire Rods, Imported Small Steel Billets Further Processed into Wire Rods.

Midstream: Further processing of wire rods yields products such as diverse specifications of steel wires, steel cables, galvanized steel wires, prestressed steel wires, and prestressed steel strands.

Downstream: Mattress industry, wire rope hardware, metal springs, foundation piles, utility poles, bridges, sports equipment, electrical wires and cables.

3. Product Trends and Competition

The steel wire and cable sector in mainland China and Southeast Asia gains competitive advantages due to their lower raw material costs and significant economies of scale, resulting in more cost-effective products compared to Taiwan. While their product quality may not always reach Taiwanese standards, their success in less quality-sensitive markets is bolstered by favorable trade agreements, thus securing a dominant position in international markets and creating substantial competition for Taiwanese exporters. To tackle this robust competition, The Company is not only striving to cut costs but is also actively seeking affordable, superior raw materials and enhancing the production techniques to improve quality and establish a clear distinction from foreign products, which are the direction for the Company's future development.

5.1.3 Research and Development

1. Research and Development Expenses in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

As the Company carries out new product development and quality improvement through the efforts of personnel in the original production department, without a dedicated department, there are no research and development expenses incurred.

2. Research and Development Achievements for the current year and up to the date of publication of annual report: Please refer to page 2.

5.1.4 Long-Term and Short-Term Business Development Plans

1. Steel Wire Department:

(1) Short-term:

The Company's steel wires and cables are manufactured to meet stringent inspection standards, earning widespread acclaim for their quality from both domestic and international clients. To enhance competitiveness, we aim to increase production capacity and use higher-quality raw materials to lower costs. However, the procurement of some materials from mainland China is hindered by lengthy approvals required by the Ministry of Economic Affairs' Bureau of Foreign Trade. This delay often causes us to miss the chance to purchase more cost-effective imported materials, which is a significant issue that we need to resolve urgently. In response, our short-term strategy includes not only actively expanding our customer base but also vigorously searching for and acquiring more competitively priced raw materials.

(2) Long-term:

With over 40 years of experience in the wire industry, the Company has weathered multiple changes in the industry's landscape and has found a way to survive and thrive. Recognizing the importance of promptly responding to market changes and reducing costs, the company not only focuses on continuously improving the quality of existing products but also pursues a policy of developing more advanced and specialized products that meet market demands. Different grades of raw materials are selected based on the selling price, ensuring that the product quality meets customer requirements, and after-sales service remains consistent. Therefore, the company's long-term efforts are focused on developing new products, industry automation, increasing production capacity, and reducing costs.

5.2 Market, Production and Sales

5.2.1 Market Analysis

1. Sales (Service) Region

Region	Taiwan	Asia	America	Total
Steel Wire Department	93.16%	6.84%	0.00%	100.00%

2. Market Status:

(1) Wire Department:

The wire industry is an important part of the basic industry, with relatively stable market demand. Various countries around the world have signed trade agreements, large or small, in pursuit of equal and mutually beneficial trade, aiming to create win-win situations. However, Taiwan is restricted by political factors in signing trade agreements, which puts the company at a disadvantage in the export market. Additionally, the domestic market is affected by imports and numerous domestic competitors, leading to limited profit margins. However, through quality improvement, collaboration with customers to develop new products, and differentiation from competitors, the company can create business opportunities by stabilizing the domestic market, developing new customers, and diversifying export markets.

3. Development Prospects and Favorable and Unfavorable Factors:

(1) Future Growth:

a. Wire Department:

The international wire market fluctuates depending on the major policies of different countries, and steel prices are also affected by the production policies of major steel mills. The company's wire products mainly serve customers in public works, transportation equipment, and household furniture industries, which have a certain level of demand. As long as the quality is stable, prices are reasonable, and continuous development of new products that meet customer needs is pursued, stable profitability can be achieved.

(2) Favorable Factors:

- ①. Standardized production operations and obtaining ISO 9001 certification and various domestic and international product certifications ensure stable quality.
- ②. Products are graded according to customer needs and quality conditions to meet customer demands.
- ③. Long-term commitment and expertise in the wire and cable industry, high market sensitivity, and the ability to adjust marketing and procurement strategies promptly.
- ④. Diversified operations, continuous improvement in product quality, and prompt provision of appropriate product services.
- ⑤. Stable human resources with low turnover rate, clear division of labor, high job proficiency, and a certain level of professionalism and high execution efficiency.
- ⑥. The Company has long been committed to improving quality, resulting in better quality compared to imported or general wire and cable products, giving it a certain market share.

(3) Unfavorable Factors:

- ①. Increasing environmental awareness leads to strict requirements for the treatment of emissions, wastewater, and waste, increasing processing costs and production costs.
- ②. Low-priced imported wire and cable products circulating in the market affect sales.
- ③. The government continues to raise the minimum wage, and there are increases in fuel and electricity prices, as well as greenhouse gas inspections. In the future, there will be requirements related to carbon rights and carbon taxes, which will relatively increase operational costs.
- ④. Intense market competition, with raw material costs not easily reflected in selling prices.

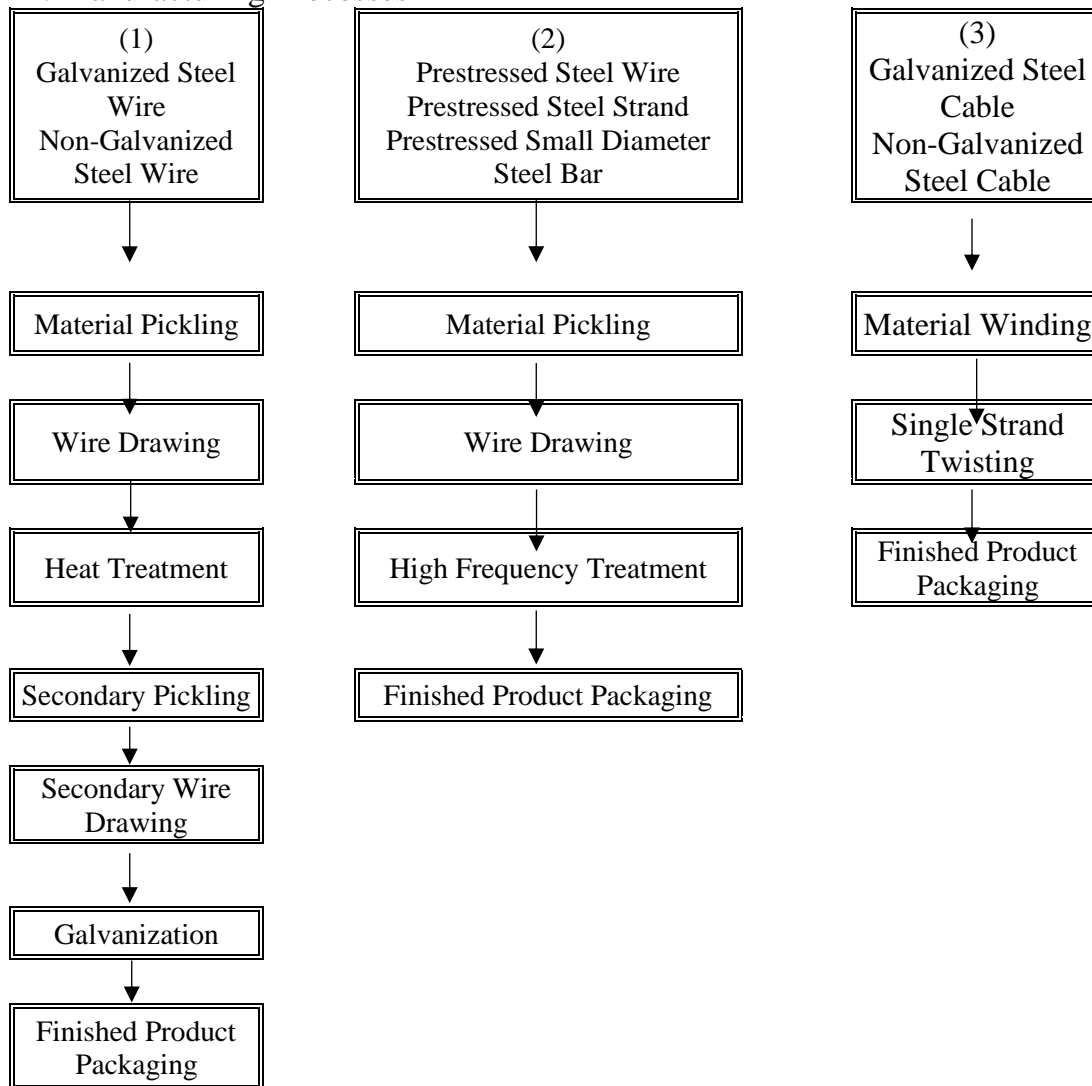
5.2.2 Core Applications of Major Products and Manufacturing Processes

1. Core Applications of Major Products:

The current products of the Company have important applications and functions in various industries:

Department	Product Name	Product Usage
Steel Wire	General Steel Wire, Galvanized Steel Wire	Used in cable cores, telecommunication overhead wires, packaging with galvanized steel wire, steel ropes, steel cables, bed springs, sports equipment, shock-absorbing springs, umbrella frames, car parts, mechanical hardware springs, etc.
	Prestressed Steel Wire, Prestressed Steel Bars, Prestressed Steel Strands	Used in foundation piles, utility poles, high-pressure water pipes, prestressed bridges, etc.
	Galvanized Steel Ropes, Non-galvanized Steel Ropes	Used in fisheries, commercial ships, forestry, lifting ropes, etc.

2. Manufacturing Processes



5.2.3 Status of Supply of Chief Materials

The main raw materials used in the production of products in our Steel Wire Department are various types of coils, iron wires, and zinc ingots. Coils and iron wires are primarily sourced from domestic steel manufacturers such as CSC (China Steel), Quintain Steel, Promoter Trading, UMC-United Metals, and if necessary, we evaluate the quality and price for importing from foreign suppliers. Zinc ingots are purchased from domestic traders such as Kao Metal Resources and Parex International. The raw material sources are diversified, and we have established long-term supply relationships with reliable suppliers.

5.2.4 Major Customers Representing More Than 10% of Total Purchase (Sales) Volume in Any of the Last Two Fiscal Years:

1. Major Suppliers

Unit: NT\$ thousand

Item	2022				2023				2024 (As of March 31) (Note 2)			
	Supplier	Amount	Share of Total Annual Net Purchases (%)	Relation with Issuer	Supplier	Amount	Share of Total Annual Net Purchases (%)	Relation with Issuer	Supplier	Amount	Share of Net Purchases up to the End of the Previous Quarter (%)	Relation with Issuer
1	AZ0026	140,024	20.89%	None	T14175	105,673	26.06%	None	94606B	16,863	16.88%	None
2	T14175	125,994	18.80%	None	952868B	36,186	8.92%	None	AZ0035	12,315	12.33%	None
3	AZ002A	71,374	10.65%	None	911347A	35,549	8.77%	None	28683B	11,469	11.48%	None
4	44804A	61,372	9.16%	None	AZ002A	31,733	7.82%	None	AZ0027	9,832	9.84%	None
5	Other	271,447	40.50%	None	Other	196,395	48.43%	None	Other	49,401	49.46%	None
Total Net Purchases		670,210	100.00%		Total Net Purchases	405,537	100.00%		Total Net Purchases	99,881	100.00%	

Note 1: The names and purchase amount ratios of suppliers who contributed to more than 10% of total purchases in the most recent two years are listed. However, if supplier names cannot be disclosed due to contractual agreements or if the transaction is with a non-related individual, code names may be used instead.

Note 2: As of the date of the annual report publication, if a company that is listed or whose shares are traded at a securities brokerage firm has the most recent financial data audited or reviewed by an accountant, this information should also be disclosed.

2. Major Sales Customer

Unit: NT\$ thousand

Item	2022				2023				2024 (As of March 31) (Note 2)			
	Sales Customer	Amount	Share of Annual Net Sales (%)	Relation with Issuer	Sales Customer	Amount	Share of Annual Net Sales (%)	Relation with Issuer	Sales Customer e	Amount	Share of Net Sales up to the End of the Previous Quarter (%)	Relation with Issuer
1	T21734	138,188	17.04%	None	T21734	71,111	12.12%	None	T21734	15,246	11.23%	None
2	T31902	60,385	7.45%	None	T31902	38,369	6.54%	None	J00002	10,610	7.82%	None
3	J00002	38,245	4.72%	None	J00002	37,714	6.43%	None	T31902	9,578	7.06%	None
4	T76548	37,361	4.61%	None	T76548	30,950	5.28%	None	T76548	9,539	7.03%	None
5	Other	536,624	66.18%	None	Other	408,405	69.63%	None	Other	90,757	66.87%	None
Total Net Sales		810,803	100.00%		Total Net Sales	586,548	100.00%		Total Net Sales	135,731	100.00%	

Note 1: The names and purchase amount ratios of suppliers who contributed to more than 10% of total purchases in the most recent two years are listed. However, if supplier names cannot be disclosed due to contractual agreements or if the transaction is with a non-related individual, code names may be used instead.

Note 2: As of the date of the annual report publication, if a company that is listed or whose shares are traded at a securities brokerage firm has the most recent financial data audited or reviewed by an accountant, this information should also be disclosed.

5.2.5 Consolidated production volume in the most recent 2 years

Unit: NT\$ thousands

Year Sales Value Major Product	2022			2023		
	Capacity	Volume	Value	Capacity	Volume	Value
General Steel Wire	46,200	12,139	403,411	46,200	10,133	307,271
Galvanized Wire	3,200	1,106	51,880	3,200	705	29,307
Steel Cable	18,400	1,721	102,597	18,400	1,419	97,315
Others	180	10	266	180	33	814
Total	67,980	14,976	558,154	67,980	12,290	434,707

5.2.6 Consolidated sales volume in the most recent 2 years

Unit: NT\$ thousands

Year Sales Value Major Product	2022				2023			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
General Steel Wire	18,104	565,601	1,226	77,797	12,233	394,805	1,162	38,742
Galvanized Wire	925	46,540	20	1,017	720	37,045	21	1,400
Steel Cable	2,614	119,519	0	0	2,363	113,693	0	0
Others	12	329	0	0	33	863	0	0
Total	21,655	731,989	1,246	78,814	15,349	546,406	1,183	40,142

5.3 Workforce Structure

Year		2022	2023	As of March 31, 2024
Employee Number	Direct Labor	63	63	61
	Indirect Labor	22	22	21
	Sales and Administrative Staff	33	33	32
	Total	118	118	114
Average Age		49.97	49.86	49.87
Average Seniority		14.41	14.93	14.92
Education	Ph.D.	0.00%	0.00%	0.00%
	Master's	2.56%	2.61%	2.63%
	Undergraduate	23.08%	25.22%	25.44%
	Other Higher Education	40.17%	37.39%	36.84%
	High School and below	34.19%	34.78%	35.09%

5.4 Environmental Protection Expenditure

5.4.1 Current Implementation Status of Pollution Prevention and Control

1. In our current manufacturing process, the pickling operation for coils generates wastewater and acid gas emissions. Therefore, we have set up a wastewater treatment facility that handles approximately 600 cubic meters of wastewater daily, as well as wet-type gas filtration equipment with a capacity of 50 horsepower for treating acid gas.
2. The annealing and hot-dip galvanizing processes in our manufacturing process generate hot exhaust gas and acid gas. To address this, the Company has installed two wet-type gas filtration equipment with capacities of 30 horsepower and 10 horsepower, respectively.
3. The permit for our wastewater treatment installation is set to expire in March 2024. We have received preliminary approval from the Environmental Protection Bureau for an extension and are in the process of submitting the required documentation. The Company's ongoing commitment is to operate this facility efficiently, ensuring compliance with effluent quality standards.
4. Our facilities are equipped with air pollution control systems that have held permits for operating fixed pollution sources for several years, covering processes such as pickling and hot-dip galvanizing. These systems undergo routine inspections as mandated by regulatory standards. The operational permits for these systems are scheduled to expire in March 2027 for the pickling process and in June 2026 for the galvanizing process.

5.4.2 Occurrence of Violations or Disputes Regarding Unauthorized Emissions in Fiscal Year 2023 and up to the Date of Publication of the Annual Report

There were no violations related to emissions or any disputes occurred during 2023.

5.4.3 Countermeasures

1. In addition to regular maintenance of the wastewater treatment facility to ensure optimal performance, we actively explore the possibility of recycling treated discharge water for reuse in the manufacturing process to reduce the consumption of natural water and lower water costs.
2. In response to waste management regulations, the Company will fully cooperate with the government's implementation of policies such as waste sorting and mandatory resource recycling to achieve waste reduction and resource reuse.

5.4.4 Expected Environmental Protection Expenditures for the Next Two Years:

Preventing environmental pollution is not only a moral responsibility for the company but also a demonstration of our responsibility to society. The company regularly replaces consumables for pollution control equipment and strictly follows standard operating procedures (SOP) to maintain optimal environmental quality. This not only helps prevent fines and disputes resulting from negligence but also reduces resource waste through reuse. It significantly enhances the overall corporate image. The estimated environmental protection expenditure for 2024 is approximately NT\$4,000 thousand, subject to adjustment based on needs.

5.4.5 Impact of Improvements:

By treating and recycling wastewater, we can reduce water waste and mitigate the impact of water shortages during periods of low water supply, thereby reducing costs associated with water consumption. Waste sorting and mandatory resource recycling not only decrease the amount of waste processed by the company but also improve the adverse environmental impacts resulting from waste generation.

5.5 Labor Relations

5.5.1 Detailed descriptions of employee benefits, retirement plan and each of the implementations, as well as the labor management agreement

1. Employee benefits

The Company places great importance on employee welfare to ensure their well-being and provide a stable living environment, allowing them to fully dedicate themselves to the Company. In addition to complying with labor insurance and health insurance laws and regulations, the Company established the Employee Welfare Committee in December, 1992, dedicated to handling various welfare matters. The main welfare measures include:

- ① Promoting relevant activities in accordance with the Labor Standards Act and related regulations.
- ② Providing various employee benefits such as employee travel, holiday bonuses, and welfare items distribution.
- ③ Coordinating welfare matters for employee marriages, funerals, and celebrations.

- ④ Conducting regular employee health check-ups to reduce occupational hazards and ensure worker safety.
- ⑤ According to the Company's article of incorporation, if the Company generates profit, employee rewards are distributed annually in accordance with the established procedures to the active staff members.
2. Employee Training and Development System and Implementation Status:

- ① The Company's education and training programs focus on providing necessary skills and knowledge for employees to perform their duties effectively. "Measures for Personnel Education and Training Management" have been established to guide the implementation of education and training activities. Each year, an annual education and training plan is developed based on the requirements of the personnel education management regulations, personnel job skills, and the Company's development needs. The annual education and training plan is accompanied by a budget allocation and the establishment of quality objectives for the training. Each department holds monthly training activities in accordance with the annual education and training plan, including internal training within the company and participation in external training programs. The courses cover new employee orientation, management training, quality management, professional and technical training, and training programs required to obtain certifications. In 2023, a total of 12 in-house training sessions were conducted, totaling 810 hours. External training was attended by 17 individuals, with a total of 162 hours. The total annual education expenses amounted to NT\$57,550.
- ② Directors, internal auditors, finance, and accounting personnel undergo specialized training as required by their respective departments. The training details are as follows:

Title	Name	Hours	Course
Independent Director	Hu, Jin-Lien	3	Application of Business Judgment Rules by Independent Directors, Audit, and Remuneration Committee
		3	Tax Treatment of Virtual Currencies—An Analysis (Taipei)
		3	Case Analysis of Tax Issues Related to Equity Sales (Including Integrated Real Estate and Land Tax) (Taipei)
		3	Case Analysis of Money Laundering and Insider Trading Patterns" (Taipei)
		6	Analysis of the Latest Tax Legislation and Practices for the First Half of 2024
		3	Green Finance and Sustainable Transformation
		3	Practical Implementation of ESG Sustainability Disclosure
		3	Corporate Governance Forum
	Huang, Ming-Shan	3	Corporate Governance Forum
		3	Applications of EXCEL for Corporate Valuation and IR Management
		3	The State and Future Challenges of Sustainable Finance
		3	ESG Investments and Corporate Social Responsibility
		3	Applications of Digital Transformation and Digital Tools
Governance Officer	Wang, Chiu-Yueh	3	Sustainable Development Practices Seminar
Governance Officer		15	Corporate Governance Forum: Accounting, Professional Ethics, and Legal Responsibilities
Finance & Accounting Officer		12	Continuous Education for Accounting Executives: Professional Ethics, Auditing, and Corporate Governance
Accounting Representative	Tsai, Hsiu-Ju	12	Continuous Education for Accounting Representatives: Professional Ethics, Auditing, and Corporate Governance
Internal Audit Officer	Huang, Chia-Li	12	Continuous Education for Internal Audit Officer
Audit Representative	Wu, Chi-Tun	12	Continuous Education for Internal Audit Officer

3. Employee Retirement Policy

- ① The Company has established the Employee Pension Plan and calculates labor pension in accordance with the Labor Standards Act. The allocation amounts are calculated separately based on the old and new systems.

- A. Old system: On May 28, 1987, the Labor Retirement Reserve Supervision Committee was formed. Retirement reserves are legally deposited into a special account at the Trust Department of Bank of Taiwan (the current contribution rate is 15%). As of the publication date of this annual report, the previously allocated retirement reserves are sufficient to cover the retirement pensions of current retirees under the old system. Consequently, the Company have been annually applying for and receiving approval to temporarily suspend further contributions. Going forward, the Company will continue to assess the fund annually and will resume contributions as necessary until all eligible employees under the old system are fully retired.
- B. New system: From July 1, 2005, in accordance with the "Labor Pension Act," employee retirement contributions are made to individual accounts (the current contribution rate is 6%).
- ② The Company provides group accident insurance for employees (by Shin Kong Life Insurance) to enhance employee protection.

4. Labor Relations

- ① The Company has established an industrial union in compliance with regulations and convenes regular labor-management meetings with representatives chosen by the employees. These meetings serve not only to gather feedback from frontline staff but also to communicate corporate policies and mediate any disagreements. The Company places high importance on employee input, contributing to consistently harmonious labor relations with no recorded disputes.
- ② In 2023, the Company was designated as an exemplary enterprise for harmonious labor relations by the Tainan City Government. On May 13 of the same year, with oversight from the Labor Bureau, the Company renewed a collective agreement with the Chia-Ta Industry Union aimed at improving employee benefits.

5.5.2 At the time of printing this publication, loss incurred by labor dispute and the amounts of anticipated losses and countermeasures: None.

5.5.3 Anticipated Losses Due to Labor Disputes: None.

5.5.4 Employee Behavior and Code of Ethics:

The Company attaches great importance to the clarity and rationality of its management systems. In accordance with labor Standard law, the Company has established "Work Rules" (approved document No.: Nanshi Labor Letter No. 1060584012), which are available on the Company's website for access by all employees. The "Work Rules," particularly in Chapter 2 "Discipline and Guidelines," provide detailed guidelines on employee conduct and professional ethics. Therefore, the Company does not establish a separate code of conduct for employees' ethical behavior.

5.5.5 Measures of Working Environment and Employee Safety

The Company implements preventive measures for occupational hazards to protect the health and safety of its workers. The "Labor Safety and Health Work Rules" outline the operating procedures that all employees must adhere to, aiming to prevent various accidents and injuries. The rules clearly define the "organizational responsibilities" and require regular "self-inspection and maintenance" by each unit. They also establish "occupational safety and health standards" and promote regular "education and training." In the event of a disaster or accident, emergency response measures are implemented. Through these measures, the Company continuously improves the working environment and ensures comprehensive employee safety, striving for zero accidents and incidents.

The Company has always emphasized the clarity and rationality of its management systems. In accordance with labor Standard Act, the Company has established "Work Rules" (approved document (81) No.: Nanshi Labor Letter No. 177325) and distributed a copy to each employee for reference. The detailed guidelines on employee conduct and professional ethics can be found in Chapter 2 "Service Guidelines" of the Work Rules. The Company does not establish a separate code of conduct for employees' ethical behavior.

5.6 Important contracts

5.6.1 Significant Sales Contracts:

As of May 13, 2024

Nature of the Contract	Contracting Party	Contract Period	Main Content	Contract Quantity (tons)	Restrictive provisions
Sales	T10172	2022/04/30~Depends on project progress	Prestressed steel strand	575	None
Sales	T10380	2022/06/30~Depends on project progress	Prestressed steel strand	168	None
Sales	T40296	2023/04/30~Depends on project progress	Prestressed steel strand	2,470	None
Sales	T20031	2024/03/01~Depends on project progress	Prestressed small-diameter steel bar	200	None
Sales	T20028	2023/08/30~Depends on project progress	Prestressed small-diameter steel bar	310	None
Sales	AJ0002	2024/04/30~Depends on project progress	Prestressed small-diameter steel bar	100	None

5.6.2 Significant Purchase Contracts:

As of May 13, 2024

Nature of the Contract	Contracting Party	Contract Period	Main Content	Contract Quantity (tons)	Restrictive provisions
Purchases	414175	Jan 2024 - Dec 2024	Wire coils	Quarterly procurement	None
Purchases	03108C	Jan 2024 - Dec 2024	Wire coils	Quarterly procurement	None
Purchases	03108B	Jan 2024 - Dec 2024	Wire coils	Quarterly procurement	None
Purchases	619790	Jan 2024 - Dec 2024	Wire coils	Quarterly procurement	None
Purchases	52868B	Jan 2024 - Dec 2024	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0026	Jan 2024 - Dec 2024	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0029	Jan 2024 - Dec 2024	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0019	Jan 2024 - Dec 2024	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0002	Jan 2024 - Dec 2024	Hemp Rope and Twine	Quarterly procurement	None
Purchases	595130	Jan 2024 - Dec 2024	Zinc Ingots	Quarterly procurement	None

5.6.3 Other Significant Contract: None.

Financial Highlights

6.1 Condensed Balance Sheets and Statements of Comprehensive Income

6.1.1 Condensed balance sheet in the most recent five years

Unit: NT\$ thousand

Item \ Year		Most recent 5-Year Financial Information (Note 1)					As of March 31, 2024
		2019(Note 2)	2020(Note 2)	2021(Note 2)	2022(Note 2)	2023(Note 2)	
		Individual	Individual	Individual	Individual	Individual	
Current assets		492,000	448,608	544,840	544,438	491,015	497,191
Property, plant and equipment (Note 2)		473,359	461,705	456,730	473,652	456,329	453,283
Intangible assets		0	0	0	0	0	0
Other assets (Note 2)		271,116	285,271	310,807	292,930	296,801	295,753
Total assets		1,236,475	1,195,584	1,312,377	1,311,020	1,244,145	1,246,230
Current Liabilities	Before Distribution	200,925	135,649	247,977	265,875	198,954	197,323
	After Distribution	200,925	135,649	247,977	265,875	198,954	197,323
Non-current liabilities		19,171	18,066	17,510	17,237	16,543	16,458
Total Liabilities	Before Distribution	220,096	153,715	265,487	283,112	215,497	213,781
	After Distribution	220,096	153,715	265,487	283,112	215,497	213,781
Equity attributable to owners of the Company		1,016,379	1,041,869	1,046,890	1,027,908	1,028,648	1,032,449
Common stock		806,945	806,945	806,945	806,945	806,945	806,945
Capital surplus		18,038	18,038	18,038	18,038	18,038	18,038
Retained Earnings	Before Distribution	143,599	147,606	138,188	109,970	106,972	110,355
	After Distribution	143,599	147,606	138,188	109,970	109,970	110,355
Other equity		47,797	69,280	83,719	92,955	96,693	97,111
Treasury stock		0	0	0	0	0	0
Non-controlling interests		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Stockholders' Equity	Before Distribution	1,016,379	1,041,869	1,046,890	1,027,908	1,028,648	1,032,449
	After Distribution	1,016,379	1,041,869	1,046,890	1,027,908	1,028,648	1,032,449

* If the Company prepares parent company only financial statements, it should also prepare concise balance sheets and income statements for the most recent five years.

Note 1: No asset revaluations were conducted for the years 2019-2023.

Note 2: The financial information for the years 2019-2023 and Q1 of 2024 have been audited by the accountants.

Note 3: Resolutions regarding the allocation for the 2023 losses will be deferred until the 2024 shareholders' meeting.

Note 4: The financial information is subject to correction or revision without notification from the regulatory authorities.

6.1.2 Condensed Statement of Comprehensive Income in the most recent five Years

Unit: NT\$ thousand

Item \ Year(Note 1)	Most recent 5-Year Financial Information (Note 1)					As of March 31, 2024
	2019 (Note 2)	2020 (Note 2)	2021 (Note 2)	2022 (Note 2)	2023 (Note 2)	
	Individual	Individual	Individual	Individual	Individual	Individual
Operating revenue	832,001	757,773	844,784	810,803	586,548	135,731
Gross profit	76,789	101,553	85,928	51,560	52,118	19,634
Operating income	-6,821	21,216	14,337	-15,077	-6,072	4,301
Non-operating income and expenses	43,412	4,637	3,933	587	2,345	-44
Profit before tax	36,591	25,853	18,270	-14,490	-3,727	4,257
Net income for continuing operations	36,444	19,810	14,725	-12,698	-3,112	3,383
Income from discontinued operations, net of income tax effect	0	0	0	0	0	0
Net income	36,444	19,810	14,725	-12,698	-3,112	3,383
Other comprehensive income for the year, net of tax	23,697	21,819	14,504	9,855	3,852	418
Total comprehensive income for the year	60,141	41,629	29,229	-2,843	740	3,801
Profit attributable to owners of the Company	36,444	19,810	14,725	-12,698	-3,112	3,383
Profit attributable to noncontrolling interests	0	0	0	0	0	0
Total comprehensive income attributable to owners of the Company	60,141	41,629	29,229	-2,843	740	3,801
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	0
EPS	0.45	0.25	0.18	-0.16	-0.04	0.04

* If the Company prepares parent company only financial statements, it should also prepare concise balance sheets and income statements for the most recent five years.

Note 1: The financial information for the years 2019-2023 and Q1 of 2024 have been audited by the accountants.

Note 2: Losses from discontinued operations are presented net of income tax.

Note 3: The financial information is subject to correction or revision without notification from the regulatory authorities.

6.1.3 CPAs and Their Opinions in The Most Recent 5-Year

Year	Name of CPA	Auditor's Opinion
2019	Ting, Tse-Hsiang & Tsai, Yu-Chin	Unqualified opinion
2020	Ting, Tse-Hsiang & Tsai, Yu-Chin	Unqualified opinion
2021	Ting, Tse-Hsiang & Tsai, Yu-Chin	Unqualified opinion
2022	Tsai, Yu-Chin & Chang, Tai-Yuan	Unqualified opinion
2023	Tsai, Yu-Chin & Chang, Tai-Yuan	Unqualified opinion

6.2 Financial Analysis in The Most Recent 5-Year

Item \ Year		Most recent 5-Year Financial Information (Note 1)					As of March 31, 2024
		2019(Note 1)	2020(Note 1)	2021(Note 1)	2022(Note 1)	2023(Note 1)	
		Individual	Individual	Individual	Individual	Individual	Individual
Financial structure (%)	Debt to assets ratio	17.80	12.86	20.23	21.59	17.32	17.15
	Long-term capital to property, plant and equipment	214.72	225.66	229.21	217.02	225.42	227.77
Solvency (%)	Current ratio	244.87	330.71	219.71	204.77	246.80	251.97
	Quick Ratio	145.54	185.63	117.62	104.48	114.62	120.96
	Times Interest Earned	15.23	21.42	12.33	-2.96	-0.19	6.44
Operating performance	Accounts receivable turnover (times)	4.39	3.96	4.02	3.78	3.28	3.55
	Average collection days	83.23	92.22	90.91	96.52	111.28	102.81
	Inventory turnover (times)	3.27	3.37	3.49	3.03	2.10	1.92
	Account payable turnover (times)	52.86	49.83	50.74	62.33	45.06	42.73
	Average Inventory Turnover Days	111.68	108.32	104.47	120.28	173.80	190.19
	Property, Plant and Equipment Turnover (times)	1.76	1.64	1.85	1.71	1.29	0.30
	Total assets turnover (times)	0.67	0.63	0.64	0.62	0.47	0.11
profitability	Return on total assets (%)	3.12	1.71	1.28	-0.74	-0.05	0.32
	Return on equity (%)	3.67	1.92	1.41	-1.22	-0.30	0.33
	Pre-tax Income to Paid-in Capital (%)	4.53	3.20	2.26	-1.80	-0.46	0.53
	Net margin (%)	4.38	2.61	1.74	-1.57	-0.53	2.49
	EPS(NT\$)	0.45	0.25	0.18	-0.16	-0.04	0.04
Cash flow	Cash flow ratio (%)	37.35	39.41	-26.44	4.79	24.89	8.91
	Cash flow adequacy ratio (%)	319.63	321.56	105.49	19.86	98.76	79.5
	Cash reinvestment ratio (%)	4.09	2.52	-6.00	-0.23	3.34	1.18
Leverage	Operating leverage	-18.36	6.88	11.79	-9.65	-20.78	7.80
	Financial leverage	0.73	1.06	1.13	0.80	0.66	1.22

1. The increase in the current ratio is due to a reduction in short-term borrowings and a decrease in current liabilities.
2. The increase in average days of sales outstanding can be attributed to reduced sales and increased inventory purchases that have not yet been shipped.
3. The profitability ratio has improved compared to the same period last year, primarily due to a decrease in the cost of goods sold in 2023, which led to a reduction in losses.

Note 1: The financial information for the years 2019 to 2023 and the first quarter of 2024 have been audited by the CPAs.

Note: The calculation formulas for the financial analysis table are as follows:

1. Financial structure

- (1) Debt to assets ratio = Total liabilities / total assets
- (2) Long-term capital to property, plant and equipment = (Net equity + non-current liabilities) / net property, plant and equipment

2. Solvency

- (1) Current ratio = Current Assets / Current liability
- (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / current liabilities
- (3) Times interest earned = Earnings before Interest and Taxes / interest expenses

3. Operating performance

- (1) Account receivable (including account receivable and notes receivable from business activities) turnover = Net sales / Average account receivable balance (including account receivable and notes receivable from business activities)
- (2) Average collection days = 365 / account receivable turnover
- (3) Inventory turnover = Cost of goods sold / average inventory
- (4) Account payable (including account payable and notes payable from business activities) turnover = Cost of goods sold / average account payable balance (including account payable and notes payable from business activities)
- (5) Average Inventory turnover days = 365 / average inventory turnover
- (6) Property, Plant and Equipment Turnover = Net sales / average net property, plant and equipment.
- (7) Total assets turnover = Net sales / average total assets

4. Profitability

- (1) Return on total assets = [Net income + Interest expense \times (1 - effective tax rate)] / average total assets
- (2) Return on Equity = Net income after tax / average total equity
- (3) Net margin = Net income after tax / net sales
- (4) EPS = (Net income attributable to shareholders of the parent-preferred stock dividends) / weighted average number of shares outstanding (Note 4)

5. Cash Flow

- (1) Cash flow ratio = Cash flow from operating activities / Current liabilities
- (2) Net Cash flow adequacy ratio = Five-year sum of cash from operating activities / Five-year sum of capital expenditures, inventory additions, and cash dividend
- (3) Cash investment ratio = (Cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital) (Note 5)

6. Leverage

- (1) Operating leverage = (Net sales - variable operating costs and expenses) / operating income (Note 6)
- (2) Financial leverage = Operating income / (operating income - interest expenses)

Chia Ta World Limited Corporation

Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2023 Annual Business Report, Financial Statements and Statement of Earnings Distribution, of which the financial statements have been audited by the Company's auditors, NAN TAI UNION & CO., and has issued a report thereon; the above-mentioned Business Report, Financial Statements and Statement of Earnings Distribution have been examined by the Audit Committee and found to be in order, and the Committee hereby submits its report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Chia Ta World Limited Corporation



Chairman of Audit Committee: Yang, Pi-Tsun

March, 7, 2024

Independent Auditors' Report

To Chia Ta World Co., Ltd. :

Opinion

We have audited the accompanying financial statements of Chia Ta World Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basic for Opinion

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

Key Audit Matters

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

Key audit matters for the Company's financial statements for the year ended December 31, 2023 are stated as follows:

Assessment of Inventories

Explanation

As of December 31, 2022, inventories of the Company amounted to NT\$249,693 thousand (net of loss for market price decline and obsolete and slow-moving inventories NT\$9,393 thousand). Please refer to Notes 4 and 6-3.

The management recognizes the loss for obsolete inventories according to inventory age, obsolete, and quality condition, and assesses the net realizable value of normal products, and recognizes the loss for market price decline inventories by the lower of cost and net realizable value.

Audit Procedures in Response

The main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We conducted detailed test to the inventory account, to verify the material cost, manual input and administrative expenses have been reasonably allocated to adequate inventory items.
2. We compared the recent purchase and sales price with the book value of ending inventory on a sample basis, to ensure the inventories are assessed by the lower of cost and net realizable value.
3. We compared the inventory quantities recorded in ending inventory account with physical inventory list, to verify the existence and completeness of inventory, supervised the stocktaking at the site of counting, and obtained an understanding of the inventory condition, to assess the appropriateness of the allowance for inventory valuation losses to obsolete and damaged inventories.

Impairment of Property, Plant and Equipment

Explanation

As of December 31, 2023, property, plant and equipment of the Company amounted to NT\$456,329 thousand, which accounts for 36% of total assets. The Company assesses whether there's impairment indicator of property, plant and equipment on regular basis, based on IAS 36 "Impairment of Assets." The recoverable amount of the cash-generating unit of the assets mentioned involved many assumptions and estimations, and the method of estimation directly affects the recognition of the related amount; therefore, this is one of the key audit matters.

Audit Procedures in Response

The main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We obtained an understanding of the assessment method of impairment of assets and the related condition of execution.
2. We assessed the rationality of management's identification of impairment indicators and the appropriateness of the assumptions, including the identification of cash-generating units, cash flow projections, discount rate, etc.

Impairment of Investment Property

Explanation

As of December 31, 2023, property, investment property of the Company amounted to NT\$164,768 thousand, which accounts for 13% of total assets. The Company assesses whether there's impairment indicator of investment property by external experts' report. The external experts' estimation to the valuation of assets depends on the choice of valuation method, reference source, etc., and the estimation results affect the recognition of related amount; therefore, this is one of the key audit matters.

Audit Procedures in Response

The main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We assessed the independence, objectivity, and competency of external experts.
2. We check the consistency between the schedule of property and the related materials for evaluation provided by the management to the external experts.
3. We assessed the rationality of the property valuation method that the external experts used.
4. We check the accuracy of the publicly available information quoted by the external experts.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted 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 financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 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.

NAN TAI UNION & CO.

CPA : Tsai, Yu-Chin

CPA : Chang, Tai-Yuan

Reference Number of the FSC Approval letter : (84)No. Taiwan-Finance-Securities-VI-24317
No. Financial-Supervisory-Securities-Auditing-1010056303

March 7, 2024

Chia Ta World Co., Ltd.

Balance Sheets

December 31, 2023 and 2022

		Thousands of New Taiwan Dollars									
Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
Code	Items	Amount	%	Amount	%	Code	Items	Amount	%	Amount	%
	CURRENT ASSETS						CURRENT LIABILITIES				
1100	Cash and cash equivalents (Note 4, 6-1)	\$63,720	5	\$80,171	6	2100	Short-term borrowings (Note 6-11)	\$115,594	9	\$195,000	15
1150	Notes receivable, net (Note 4, 6-2)	76,532	6	106,270	8	2110	Short-term notes payable, net (Note 6-12)	39,978	3	29,922	2
1170	Accounts receivable, net (Note 4, 6-2)	85,438	7	88,911	7	2150	Notes payable (Note 4)	5,593	1	6,780	1
1200	Other receivables	-	-	100	-	2170	Accounts payable (Note 4)	10,232	1	1,115	-
1220	Current tax assets	2,001	-	1,995	-	2200	Other payables (Note 6-13)	26,860	2	32,371	2
130*	Inventories (Note 4, 6-3)	249,693	20	259,779	20	2230	Current lease liabilities (Note 4, 6-8)	438	-	476	-
1410	Prepayments (Note 6-4)	13,272	1	6,883	1	2280	Other current liabilities	259	-	211	-
1470	Other current assets	359	-	329	-	2300	Total current liabilities	198,954	16	265,875	20
11**	Total current assets	491,015	39	544,438	42	21**	NON-CURRENT LIABILITIES				
	NON-CURRENT ASSETS						Deferred income tax liabilities (Note 4, 6-21)	14,452	1	14,707	2
1517	Non-current financial assets measured at fair value through other comprehensive income (Note 4, 6-2)	116,589	10	112,852	9	2570	Non-current lease liabilities (Note 4, 6-8)	2,091	-	2,530	-
1550	Investments accounted for using equity method (Note 4, 6-6)	2,780	-	3,035	-	2580	Total non-current liabilities	16,543	1	17,237	2
1600	Property, plant and equipment (Note 4, 6-7, 6-8)	456,329	37	473,652	36	25**	Total liabilities	215,497	17	283,112	22
1755	Right-of-use assets (Note 4, 6-8)	2,329	-	2,795	-	2***	Equity (Note 6-15)				
1760	Investment Property, net (Note 4, 6-9)	164,768	13	164,602	13		Share capital				
1840	Deferred income tax assets (Note 4, 6-21)	4,590	-	4,259	-		Ordinary share (face value per share : NT\$10)	806,945	65	806,945	62
1975	Net defined benefit assets, non-current (Note 4, 6-14)	5,327	1	5,287	-	3110	Capital surplus				
1990	Other non-current assets (Note 4, 6-10, 8)	418	-	100	-		Additional paid-in capital	17,629	1	17,629	1
15**	Total non-current assets	753,130	61	766,582	58	3210	Donated assets received	409	-	409	-
						3250	Retained earnings				
							Appropriated as legal capital reserve	96,497	8	96,497	7
						3310	Appropriated as special capital reserve	12,003	1	12,003	1
						3320	Unappropriated earnings	(1,528)	-	1,470	-
						3350	Other equity interests	96,693	8	92,955	7
						3400	Total equity	1,028,648	83	1,027,908	78
						3***					
Total assets		\$ 1,244,145	100	\$ 1,311,020	100	Total liabilities and equity		\$ 1,244,145	100	\$ 1,311,020	100

(See accompanying notes and Independent Auditors' Report issued by Nan Tai Union & Co. on March 7, 2024)

Chairman : Wu, Da-Ho

General Manager : Chen, Jeng Ping

Accounting Officer : Wang, Chiu-yue

Chia Ta World Co., Ltd.
Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Expressed in Thousands of New Taiwan Dollars

Code	Items	2023		2022	
		Amount	%	Amount	%
4000	Operating revenue				
4110	Total sales revenue	\$587,487	100	\$812,550	100
4170	net : Sales returns	(1,146)	-	(1,692)	-
4190	Sales discounts and allowances	(137)	-	(119)	-
4100	Sales revenue, net	586,204	100	810,739	100
4660	Conversion revenue	344	-	64	-
	Operating revenue, net (Note 4, 6-16)	586,548	100	810,803	100
5000	Operating costs (Note 6-3, 6-14)	(534,430)	(91)	(759,243)	(94)
5900	Net gross profit	52,118	9	51,560	6
6000	Operating expenses (Note 4, 6-23, 6-14)				
6100	Selling expenses	(14,458)	(2)	(18,463)	(2)
6200	Administrative expenses	(43,732)	(7)	(48,174)	(6)
	Total operating expenses	(58,190)	(9)	(66,637)	(8)
6900	Net operating income	(6,072)	-	(15,077)	2
	Non-operating income and expenses				
7100	Interest income(Note 6-17)	241	-	132	-
7010	Other income(Note 6-18)	6,046	1	7,564	1
7020	Other gains and losses, net(Note 6-19)	(542)	-	(3,160)	-
7050	Finance cost(Note 6-20)	(3,144)	(1)	(3,663)	-
7060	Share of profit or loss of associates accounted for using equity method(Note 4, 6-6)	(256)	-	(286)	-
7000	Total non-operating income and expenses	2,345	-	587	1
7900	Profit before tax	(3,727)	-	(14,490)	(1)
7950	Less: Income tax expenses(Note 4, 6-21)	615	-	1,792	-
8200	Profit	(3,112)	-	(12,698)	(1)
	Other comprehensive income				
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Fair Value Through Other Comprehensive Income-Equity Instrument				
	Unrealized gains (losses) from investments (Note 6-5)	3,738	1	9,236	1
8311	Remeasurements of the defined benefit plan(Note 6-14)	143	-	774	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6-21)	(29)	-	(155)	-
8300	Other comprehensive income (loss), net of tax	3,852	1	9,855	1
8500	Total comprehensive income	\$740	1	\$(2,843)	
	Earnings per share (NT dollars) (Note 4, 6-22)				
9750	Basic earnings per share	\$(0.04)		\$(0.16)	
9850	Diluted earnings per share	\$(0.04)		\$(0.16)	

(See accompanying notes and Independent Auditors' Report issued by Nan Tai Union & Co. on March 7, 2024)

Chairman : Wu, Da-Ho

General Manager : Chen, Jeng Ping

Accounting Officer : Wang, Chiu-yue

Chia Ta World Co., Ltd.

Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

Expressed in Thousands of New Taiwan Dollars

Items	Share capital	Capital surplus		Retained earnings			Other equity interests	Total
		Additional paid-in capital	Donated assets received	Appropriated as legal capital reserve	Appropriated as special capital reserve	Unappropriated earnings	Unrealized gain or losses on FVTOCI financial assets	
Balance at January 1, 2022	\$806,945	\$17,629	\$409	\$95,024	\$12,003	\$31,161	\$83,719	\$1,046,890
Appropriation and distribution of retained earnings of 2022								
Legal reserve	-	-	-	1,473	-	(1,473)	-	-
Cash dividends	-	-	-	-	-	(16,139)	-	(16,139)
Loss	-	-	-	-	-	(12,698)	-	(12,698)
Other comprehensive income	-	-	-	-	-	619	9,236	9,855
Balance at December 31, 2022	<u>\$806,945</u>	<u>\$17,629</u>	<u>\$409</u>	<u>\$96,497</u>	<u>\$12,003</u>	<u>\$1,470</u>	<u>\$92,955</u>	<u>\$1,027,908</u>
Balance at January 1, 2023	\$806,945	\$17,629	\$409	\$96,497	\$12,003	\$1,470	\$92,955	\$1,027,908
Loss	-	-	-	-	-	(3,112)	-	(3,112)
Other comprehensive income	-	-	-	-	-	114	3,738	3,852
Balance at December 31, 2023	<u>\$806,945</u>	<u>\$17,629</u>	<u>\$409</u>	<u>\$96,497</u>	<u>\$12,003</u>	<u>(\$1,528)</u>	<u>\$96,693</u>	<u>\$1,028,648</u>

(See accompanying notes and Independent Auditors' Report issued by Nan Tai Union & Co. on March 7, 2024)

Chairman : Wu, Da-Ho

General Manager : Chen, Jeng Ping

Accounting Officer : Wang, Chiu-yue

Chia Ta World Co., Ltd.

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

Items	Expressed in Thousands of New Taiwan Dollars	
	2023	2022
Cash flows from operating activities :		
Profit before tax	\$(3,727)	\$(14,490)
Adjustments to reconcile profit (loss) :		
Income charges (credits) not affecting cash		
Depreciation expense	19,969	20,277
Interest expense	3,144	3,663
Interest revenue	(241)	(132)
Dividend revenue	(1,586)	(1,730)
Share of Loss (Profit) of Joint Ventures Accounted for Using Equity Method	256	286
Loss (Gain) from reversal of non-financial assets' impairment	(166)	(96)
Unrealized foreign exchange loss (gain)	-	(540)
Changes in operating assets and liabilities		
Notes receivable	29,738	(11,404)
Accounts receivable	3,473	50,064
Other receivables	100	-
Inventories	10,086	(19,156)
Prepayments	(6,389)	5,666
Other current assets	(30)	(52)
Accrued pension assets, net	103	221
Notes payable	(1,187)	(4,981)
Accounts payable	9,117	(3,591)
Other payables	(2,932)	(5,600)
Other current liabilities	48	28
Cash inflow (outflow) generated from operations	59,776	18,433
Interest received	241	132
Dividend received	1,586	1,730
Interest paid	(3,139)	(3,673)
Income tax paid	(6)	(3,880)
Net cash provided by operating activities	58,458	12,742
Cash flows from investing activities :		
Acquisition of property, plant and equipment	(4,708)	(42,716)
Decrease (Increase) in prepayments for equipment	(318)	29,042
Net cash flows used in investing activities	(5,026)	(13,674)
Cash flows from financing activities :		
Increase (Decrease) in short-term borrowings	(79,406)	74,523
Increase in short-term notes payable	530,000	655,000
Decrease in short-term notes payable	(520,000)	(690,000)
Repayment of the principle portion of lease liabilities	(477)	(526)
Cash dividends paid	-	(16,139)
Net cash flows provided by (used in) from financing activities	(69,883)	22,858
Effect of movements in exchange on cash and cash equivalents	-	599
Net increase (decrease) in cash and cash equivalents	(16,451)	22,525
Cash and cash equivalents at beginning of period	80,171	57,646
Cash and cash equivalents at end of period	\$63,720	\$80,171

(See accompanying notes and Independent Auditors' Report issued by Nan Tai Union & Co. on March 7, 2024)

Chairman : Wu, Da-Ho

General Manager : Chen, Jeng Ping

Accounting Officer : Wang, Chiu-yue

Chia Ta World Co., Ltd.
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022
(Except as indicated, expressed in New Taiwan Dollar)

(1) Company history :

1. Chia Ta World Co., Ltd. (the “Company”) was legally established with the approval of the Ministry of Economic Affairs (R.O.C.) on April 23, 1973, with registered address at No. 16, Lane 317, Chung Cheng N. Rd., YongKang Dist , Tainan City , Taiwan. R.O.C. The Company is principally engaged in the manufacture, processing and distribution of steel products including steel wires, galvanized steel wires, galvanized iron wires, pre-stressed concrete (PC) steel wire, pre-stressed concrete (PC) steel wire strands, pre-stressed concrete (PC) deformed steel bars, steel wire strands, steel ropes, steel cables, springs, steel & iron wires, as well as machinery hardware parts .
2. The Company has changed the company name to Chia Ta World Co., Ltd. by the resolution of special shareholders’ meeting in October, 1999, with the approval of competent authority.
3. The Company has formally been approved to be listed on the Taipei Exchange since May, 1997, and changed to be listed on the Taiwan stock exchange market since September, 2000.

(2) Approval date and procedures of the financial statements

These financial statements were authorized for issue by the Board of Directors on March 7, 2024.

(3) New standards, amendments and interpretations adopted

1. The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted. The following summarizes new and amended standards and interpretations, which have been issued by the International Accounting Standards Board (“IASB”) ,effective for annual period beginning on January 1, 2023:

New, Revised, or Amended Standards or Interpretations	Effective date per IASB
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 Company assessed that the new amendments would not have a significant impact on its financial position and financial performance.

2. The impact of IFRS issued by the FSC but not yet effective.

The following summarizes new and amended standards and interpretations, which have been issued by the International Accounting Standards Board (“IASB”) ,effective for annual period beginning on January 1, 2024: :

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

New, Revised, or Amended Standards or Interpretations	Effective date per IASB
Amendments to IFRS 16 “Lease Liability in Sale and Leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
The Company assessed that the new amendments would not have a significant impact on its financial position and financial performance.	
3. The impact of IFRS issued by IASB but not yet endorsed by the FSC	
The following new and amended standards and interpretations, which may be relevant to the Group, have been issued by the International Accounting Standards Board (“IASB”), but have yet to be endorsed by the FSC :	

New, Revised, or Amended Standards or Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contract”	January 1, 2023
Amendments to IFRS 17 “Insurance Contract”	January 1, 2023
Amendments 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 Company assessed that the new amendments would not have a significant impact on its financial position and financial performance.

(4) Summary of significant accounting policies

1.Statement of compliance

The accompanying financial statements have been prepared 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 (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

2.Basis of Preparation

The accompanying financial statements have been prepared on the historical cost basis except for the items below.

- (a) Financial assets and liabilities measure at fair value through profit or loss (including derivatives)
- (b) Financial assets and liabilities measure at fair value through other comprehensive income
- (c) Net defined benefit assets recognized by pension plan assets net of present value of defined benefit obligation

3.Foreign Currencies Transactions

The financial statements are expressed in the entity's functional currency. Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rate of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are retranslated at the rates at the dates of the transactions. Except the list below, the exchange differences are recognized in profit or loss in the year in which they arise.

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 "Financial Instruments: Recognition and Measurement" are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

When the profit or loss arising from exchange differences arising on the non-monetary items are recognized in other comprehensive income, the exchange differences arising on the retranslation of such profit or loss are also recognized in other comprehensive income. When the profit or loss arising from exchange differences arising on the non-monetary items are recognized in the profit or loss for the year, the exchange differences arising on the retranslation of such profit or loss are also recognized in the profit or loss.

4.Classification of Non-current and Current Assets and Liabilities :

An asset is classified as current under the conditions below. For those that are not current are classified as non-current.

- (1) The company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- (2) The Company holds the asset primarily for the purpose of trading.
- (3) The Company expects to realize the asset within twelve months after reporting period.
- (4) 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 the conditions below. Those that are not current are classified as non-current:

- (a) The Company expects to settle the liability in 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 date. 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. Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and with maturity dates that do not present significant risks of changes in value. If time deposits conform the conditions as mentioned above, and the Company holds them for the purpose of short-term cash commitment in operation, they are classified as cash equivalents.

6. Financial Instruments

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

Financial assets and liabilities in the scope of IFRS 9 “Financial Instruments: Recognition and Measurement” are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and liabilities, as appropriate, on initial recognition.

(a) Recognition and Measurement of Financial Assets

A regular way purchase or sale of financial assets are recognized and derecognized, as applicable, using trade date accounting.

When the Company first recognizes a financial asset, it classifies it based on the Company’s business model for managing the asset and the asset’s contractual cash flow characteristics, as follows:

① Financial Assets at Fair value Through Profit or Loss

A. Financial assets that are not measured at amortized cost or fair value through other comprehensive income. For financial assets at amortized cost or financial assets at fair value through other comprehensive income, the company may, at initial recognition, designate financial assets as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

B. The Company initially recognizes financial assets at fair value, and the transaction costs are recognized as profit or loss. The profit or loss of such financial assets are recognized as profit or loss subsequently.

C. Dividends are recognized in profit or loss as dividend revenue when the Company’s right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

② Financial Assets at Fair value Through Other Comprehensive Income

A. The Company may make an irrevocable election at initial recognition for particular investments in equity instruments to present subsequent changes in fair value in other comprehensive income.

- B. The Company initially recognizes financial assets at fair value plus transaction costs, and measure at fair value subsequently. The changes in fair value of equity instruments are recognized in other comprehensive income. At derecognition, the profit or loss recognized in other comprehensive income shall not be reclassified to profit or loss, instead, to retained earnings.
- C. Dividends are recognized in profit or loss as dividend revenue when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

③ Financial Assets at Amortized Cost

A financial asset is measured at amortized cost if both of the following conditions are met, and recognized as notes receivable, accounts receivable, financial assets at amortized cost, and other receivables on the balance sheets :

- A. The business model for managing the asset : the objective is to hold assets in order to collect contractual cash flows ; and
- B. The asset's contractual cash flow characteristics : the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amount at which the financial assets (not including those involved hedge relationships) is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. At derecognition, amortization or recognition of impairment profit or loss, the profit or loss is recognized in profit or loss.

Interest revenue shall be calculated by using the effective interest method. This shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for :

- A. Purchased or originated credit-impaired financial assets. For those financial assets, the Company shall apply the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. Financial assets that are not purchased or originated credit-impaired financial assets. For those financial assets, the Company shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

(b) Financial Liabilities and Equity Instruments

① Financial Liabilities

Financial liabilities in the scope of IFRS 9 "Financial Instruments: Recognition and Measurement" are initially recognized as financial liabilities at fair value through profit or loss or financial liabilities at amortized cost

② Financial Liabilities at Fair value Through Profit or Loss

The remeasurement profit or loss of financial liabilities at fair value through profit or loss, including financial liabilities held for trading, etc., is recognized in profit or loss. The profit or loss includes any interest paid for the financial liabilities.

For such financial liabilities, if there's no quoted price in an active market and they cannot be measure at fair value, they shall be measured at cost at the end of reporting period, and recognized as financial liabilities at cost on the balance sheets.

③Financial Liabilities at Amortized Cost

The financial liabilities at amortized cost initially include payables, loans, etc., are measured by effective interest rate method subsequently. When derecognizing or amortizing the financial liabilities by effective interest rate method, the related profit or loss and amortized amount are recognized in profit or loss.

The calculation of the cost after amortized shall consider the discount or premium, and transaction cost at acquisition.

(c)Impairment of Financial Assets

At each reporting date, the Company shall assess whether the credit risk on financial assets at fair value through other comprehensive income and accounts receivable or contract assets, containing significant financing component, have increased significantly since initial recognition. The Company shall consider all the reasonable and provable information, including foreseeing information. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for that instrument at an amount equal to 12-month expected credit losses. If the credit risk on a financial instrument has increased significantly since initial recognition, the Company shall measure the loss allowance for that instrument at an amount equal to lifetime expected credit losses. For those accounts receivable or contract assets do not contain significant financing component, the Company shall measure the loss allowance for that instrument at an amount equal to lifetime expected credit losses.

(d)Derecognition of Financial Assets and Financial Liabilities

①Derecognition of financial assets

The Company shall derecognize the financial assets when :

- A. The contractual rights to the cash flows from the financial assets expire
- B. The Company transfers the financial assets and substantially all the risks and rewards of ownership of the financial assets to others
- C. The Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, but does not retain control of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the accumulative profit or loss arising from consideration received or receivable recognized in other comprehensive income shall be recognized in profit or loss.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognized and the part that is derecognized, on the basis of the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognized. The difference between the carrying amount allocated to the part derecognized and the accumulative profit or loss recognized in other comprehensive income arising from consideration received for the part derecognized shall be recognized in profit or loss. The company allocated the accumulative profit or loss recognized in other comprehensive income between the part that continues to be recognized and the part that is derecognized, on the basis of the relative fair value.

②Derecognition of financial liabilities

The Company shall remove a financial liability from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between the Company and the lender of debt instruments with substantially different terms or a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

(5) Offset of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset only when the Group has a current and legally enforceable right to set-off the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(6) Fair Value of Financial Instruments

If there is a quoted price in an active market, the Company uses that price on the reporting date without adjustment when measuring fair value of financial instruments.

For those financial instruments without an active market, the fair value is determined by appropriate valuation techniques, including reference to most recent market prices used by knowledgeable and willingness parties, reference to current fair value of other financial instrument with similar nature, discounted cash flow method or other valuation models.

7. Derivative Financial Instruments

The Company holds derivative financial instruments for the purpose of hedging for the exposure of the exchange rate risk of foreign currencies. Derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into, and the transaction costs are recognized in profit or loss, and are subsequently remeasured to their fair value. The profit or loss arising from the remeasurement is directly recognized in profit or loss, and presented as other gains and losses under non-operating income and expenses. Derivative financial instruments

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

with positive fair value are presented as financial assets; those with negative fair value are presented as financial liabilities.

8. Accounts and Notes Receivables

- (a)Accounts and notes receivables are accounts and note that the Company has the unconditional right to receive the consideration for transferring goods or services.
- (b)For accounts and notes receivables without interest, the discount effect is not significant, they are subsequently measured at the amount that have been initially invoiced

9.Inventories

Inventories are initially stated at actual cost, and the calculation of cost is by weighted-average cost. In the end of the reporting period, the inventories are measured by the lower of cost and net realizable value. Inventories are valued at the lower of cost and net realizable value item by item, except for those in the same categories. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. Unallocated manufacturing overhead, abnormal production cost and inventory falling price loss (or gain from price recovery) are included in the operating costs.

10. Investments Accounted for Equity Method/Associates

An associate is an entity over which the Company has significant influence, and that is neither a subsidiary or a joint venture.

The Company uses equity method to recognize the investment in associates. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognized the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognizes 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, using the same basis as the Company disposes related assets or liabilities. If the amount of capital surplus is not enough to be credited, the difference shall be credited to retain earnings.

If the Company's share of losses of an associate equal or exceeds its interest in the associate, the Company discontinues recognizing its share of further losses. The interest in an associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Company's net investment in the associate. After the Company's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When assessing impairment, the entire carrying amount of the investment is tested for impairment as a single asset, by comparing its recoverable amount with its carrying amount. An impairment loss recognized forms part of the carrying amount of the net investment in the associate. Accordingly, any reversal of that impairment loss is recognized to the extent that the recoverable amount of the net investment subsequently increases.

If the Company loses significant influence over an associate, it derecognizes that associate and recognizes in profit or loss the difference between the sum of the proceeds received and any retained interest, and the carrying amount of the investment in the associate at the date significant influence is lost. Additionally, the amount in the other comprehensive income related to the associate shall use the same basis as the Company disposes related assets or liabilities

11. Property, Plant and Equipment

- (a) Property, plant and equipment are initially recognized by acquisition cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the disassembly, removal, and recovery of the item of property, plant and equipment or borrowing costs eligible for capitalization. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The carrying value of the replaced items shall be derecognized based on IAS 16 "Property, Plant, and Equipment." When each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant, and equipment as a replacement if the recognition criteria are satisfied. Other fix and maintenance cost are recognized in profit or loss.
- (b) Straight-line method is used to allocate the depreciable amount of an asset over its useful life as follows :

Items	Useful Life
Buildings	1~40 years
Equipment	1~21 years
Transportation equipment	3~8 years
Facilities	9 years
Other equipment	1~14years

- (c) The carrying amount of an item of property, plant and equipment or any significant component shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition shall be included in profit or loss when the item is derecognized.
- (d) The residual value and the useful life of an item of property, plant, and equipment shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes shall be accounted for as a change in an accounting estimate.

12. Investment Property

An investment property is measured initially at cost, and subsequently measured by cost model. Except for land, other investment properties shall be depreciated by straight-line method over their useful life of 20 years.

13. Lease of Lessee-Right-of-use Asset/Lease Liabilities

(a) At the commencement date, the Company shall recognize a right-of-use asset and a lease liability. If the lease contract is a short-term lease or the underlying assets of the lease if of low value, the Company shall recognize the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

(b) At the commencement date, the Company shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the Company's incremental borrowing rate. The lease payments are fixed payments, less any lease incentives receivable. The Company shall amortize the lease liabilities by effective interest rate method, and recognize interest expense over the lease term. If there's change in lease term or lease payments, not due to contract revision, the Company shall remeasure the lease liability and recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

(c) At the commencement date, the Company shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise :

A. the amount of the initial measurement of the lease liability ;

B. any lease payments made at or before the commencement date, less any lease incentives received ;

C. any initial direct costs incurred by the Company ; and

D. an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Company shall measure the right-of-use asset by cost model. The Company shall depreciate the right-of-use asset over the shorter of the useful life or the lease term. If the Company remeasures the lease liability, the Company shall recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

14. Impairment of Non-financial Assets

The Company shall assess at the end of each reporting period whether there is any indication that an asset, which applies IAS 36 “Impairment of Assets,” may be impaired. If any indication is present, the Company is required to conduct impairment test to the asset each year on regular basis. The Company conducts the test by the cash-generating unit to which the individual asset or assets belongs. Base on the impairment test, if the recoverable amount of a cash-generating unit is less than its carrying amount, impairment loss shall be recognized. Recoverable amount is the higher of the cash-generating unit’s net fair value and its value in use.

The Company shall assess at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company shall estimate the recoverable amount of that asset. If the recoverable amount increases for the increase in the estimated service potential of an asset, the impairment loss shall be reversed. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

The impairment loss and reversals of continuing operations shall be recognized in profit or loss.

15. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense. Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds.

16. Notes and Accounts Payables

Notes and accounts payables are liabilities to pay for goods or services that have been received from the supplier in operations. Notes and accounts payables shall be initially measured at fair value, and subsequently measured at amortized cost by effective interest method. For short-term accounts payables without interest, the discount effect is not significant, they are subsequently measured at the amount that have been initially invoiced.

17. Recognition of Revenues

(a) Sale of Goods

A. The Company manufactures and sells steel wire, and steel cable, and related products. The Company shall recognize revenue when the customer obtains control of that asset. It’s the time when goods are transferred to a customer, and the customer has the discretion to direct the distribution and price of goods, and there’s no remaining obligation that could affect the acceptance of the goods. When goods are delivered to designated place, the risk of obsolescence and lost is transferred to the customer, and the customer has accepted the goods according to sales contract, or there’s objective evidence to approve that the standards of acceptance have been fulfilled, the goods are formally transferred to the customer.

B.Sales revenue shall be recognized by contract price less estimated sales allowance. The revenue shall be recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur, and the Company shall update the estimation on each balance sheets date. The payment terms of the sales are mainly 30-120 days from the date of transferring the control of goods. Those accounts receivables are usually short-term and not include significant financing components.

C.Accounts receivables shall be recognized at the time when the goods are transferred to the customer, because the Company has the unconditional right to receive the consideration. Only the passage of time is required before payment of that consideration is due.

(b)Related Services of Conversion

The Company offers related services of conversion. If the transaction result of providing the services can be reliably estimated, the Company shall recognize the revenue by percentage-of-completion method. The level of completion is estimated by the proportion of the services that have been provided to the total services that shall be provided. If the transaction result cannot be reliably estimated, the revenue shall be recognized to the extent that the recoverable costs that have incurred.

(c)Financing Component

The Company expects that the time between the good being transferred to customer to the customer making the payments would be no longer than one year; thus, the Company do not adjust the time value of money of the transaction price.

18.Retirement Benefit Plans

The pension plan of the Company is applicable to all the officially hired employees. The employee pension fund is deposited in special account of the pension fund, and managed by the Labor Pension Fund Supervisory Committee. Since the pension fund is deposited in the name of the Labor Pension Fund Supervisory Committee, and totally separated from the Company. The fund is not stated in the accompanying financial statements.

For defined contribution retirement benefit plans, payments to the benefit plan, which shall not be lower than the 6% of salaries or wages of the employees, are recognize as an expense when the employees have rendered service entitling them to the contribution.

For defined benefit plans, the defined benefit costs shall be recognized by using the Projected Unit Credit Method at the end of each reporting date based on actuaries' report. The remeasurements of the net defined benefit liability (asset) shall be recognized in other comprehensive income, and reflected in retained earnings immediately, comprising return on plan assets and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset), and actuarial gains and losses. The Company shall recognize past service cost as an expense at the earlier of the following dates:

(1) when the plan amendment or curtailment occurs ; and

(2) when the Company recognizes related restructuring costs or termination benefits.

The Company shall determine net interest on the net defined benefit liability (asset) by multiplying the net defined benefit liability (asset) by the discount rate, which shall be determined at the start of the annual reporting period, and take into account any changes in net defined benefit liability (asset) during the period resulting from contributions or benefit payments.

The benefit cost in the interim period shall be calculated from the beginning of the year to the year end, by adopting the benefit cost rate determined by actuary at the ending date of the previous year. And the Company shall adjust and disclose any significant market fluctuations, significant curtailments, settlement, or other significant one-time events.

19. Income Taxes

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to the items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

The current income tax comprises estimated income tax payables or income tax refund receivables calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to the income tax payables or income tax refund receivables in prior years.

Deferred income tax shall be recognized for the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except to the extent that:

- (a) the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- (b) the temporary differences associated with investments in subsidiaries, and it is probable that the temporary differences will not reverse in the foreseeable future.
- (c) the deferred tax liabilities arise from the initial recognition of goodwill.

Deferred income tax is measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates or tax laws that have been enacted or substantively enacted at the reporting date.

The Company shall offset current tax assets and current tax liabilities, only if:

- (a) the Company has a legally enforceable right to set off current tax liabilities relate to income taxes levied by the same taxation authority on either: ☒
- (b) the deferred income tax assets and liabilities related to income taxes levied by the same taxation authority on either:
 - A. the same taxable entity; or
 - B. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A deferred tax assets shall be recognized for the unused tax losses and unused tax credits carryforward, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized, and shall be reassessed at each reporting date, to decrease the relevant tax benefit which is not probable that future taxable profit will be available to be utilized.

20. Earnings per Share of Ordinary Shares

Basic earnings per share is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the current reporting period. The weighted-average of shares outstanding is adjusted retrospectively for earnings and capital reserve being converted into share capital.

21. Segment Information

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). The operations results of operating segment are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. And the discrete financial information of operating segments is available.

(5) Major Sources of Uncertainty Arising from Significant Accounting Judgments, Estimates, and Assumptions

When preparing the Company's financial statements, the management has made judgments to determine the account policies adopted, and make accounting estimates and assumptions based on the reasonable exceptions for future events based on the condition at the balance sheets date. However, these estimates and assumptions could differ from the actual result; thus, they could be assessed and adjusted by taking into account historical experiences and other factors. The estimates and assumptions could result in risks that require a material adjustment to the carrying amount of assets and liabilities in the next fiscal year. The uncertainty of significant accounting judgments, estimates and assumptions is as follows :

1. The Significant Judgments Adopted by the Accounting Policies

The Company assessed that there's no significant uncertainty of judgments of accounting policies.

2. Significant Accounting Estimation and Assumptions

(a) The Estimated Impairment of Financial Assets

The estimated impairment of accounts receivables is based on the assumptions of default rate and loss give default. The Company takes into account information, such as historical experiences and current market condition to make the assumptions and select the input of impairment estimation.

(b) Realization of Deferred Income Tax Assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires significant accounting judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits, can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

(c) Impairment of Inventories

The net realizable value of inventories is measured at the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The estimates are made based on current market condition and the historical selling experiences of similar products. The changes in the market situation may affect the estimated result.

(d) Impairment of Non-financial Assets

Impairment occurs when the recoverable amount of an asset or a cash-generating unit is less than its carrying amount. Recoverable amount is the higher of the cash-generating unit's fair value less costs of disposal and its value in use. The calculation of fair value less costs of disposal is based on the enforceable contractual price in an orderly transaction between market participants or the market price of an asset, less the incremental costs directly attributed from disposal of the asset. Value in use is calculated by discounted cash flow model. The estimates of cash flow are based on the forecast of the 5 years in the future, not including the restructure that the Company hasn't committed or future significant investment for enhancing the cash-generating unit's performance. The recoverable amount tends to be affected by the discount rate and the expected future cash inflow and growth rate for the purpose of extrapolation used in discounted cash flow model.

(e) Retirement Benefit Plans

The defined benefit cost and the present value of defined benefit obligation depend on the actuarial assessment. The actuarial assessment involves different assumptions, including the determination of discount rate, the increase of future salaries and wages, mortality, and the increase of future retirement benefit payments, etc.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

(6) Explanation of Significant Accounts

1. Cash and Cash Equivalents

Items	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$110,000	\$110,000
Checkings and savings	58,609,554	80,061,319
Cash equivalents (bonds)	5,000,000	-
Total	<u>\$63,719,554</u>	<u>\$80,171,319</u>

2. Notes and Accounts Receivables, Net

Items	December 31, 2023	December 31, 2022
Notes receivable	\$76,532,530	\$106,269,860
Less: allowance for doubtful accounts	-	-
Net	<u>\$76,532,530</u>	<u>\$106,269,860</u>

Items	December 31, 2023	December 31, 2022
Accounts receivable	\$86,951,541	\$90,424,486
Less: allowance for doubtful accounts	(1,513,995)	(1,513,995)
Net	<u>\$85,437,546</u>	<u>\$88,910,491</u>

(a) The average credit period to customers is about 90 days. Please refer to Note 12-1 for the information about allowance for doubtful accounts.

(b) As of December 31, 2023 and 2022, the notes and accounts receivable were not pledged as collateral.

(c) Please refer to Note 12-1 for the related credit risk.

3. Inventories

Items	December 31, 2023	December 31, 2022
Finished goods	\$71,567,364	\$80,668,900
Work in process	12,909,386	17,069,835
Raw Material	88,802,071	98,687,801
Material	20,945,297	23,223,360
Merchandise	53,810,966	47,959,747
Inventory in transit	11,051,393	-
	<u>259,086,477</u>	<u>267,609,643</u>
Less: Loss allowance for market price decline and obsolete and slow moving inventories	(9,393,569)	(7,830,227)
Total	<u>\$249,692,908</u>	<u>\$259,779,416</u>

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
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The details of the composition of costs of goods sold in the years ended December 31, 2023 and 2022 are as follows :

Items	2023	2022
Inventory costs and conversion costs of goods sold	\$507,368,436	\$735,238,339
Expense and loss arising from idle capacity	26,661,379	22,342,200
Loss for market price decline and obsolete and slow-moving inventories(Gain from price recovery)	1,563,342	2,543,130
Loss (Gain) on physical inventory	147,348	526,752
Revenue from sale of tailings	(1,340,531)	(1,737,158)
Others	29,788	330,479
Total	\$534,429,762	\$759,243,742

4.Prepayments

Items	December 31, 2023	December 31, 2022
Prepayment for purchases	\$12,746,662	\$6,579,611
Prepaid expenses	184,780	203,818
Input tax	240,222	99,482
Offset against tax payable	100,000	-
Total	\$13,271,664	\$6,882,911

5. Non-current Financial Assets Measured at Fair Value Through Other Comprehensive Income

Items	December 31, 2023	December 31, 2022
Non-current items:		
Stock of domestic listed companies	\$6,056,525	\$6,056,525
Stock of non-listed companies	13,840,000	13,840,000
Subtotal	19,896,525	19,896,525
Valuation adjustments	96,692,871	92,954,618
Net	\$116,589,396	\$112,851,143

(a)The changes in fair value recognized in comprehensive income amounted to NT\$3,738,253 and NT\$9,235,370 for the years ended December 31, 2023 and 2022, respectively.

(b)None of the non-current financial assets measured at fair value through other comprehensive income were pledged as collateral.

(c)Please refer to Note 12-1 for the related price risk information.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

6. Investments Accounted for Using Equity Method

Items	December 31, 2023		December 31, 2022	
	Amount	Percentage of ownership	Amount	Percentage of ownership
Associate:				
Shing Eco blue Co., Ltd.	\$2,779,849	20%	\$3,035,483	20%

The investment above is not individually material to the Company. The summarized information is as follows :

	2023	2022
Share of profit (loss) of associates accounted for using equity method	\$(255,634)	\$(285,532)
Share of other comprehensive income of associates accounted for using equity method	\$-	\$-
Share of comprehensive income of associates accounted for using equity method	\$(255,634)	\$(285,532)

(a) There's no open price of the investment above.

(b) Share of profit or loss and other comprehensive income of associates accounted for using equity method is calculated based on the financial statements audited by CPA in the same period.

(c) None of the investments accounted for using equity method measured at fair value through other comprehensive income were pledged as collateral.

7. Property, Plant and Equipment

	Land	Buildings	Equipment	Transportation equipment	Miscellaneous equipment	Total
Cost						
Balance as of January 1, 2023	\$315,706,427	\$183,115,463	\$378,869,199	\$16,207,921	\$11,044,930	\$904,943,940
Additions	-	1,075,000	834,169	270,433	-	2,179,602
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as of December 31, 2023	\$315,706,427	\$184,190,463	\$379,703,368	\$16,478,354	\$11,044,930	\$907,123,542
Accumulated depreciation and impairment						
Balance as of January 1, 2023	\$-	\$107,745,307	\$305,794,473	\$8,434,627	\$9,318,010	\$431,292,417
Depreciation expense	-	6,557,879	10,430,628	1,866,674	647,206	19,502,387
Disposal-accumulated depreciation	-	-	-	-	-	-
Balance as of January 1, 2023	\$-	\$114,303,186	\$316,225,101	\$10,301,301	\$9,965,216	\$450,794,804

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

	Land	Buildings	Equipment	Transportation equipment	Miscellaneous equipment	Total
Cost						
Balance as of January 1, 2022	\$315,706,427	\$175,085,370	\$381,958,993	\$15,440,000	\$10,569,080	\$898,759,870
Additions	-	11,089,600	24,205,991	767,921	590,850	36,654,362
Disposals	-	(3,059,507)	(27,295,785)	-	(115,000)	(30,470,292)
Transfers	-	-	-	-	-	-
Balance as of December 31, 2022	\$315,706,427	\$183,115,463	\$378,869,199	\$16,207,921	\$11,044,930	\$904,943,940
Accumulated depreciation and impairment						
Balance as of January 1, 2022	\$-	\$104,262,342	\$322,480,638	\$6,619,135	\$8,667,277	\$442,029,392
Depreciation expense	-	6,542,472	10,609,620	1,815,492	765,733	19,733,317
Disposal-accumulated depreciation	-	(3,059,507)	(27,295,785)	-	(115,000)	(30,470,292)
Balance as of January 1, 2022	\$-	\$107,745,307	\$305,794,473	\$8,434,627	\$9,318,010	\$431,292,417
Net carrying amount						
December 31, 2023	\$315,706,427	\$69,887,277	\$63,478,267	\$6,177,053	\$1,079,714	\$456,328,738
December 31, 2022	\$315,706,427	\$75,370,156	\$73,074,726	\$7,773,294	\$1,726,920	\$473,651,523

Please refer to Note 8 for the details of the property, plant and equipment that have been pledge.

8. Lease Transactions-Lessee

(a) The underlying assets of the lease transactions that the Company involves include land and transportation equipment. The duration of lease term is usually 3 to 20 years. The lease contracts are negotiated individually and applicable to different terms and conditions. Except for that the lease assets shall not be used as collaterals, there's no other restriction imposed to the lease assets .

(b) The information of carrying value and depreciation expense recognized is as follows :

	Land	Buildings	Total
Cost			
Balance as of January 1, 2023	\$4,464,748	\$233,858	\$4,698,606
Additions	-	-	-
Derecognizations	-	(233,858)	(233,858)
Balance as of December 31, 2023	\$4,464,748	\$-	\$4,464,748

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
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Accumulated depreciation and impairment			
Balance as of January 1, 2023	\$1,708,224	\$194,880	\$1,903,104
Depreciation expense	427,056	38,978	466,034
Derecognizations	-	(233,858)	(233,858)
Balance as of December 31, 2023	<u>\$2,135,280</u>	<u>\$-</u>	<u>\$2,135,280</u>

	Land	Buildings	Total
Cost			
Balance as of January 1, 2022	\$4,464,748	\$233,858	\$4,698,606
Additions	-	-	-
Derecognizations	-	-	-
Balance as of December 31, 2022	<u>\$4,464,748</u>	<u>\$233,858</u>	<u>\$4,698,606</u>
Accumulated depreciation and impairment			
Balance as of January 1, 2022	\$1,281,168	\$77,952	\$1,359,120
Depreciation expense	427,056	116,928	543,984
Derecognizations	-	-	-
Balance as of December 31, 2022	<u>\$1,708,224</u>	<u>\$194,880</u>	<u>\$1,903,104</u>

Net carrying value			
December 31, 2023	<u>\$2,329,468</u>	<u>\$-</u>	<u>\$2,329,468</u>
December 31, 2022	<u>\$2,756,524</u>	<u>\$38,978</u>	<u>\$2,795,502</u>

(c)The additions to right-of-use assets amounted to NT\$0 and NT\$0 for the years ended December 31, 2023 and 2022, respectively.

(d)The Carrying Value of Lease Liabilities

Items	December 31, 2023	December 31, 2022
Current	<u>\$438,621</u>	<u>\$476,515</u>
Non-current	<u>\$2,090,880</u>	<u>\$2,529,501</u>

(e)Discount Rate Intervals of Lease Liabilities

Items	December 31, 2023	December 31, 2022
Land	1.4268%	1.4268%
Buildings	1.4268%	1.4268%

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
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(7) he information of the profit or loss related to lease contracts is as follows :

Items	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Interest expense of lease liabilities	\$42,285	\$47,073
Expenses belong to short-term lease contracts	\$206,800	\$253,800

(g) The cash outflow arising from lease activities amounted to NT\$725,600 and NT\$573,800 for the years ended December 31, 2023 and 2022, respectively.

9. Investment Properties, Net

Cost	Land	Total
Balance as of January 1, 2023	\$166,523,445	\$166,523,445
Additions	-	-
Disposals	-	-
Balance as of December 31, 2023	\$166,523,445	\$166,523,445
Accumulated depreciation and impairment		
Balance as of January 1, 2023	\$1,921,113	\$1,921,113
Depreciation expense	-	-
Recognition of impairment loss (Reversal of impairment loss)	(165,773)	(165,773)
Disposals	-	-
Balance as of December 31, 2023	\$1,755,340	\$1,755,340
Cost	Land	Total
Balance as of January 1, 2022	\$166,523,445	\$166,523,445
Additions	-	-
Disposals	-	-
Balance as of December 31, 2022	\$166,523,445	\$166,523,445
Accumulated depreciation and impairment		
Balance as of January 1, 2022	\$2,017,560	\$2,017,560
Depreciation expense	-	-
Recognition of impairment loss (Reversal of impairment loss)	(96,447)	(96,447)
Disposals	-	-
Balance as of December 31, 2022	\$1,921,113	\$1,921,113
Net carrying value		
December 31, 2023	\$164,768,105	\$164,768,105
December 31, 2022	\$164,602,332	\$164,602,332

(a) None of the investment properties were pledged as collateral.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

- (b)The fair value of the investment properties amounted to NT\$164,768,105 and NT\$164,602,332 for the years ended December 31, 2023 and 2022, respectively. The fair value is measured based on the valuation result of independent valuers, by comparison approach, or land development analysis approach, which level 3 of fair value hierarchy.

10. Other Non-current Assets

Items	December 31, 2023	December 31, 2022
Prepayments for equipment	\$318,000	\$-
Refundable deposits	100,000	100,000
Total	<u>\$418,000</u>	<u>\$100,000</u>

11. Short-term Borrowings

Creditor Bank	Types of Borrowing	December 31, 2023	December 31, 2022
Mega International Commercial Bank	Secured bank loans	\$10,593,896	\$75,000,000
First Commercial Bank	Unsecured bank loans	35,000,000	-
CTBC Bank	Unsecured bank loans	-	20,000,000
Yuanta Commercial Bank Co., Ltd.	Unsecured bank loans	10,000,000	30,000,000
Bank of Taiwan	Unsecured bank loans	20,000,000	-
Taiwan Cooperative Financial Holding Co. Ltd.	Unsecured bank loans	-	30,000,000
Chang Hwa Commercial Bank, Ltd.	Unsecured bank loans	40,000,000	40,000,000
Total		<u>\$115,593,896</u>	<u>\$195,000,000</u>

- (a)As of December 31, 2023 and 2022, the interest rate intervals of short-term borrowings are 1.87~2.035% and 1.68~2.0587% respectively.
- (b)As of December 31, 2023 and 2022, the unused loan limits are NT\$614,406 thousand and NT\$525,000 thousand respectively.
- (c)Please refer to Note 8 for the details of assets that have been pledged.

12. Short-term Notes Payable

Items	December 31, 2023	December 31, 2022
Commercial paper	\$40,000,000	\$30,000,000
Less : Unamortized discount on notes payable	(22,076)	(78,214)
Total	<u>\$39,977,924</u>	<u>\$29,921,786</u>

- (1)As of December 31, 2023 and 2022, the commercial paper is issued and guaranteed by MEGA BILLS and China Bills, for the purpose of short-term financing, the interest rates are 1.41~1.75% and 1.762% respectively.
- (2)As of December 31, 2023 and 2022, the unused notes payable limits are NT\$60,000 thousand and NT\$70,000 thousand respectively.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

13. Other payables

Items	December 31, 2023	December 31, 2022
Salary and wages payable	\$15,227,489	\$17,559,890
Interest payable	67,134	118,019
Insurance payable	614,373	613,144
Pension payable	552,764	557,719
Others	8,398,765	8,994,353
Subtotal	24,860,525	27,843,125
Payables for purchasing investment property	2,000,000	2,000,000
Payables for purchasing PP&E	-	2,528,400
Total	\$26,860,525	\$32,371,525

14. Retirement Benefit Plan

(a) Defined Contribution Plan

The employee pension plan under the Labor Pension Act of the R.O.C. is a defined contribution plan. Since July 1, 2005, pursuant to the plan, the Company makes monthly contributions of 6% based on each individual employee's salary or wage to employees' pension accounts. Total pension expenses of NT\$2,233,482 and NT\$2,350,951 were contributed by the Company for the years ended December 31, 2023 and 2022, respectively.

(2) Defined Benefit Plan

① The employee pension plan mandated by the Labor Standards Act of the R.O.C. is a defined benefit plan. According to the Standards, the pension benefits are disbursed based on the units of service years and average monthly salary of 6 months prior to retirement. The Company contributes an amount equivalent to 15% of the employees' total salaries and wages on a monthly basis to the pension fund deposited with the Bank of Taiwan under the name of the Labor Pension Fund Supervisory Committee. Before the end of each year, the Company assesses the balance in the Funds. If the balance in the account is inadequate to pay retirement benefits for employees who confirm to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of next year.

② The amounts recognized in balance sheets are as follows :

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	\$(14,662,000)	\$(15,814,000)
Fair value of plan assets	19,988,957	21,101,301
Net benefit obligation assets (liabilities)	\$5,326,957	\$5,287,301

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

③ The changes in net benefit obligation assets (liabilities) are as follows :

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Benefit Obligation Assets (Liabilities)
2023			
Balance as of January 1	\$(15,814,000)	\$21,101,301	\$5,287,301
Current service cost	(169,088)	-	(169,088)
Interest revenue (expense)	(187,400)	253,491	66,091
Subtotal	<u>(16,170,488)</u>	<u>21,354,792</u>	<u>5,184,304</u>
Remeasurement of defined obligation assets/ liabilities			
Expected return on plan assets	-	199,504	199,504
Experience adjustment	(56,851)	-	(56,851)
Subtotal	<u>(56,851)</u>	<u>199,504</u>	<u>142,653</u>
Funding of retirement benefits	-	-	-
Benefits paid	1,565,339	(1,565,339)	-
Balance as of December 31	<u><u>\$(14,662,000)</u></u>	<u><u>\$19,988,957</u></u>	<u><u>\$5,326,957</u></u>
2022			
Balance as of January 1	\$(18,448,000)	\$23,182,502	\$4,734,502
Current service cost	(245,221)	-	(245,221)
Interest revenue (expense)	(81,740)	105,413	23,673
Subtotal	<u>(18,774,961)</u>	<u>23,287,915</u>	<u>4,512,954</u>
Remeasurement of defined obligation assets/ liabilities			
Expected return on plan assets	-	1,989,611	1,989,611
Experience adjustment	(1,215,264)	-	(1,215,264)
Subtotal	<u>(1,215,264)</u>	<u>1,989,611</u>	<u>774,347</u>
Funding of retirement benefits	-	-	-
Benefits paid	4,176,225	(4,176,225)	-
Balance as of December 31	<u><u>\$(15,814,000)</u></u>	<u><u>\$21,101,301</u></u>	<u><u>\$5,287,301</u></u>

- ④ The employee pension fund defined benefit plan is deposited under a trust administered by the Bank of Taiwan. Bank of Taiwan follows the proportion and amount of operation items designated in the utilization plan of the fund, according to the items designated in Act. 6 of Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (which are deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate and its securitization products, etc.), to operate the commission. The related utilization is supervised by the Bureau of Labor Funds, which also guarantees the minimum return to be no less than the return attainable from interest rates offered by local banks for two-year time deposits. If the return does not reach the target, after authorized by competent authority, national treasury shall fund the difference. The Company has no right to participate in the operation and administration of the fund; as such, the Company is unable to disclose the classification of fair value of the plan assets based on PAR 142 of IAS 19. For the fair value of the fund assets as of December 31, 2023 and 2022, please refer to the utilization report of labor retirement fund of each year publicly announced by the government.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

⑤The principal underlying actuarial assumptions used in the end of the reporting period are as follows :

	2023	2022
Discount rate	1.25%	1.25%
Rate of expected future salary increase	1.50%	1.50%

The effects of the present value of defined benefit obligation due to the changes in main actuarial assumptions :

	Discount rate		Rate of expected future salary increase	
	0.25% increase	0.25% decrease	1.00% increase	1.00% decrease
<u>December 31, 2023</u>				
Effects of the present value of defined benefit obligation	\$(69,000)	\$71,000	\$310,000	\$(286,000)
<u>December 31, 2022</u>				
Effects of the present value of defined benefit obligation	\$(76,000)	\$78,000	\$349,000	\$(324,000)

The sensitivity analyses above have been determined based a method that extrapolates the effects on the net defined obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Practically, the changes of assumptions may be correlated. The method that the sensitivity analyses adopted is the same as what the calculation of net defined benefit assets do.

- ⑥The Company expects to make pension fund contribution of NT\$0 within a year after December 31, 2023.
- ⑦The weighted-average durations of the defined benefit obligation were 2.1 years as of December 31, 2023.

15. Equity

(1)The Issuance of Ordinary Shares

The Company had 120,000,000 ordinary shares, with authorized capital of NT\$1,200,000,000, authorized to be issued as of December 31, 2023 and 2022, of which 80,694,536 shares with par value of NT\$10 were issued.

(2)Capital Surplus

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$17,629,090	\$17,629,090
Donated assets received	408,746	408,746
	<u>\$18,037,836</u>	<u>\$18,037,836</u>

- ① The capital surplus NT\$18,037,836 is the sum of the balance of NT\$17,629,090 arising from additional paid-in capital from cash capital increase at premium NT\$36,000,000 less the amount of NT\$18,370,910, which has been transferred to ordinary shares, and the amount of NT\$408,746 arising from unclaimed dividends

overdue transferred to capital surplus.

- ② The additional paid-in capital shall be used for making good the deficit of the Company. According to the regulation of the Company Act, where a company incurs no loss, it may distribute its additional paid-in capital, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash.

(3)Retained Earnings

Legal capital reserve

According to the regulation of the Company Act, the Company shall set aside ten percent of profits as a legal reserve in the next year, until the legal reserve amounts to the authorized capital. Within the limited amount, the legal capital reserve may be used to make good of a deficit, or appropriated to capital. Where a company incurs no loss, it may distribute its legal capital reserve, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash, for the portion in excess of 25% of the paid-in capital.

Special capital reserve

- ① According to the regulations of Financial Supervisory Commission and the Securities Exchange Act, the Company is required to appropriate a special reserve, from the profit after tax in the current year and unappropriated earnings, in the amount equal to the debit elements under equity at every year-end. If any of the debit elements is reversed, the special reserve in the amount equal to the reversal may be reversed for earnings distribution.
- ② After adopting the International Financial Reporting Standards (IFRS), according to No. Financial-Supervisory-Securities-Corporate-1010012865 issued on April 6, 2012, for any unrealized revaluation increment or cumulative translation adjustment (profit) accounted for under shareholders' equity, if it is transferred to retained earnings because the company chose to apply an exemption under IFRS 1 "First-time Adoption of International Financial Reporting Standards", the Company has allocated the same amount respectively in special reserve. After preparing financial statements by adopting IFRS, when distributing distributable surplus, the Company shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the cumulative net amount of other deductions from equity. If subsequently there is any reversal of the net amount of other deductions from equity, the amount of the reversal may be reversed from special reserve and booked for earnings distribution.

As of January 1, 2013, the special capital reserve arising from the first adoption is NT\$12,003,079. The Company did not reverse special capital reserve to unappropriated earnings due to the use, disposal or reclassification of related assets in 2023 and 2022. As of December 31, 2023 and 2022, the balances of special capital reserve are both NT\$12,003,079.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

Dividend Policy

The Company, when allocating its surplus profits after having paid profit-seeking enterprise income tax and making good of deficit in the past years, shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The Company shall distribute fifty to ninety five percent of the sum of the surplus profits balance after appropriating or reversing the special capital reserve, and the unappropriated earnings in the previous years based on regulations. The earning distributing ratio shall be adjusted by the resolution of shareholders' meeting, depending on the actual surplus and funding conditions. In consideration of future funding requirements and long-term operation plan, if there's surplus in the annual final accounts, the ratio of cash dividend shall be no less than ten percent of total distribution. Cash dividend less than NT\$0.1 shall not be distributed.

The appropriation of earnings for 2022 was approved by the shareholders' meeting held on June 20, 2023, while the appropriation of earnings for 2021 was approved by the shareholders' meeting held on July 21, 2022. The details of the appropriation are as follows :

	2022		2021	
	Amount	Dividend per share (NT\$)	Amount	Dividend per share (NT\$)
Legal reserve	\$-		\$1,472,501	
Cash dividends	-	\$-	16,138,907	\$0.2
	<u>\$-</u>		<u>\$17,611,408</u>	

Please refer to Note 6-23 for information on the employees and directors compensation.

(4)Other Equity Interests

	Unrealized gain (losses) on FVTOCI financial assets	Total
January 1, 2023	\$92,954,618	\$92,954,618
Unrealized gain or losses on FVTOCI financial assets	3,738,253	3,738,253
December 31, 2023	<u>\$96,692,871</u>	<u>\$96,692,871</u>
	Unrealized gain (losses) on FVTOCI financial assets	Total
January 1, 2022	\$83,719,248	\$83,719,248
Unrealized gain or losses on FVTOCI financial assets	9,235,370	9,235,370
December 31, 2022	<u>\$92,954,618</u>	<u>\$92,954,618</u>

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

16. Operating Revenue

A. The information of contracts with customers in 2023 and 2022 is as follows :

	2023	2022
Normal steel wires	\$433,547,953	\$643,397,573
Galvanized wires	38,444,714	47,557,493
Steel cables	113,692,635	119,519,435
Others	862,657	328,778
Total	<u>\$586,547,959</u>	<u>\$810,803,279</u>
Time of the revenue recognition :		
at a point in time	<u>\$586,547,959</u>	<u>\$810,803,279</u>

B. Contract assets and liabilities : None

17. Interest Revenue

Items	2023	2022
Interest from bank saving	\$183,553	\$79,824
Interest of short-term commercial papers	57,627	52,089
Total	<u>\$241,180</u>	<u>\$131,913</u>

18. Other Revenue

Items	2023	2022
Dividend revenue	\$1,585,829	\$1,729,995
Others	4,459,870	5,833,570
Total	<u>\$6,045,699</u>	<u>\$7,563,565</u>

19. Other Profit and Loss

Items	2023	2022
Foreign exchange profit (loss), net	\$(708,224)	\$(3,256,737)
Reversal profit (loss) of impairment losses for non-financial assets	165,773	96,447
Total	<u>\$(542,451)</u>	<u>\$(3,160,290)</u>

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

20. Financial Costs

Items	2023	2022
Interest expense		
Borrowing from financial institutions	\$3,101,512	\$3,616,098
Lease liabilities	42,285	47,073
Less: amount eligible for capitalization	-	-
Total	<u>\$3,143,797</u>	<u>\$3,663,171</u>

21. Income Tax

(a) Income tax recognized in profit or loss:

	2023	2022
Current income tax expense		
Current income tax charge	\$-	\$-
Surtax of profit-seeking enterprise income tax on undistributed earnings of the prior year	-	-
Adjustments in respect of current income tax of prior periods	-	270,000
Deferred income tax		
The origination and reversal of temporary differences	(614,833)	(2,062,447)
Income tax expense (benefit) recognized in profit or loss	<u>\$(614,833)</u>	<u>\$(1,792,447)</u>
The declaration of the Company's profit-seeking enterprise income tax has been verified by the tax collection authority until 2021.		

(b) The reconciliation between income tax expense and income before tax at the Company's applicable tax rate is as follows:

	2023	2022
Operation income before tax	<u>\$(3,727,133)</u>	<u>\$(14,490,681)</u>
At statutory income tax rate	\$ (745,426)	\$ (2,898,136)
Underestimation (overestimation) of income tax of prior periods	-	270,000
Surtax of profit-seeking enterprise income tax on undistributed earnings of the prior year	-	-
Non-deductible expenses	131,322	(625,346)
Tax exempt income	(729)	1,461,035
Loss deductions deferred (used)	-	-
Adjustment due to changes in tax rate	-	-
Total income tax expense (benefit) recognized in profit or loss	<u>\$(614,833)</u>	<u>\$(1,792,447)</u>

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

(c)Income tax expense (benefit) recognized in other comprehensive income:

	2023	2022
Deferred income tax expense (benefit)		
Relevant to the actuarial profit or loss of defined benefit plan	\$28,531	\$154,869

(d)The balances of deferred income tax assets (liabilities) related the items below :

2023	Balance as of January 1	Recognized in Profit (loss)	Recognized in other comprehensive income	Balance as of December 31
Temporary differences				
Net unrealized exchange losses (gains)	\$(107,475)	\$161,394	\$-	\$53,919
Allowance for loss for market price decline and obsolete and slow-moving inventories	1,566,045	312,668	-	1,878,713
Net defined benefit assets	(1,568,944)	20,599	(28,531)	(1,576,876)
Paid leaves of employees	376,278	(73,568)	-	302,710
Reserves for Land value increment tax	(12,826,201)	-	-	(12,826,201)
Others	650,960	194,469	-	845,429
Loss deductions	1,461,035	(729)	-	1,460,306
Deferred income tax benefit (expense)		\$614,833	\$(28,531)	
Net deferred income tax assets (liabilities)	\$(10,448,302)			\$(9,862,000)
The information expressed on the balance sheets is as follows :				
Deferred income tax assets	\$4,258,973			\$4,589,960
Deferred income tax liabilities	\$14,707,275			\$14,451,960
2022	Balance as of January 1	Recognized in Profit (loss)	Recognized in other comprehensive income	Balance as of December 31
Temporary differences				
Net unrealized exchange losses (gains)	\$497	\$(107,972)	\$-	\$(107,475)
Allowance for loss for market price decline and obsolete and slow-moving inventories	1,057,419	508,626	-	1,566,045
Net defined benefit assets	(1,458,385)	44,310	(154,869)	(1,568,944)
Paid leaves of employees	404,834	(28,556)	-	376,278
Reserves for Land value increment tax	(12,826,201)	-	-	(12,826,201)
Others	465,956	185,004	-	650,960
Loss deductions	-	1,461,035	-	1,461,035
Deferred income tax benefit (expense)		\$2,062,447	\$(154,869)	
Net deferred income tax assets (liabilities)	\$(12,355,880)			\$(10,448,302)
The information expressed on the balance sheets is as follows :				
Deferred income tax assets	\$2,148,801			\$4,258,973
Deferred income tax liabilities	\$14,504,681			\$14,707,275

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

- (e)According to the Income Tax Act, the loss deductions above, arising from the loss in the prior ten years verified by the tax collection authority, could be deducted from the net profit of current year, before assessing the income tax. As of December 31, 2023, the deductible amount and the deductible deadline are as follows :

Year of losses incurred	Declaration	Undedicated losses	Last deductible year
2022	Amount declared	\$7,301,530	2032
Total		\$7,301,530	

22.Earnings per share

	2023	2022
①Basic earnings per share		
Net income attributable to the Company's ordinary shareholders	\$(3,112,300)	\$(12,698,234)
Weighted-average number of ordinary shares for basic earnings per share	80,694,536	80,694,536
Basic earnings per share	\$(0.04)	\$(0.16)
②Diluted earnings per share		
Net income attributable to the Company's ordinary shareholders	\$(3,112,300)	\$(12,698,234)
Weighted-average number of ordinary shares for basic earnings per share	80,694,536	80,694,536
Employees' compensation-stock	-	-
Weighted-average number of ordinary shares after dilution	80,694,536	80,694,536
Diluted earnings per share	\$(0.04)	\$(0.16)

(Remark) : The calculation the diluted earnings per share is based on the assumption that the employees' compensation would be paid by stock, which would be added into the weighted-average number of outstanding shares at the time when the potential ordinary shares become dilutive. When calculating the diluted earnings per share, the share number shall be judged based on the closing price of the potential ordinary shares on balance sheets date. Before the resolution of the shares to be distributed as employees' compensation by the Board of Directors in the next year, when calculating the diluted earnings per share, the dilution of potential ordinary shares shall be considered.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

23. Current Employee Benefits, Depreciation, Depletion and Amortization Expenses Categorized by Function

By nature \ By function	2023			2022		
	Recognized in cost of revenue	Recognized in operation expenses	Total	Recognized in cost of revenue	Recognized in operation expenses	Total
Employee benefits	47,059,836	36,077,410	83,137,246	47,389,054	38,475,796	85,864,850
Salaries & wages	34,445,268	29,912,701	64,357,969	35,704,361	33,126,718	68,831,079
Labor and health insurance	4,705,770	2,673,651	7,379,421	4,746,451	2,659,074	7,405,525
Pension	1,515,807	820,672	2,336,479	1,719,263	853,236	2,572,499
Directors' compensation	-	715,200	715,200	-	315,000	315,000
Other employee benefits	6,392,991	1,955,186	8,348,177	5,218,979	1,521,768	6,740,747
Depreciation expense	17,054,160	2,914,261	19,968,421	17,266,433	3,010,868	20,277,301
Amortization expense	-	-	-	-	-	-

(a) The average numbers of employees are 120 and 124 in the year of 2023 and 2022, respectively.

Among them, the numbers of directors not serving as employees are 3.

The average employee benefit expenses and average salaries & wages are NT\$704,462 and NT\$550,068 in 2023, and NT\$707,024 and NT\$568,852 in 2022, respectively. The average salaries & wages in 2023 has decreased about 3.3% compared with that in 2022.

(b) The policies of directors', managers, and employees' salaries & wages and compensation are as follows :

There are policies of directors' and employees' compensation in the Company's Articles of Incorporation, and there is Remuneration Committee to supervise and assess the system of directors', managers, and employees' salaries & wages and compensation.

The process of determining the directors' and managers' compensation is based on the rules of management-level bonus distribution, rules of the management of salaries and wages, and the rules of year-end bonus distribution, and regular assessment to distribute reasonable compensations.

The Company has developed complete employee benefit system based on regulations, to provide employees with good compensation and benefit conditions. Based on the rules of management of salaries and wages, the salaries and wages of employees include fixed salaries (basic salary, department allowance, and duty allowance), variable salaries (allowance and bonus), and tax-exempt salaries (overtime pay, meal allowance, and unused vacation bonus, etc.), and year-end bonus shall be distributed based on the rules of year-end bonus distribution.

(c) According to the Company's Articles of Incorporation, the Company shall allocate compensation to employees and directors of the Company in the range of one to five percent and no more than five percent of annual profits during the period, respectively; provided, however, that when the Company has accumulated losses, the profits shall be preserved to make up for losses, before distributing to employees and directors. The employees' compensation shall be distributed in stock or cash, which may include eligible employees of affiliated companies, and the directors' compensation shall be distributed only in cash. The resolution of distributing in stock or cash should be made by the Board of Directors, and reported to the shareholders meeting.

(d) The accrued employees' compensation are both NT\$0 in 2023 and 2022. The accrued directors' compensations are both NT\$0 in 2023 and 2022. The employees' and directors' compensation are expensed based on the estimated amount payable based on the profit. If the amount is different from the amount resolved by the Board of Directors, the differences are recorded as a change in accounting estimate, and recognized in profit or loss in the next year. Based on the resolution of the Board of Directors on March 7, 2023, the employees' and directors' compensations are both NT\$0. The amounts in the resolution are the same as the

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)

(Except as indicated, expressed in New Taiwan Dollar)

employees' and directors' compensations amounts recognized in the financial statements of 2022.

The information about the employees' and directors' compensation resolved by the Board of Directors and reported in the shareholders' meeting is available at the Market Observation Post System website.

(7)Related Party Transactions

1.Significant transactions with related parties: None

2.The information of the total amount of the main management-level :

Items	2023	2022
Wages & salaries and other short-term employee benefits	\$17,449,174	\$15,902,689

Remark: In the years of 2023 and 2022, the carrying values of other short-term employee benefit, including company car, amount to NT\$1,151,910 and NT\$734,458.

(8)Pledge Assets

The assets listed below have been pledged as collateral for long-term or short-term borrowings or other financing.

Assets	Carrying amount		Purpose of pledge
	December 31, 2023	December 31, 2022	
Property, plant, and equipment			
Land	148,943,689	148,943,689	Long-term or short-term borrowings
Buildings	24,374,883	26,258,667	Long-term or short-term borrowings
Equipment	19,716,499	24,147,355	Long-term or short-term borrowings
Total	\$193,035,071	\$199,349,711	

(9)Significant Contingencies and Unrecognized Contract Commitments

1.As of December 31, 2023 and 2022, the guarantee notes submitted arising from purchasing materials from China Steel Corporation, performance and completion guarantee, and bank loans amounted to NT\$ 558,294,138 and NT\$558,294,138, respectively.

2. : As of December 31, 2023 and 2022, the details of the unused balance of domestic and foreign usance L/C are as follows :

	The amount of letter of credit	
	December 31, 2023	December 31, 2022
Domestic-in NTD	707,393	28,895,999
Foreign-in USD	789,900	469,900

(10)Losses Due to Major Disasters : None

(11)Significant Subsequent Events : None

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

(12)Others :

1.The Financial Risk of Financial Instruments

(a)Types of financial assets

	Expressed in thousands of New Taiwan Dollar	
	December 31, 2023	December 31, 2022
Financial assets:		
Non-current financial assets measured at fair value through other comprehensive income		
Designated equity investment	\$116,589	\$112,852
Financial assets measured at amortized cost		
Cash and cash equivalents	63,720	80,171
Notes receivable, net	76,532	106,270
Accounts receivable, net	85,438	88,911
Other receivables	-	100
Refundable deposits	100	100
Total	<u>\$342,379</u>	<u>\$388,404</u>
	December 31, 2023	December 31, 2022
Financial liabilities:		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$115,594	\$195,000
Short-term notes payable	39,978	29,922
Notes payable	5,593	6,780
Accounts payable	10,232	1,115
Other payables	26,860	32,371
Lease liabilities (including the portion due within one year or one operating cycle)	2,529	3,006
Total	<u>\$200,786</u>	<u>\$268,194</u>

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

(b) Financial Risk Management Objective and Policies

The Company's risk management objectives are to manage the market risk, credit risk and liquidity risk related to its operating activities. The company identifies, measures, and manages the aforementioned risks based on policy and risk preference.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(c) The Nature and Level of Significant Financial Risk

A. Market risk

The Company's market risk mainly arises from the volatility of fair value or cash flow due to the changes in market price of financial instruments. Market risks comprise foreign currency risk, interest rate risk and other price risk.

The sensitivity analyses above have been determined based a method that extrapolates the effects on the net defined obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Practically, the single risk variable hardly changes individually, and the changes of risk variables may be correlated. However, the sensitivity analyses below have been determined based on the method that extrapolates the correlation of relevant risk variables.

Foreign currency risk

- ① The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). Some of the receivables and payables are denominated in the same foreign currencies; thus, the positions would benefit from the natural hedging effect.
- ② The information of financial assets and liabilities in foreign currencies affected by significant exchange rate volatility is as follows :

December 31, 2023			
(Foreign currency: functional currency)	Foreign currency(in thousands)	Exchange rate	Carrying amount(in thousands)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$74	30.655	\$2,267
JPY:NTD	108,315	0.2152	23,309

December 31, 2022			
(Foreign currency: functional currency)	Foreign currency(in thousands)	Exchange rate	Carrying amount(in thousands)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$9	30.66	\$271
JPY:NTD	76,836	0.2304	17,703

- ③ The functional currency of the Company is New Taiwan Dollar, and the foreign currencies the Company possesses include USD and JPY. The foreign exchange profit (loss) (including realized and unrealized) amounted to NT\$(708) thousands and NT\$(3,257) in 2023 and 2022, respectively.
- ④ The sensitivity analyses of the Company's foreign currency risk are mainly toward the effects on the Company's profit or loss of related appreciation and depreciation of foreign currencies arising from the monetary items denominated in main foreign currencies at the end of the

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

reporting period. The foreign currency risk is mainly affected by the volatility of the exchange rate of USD and JPY, and the results of the sensitivity analyses are as follows :

A strengthening (weakening) of 1% of the NTD against the USD as of the years ended December 31, 2023 and 2022, would have increased (decreased) the net profit before tax by NT\$22 thousands and NT\$3 thousands, respectively. A strengthening (weakening) of 1% of the NTD against the JPY as of the years ended December 31, 2023 and 2022, would have increased (decreased) the net profit before tax by NT\$233 thousands and NT\$177 thousands, respectively.

Price risk

- ① The fair value of Company's listed and unlisted equity securities are susceptible to uncertainties about future value of the investment instruments. In order to manage the price risk of equity investments, the Company controls the risk by diversifying the portfolio.
- ② If the price of aforementioned equity instruments classified as financial assets at fair value through other comprehensive income had increased (decreased) by 1%, the Company's shareholders' equity would have increased (decreased) by NT\$1,166 thousands and NT\$1,129 thousands for the years ended December 31, 2023 and 2022, assuming all other variable factors remain constant. This is mainly due to the Group's borrowing in floating variable rates and investment in variable rate bills.

Interest rate risk

- ① The interest rate risk is the risk of the volatility of financial instruments' fair value or future cash flow due to the changes in market interest rate. The Company's interest rate risk mainly arises from the floating rate investments classified as lending or receivables, and floating rate loans.
- ② The sensitivity analysis is based on the items' exposure to the interest rate risk, including floating rate loans, on the reporting date, and based on the assumption of holding for a fiscal year. If the interest rate had increased (decreased) by 10%, the Company's net profit before tax would have decreased (increased) by NT\$266 thousands and NT\$281 thousands for the years ended December 31, 2023 and 2022. This is mainly due to the Company's borrowing in floating variable rates.

B. Credit risk

- ① 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 accounts receivables and notes receivables, and from financing activities, primarily deposits and every financial investment.
- ② Each operating unit follows the customers' credit risk policies, procedures and controls to manage the customers' credit risk. The credit risk assessment is comprehensively based on the financial condition, the credit rating, historical transaction experiences, current economic environment, and the Company's internal rating, etc. Additionally, the Company uses some credit enhancement instruments (such as advance sales receipts and insurance, etc.) to decrease the credit risk of specific customers.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

- ③ As of December 31, 2023 and 2022, the Company's ten largest customers accounted for 51% and 45% of accounts receivables, respectively. The Company considers the concentration of credit risk for the remaining accounts receivables not material. The finance department of the Company manages the credit risk of checkings and savings and other financial instruments based on the Company's policies. Since the counterparties of transactions are determined by the internal control procedures, they are reputable banks and investment grade financial institutions and companies. There's no significant concern over the performance of contracts; thus, there's no material credit risk.
- ④ The Company assessed the expected credit loss of accounts and notes receivables based on simplified provision matrix.
- ⑤ The Company built the loss rate by forward-looking consideration of historical and current information in specific periods, to assess the allowance for loss of accounts and notes receivables. The provision matrix as of December 31, 2023 and 2022 is as follows: (expressed in thousands of New Taiwan Dollars)

	1-30 days	31-60 days	60-90 days	90-180 days
<u>December 31, 2023</u>				
Expected loss rate(Remark)	0.00%	1.00%	2.00%	11.61%
Total carrying amount	\$87,349	\$51,364	\$19,518	\$5,253
Allowance for loss	\$-	\$(514)	\$(390)	\$(610)

	Over180 days	Total
<u>December 31, 2023</u>		
Expected loss rate(Remark)	100.00%	
Total carrying amount	\$-	\$163,484
Allowance for loss	\$-	\$(1,514)

	1-30 days	31-60 days	60-90 days	90-180 days
<u>December 31, 2022</u>				
Expected loss rate(Remark)	0.00%	1.00%	2.00%	6.00%
Total carrying amount	\$111,921	\$51,659	\$24,736	\$8,379
Allowance for loss	\$-	\$(516)	\$(495)	\$(503)

	Over180 days	Total
<u>December 31, 2022</u>		
Expected loss rate(Remark)	100.00%	
Total carrying amount	\$-	\$196,695
Allowance for loss	\$-	\$(1,514)

Remark : The aging analysis above is based on the account date. The Company considers the whole credit and debt for the expected loss rate.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

- ⑥ The Company applies the simplified approach to provide for the changes in allowance for loss of accounts and notes receivables as follows :

	2023	2022
Beginning balance	\$1,514	\$1,514
Impairment losses recognized (reversed)	-	-
Ending balance	\$1,514	\$1,514

Among the loss recognized in 2023 and 2022, the impairment loss due to accounts receivables arising from contracts with customers amounted to both NT\$0 thousands.

C.Management of liquidity risk

- ① The Company maintains financial flexibility by cash and cash equivalents and contracts, such as bank loans. The table below analyzed the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities	Expressed in thousands of New Taiwan Dollars				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
December 31, 2023					
Short-term borrowings	\$115,594	-	-	-	\$115,594
Short-term notes payable	40,000	-	-	-	40,000
Notes payable	5,593	-	-	-	5,593
Accounts payable	10,232	-	-	-	10,232
Other payables	26,860	-	-	-	26,860
Lease liabilities (including the portion due within one year or one operating cycle)	479	299	299	1,618	2,695
December 31, 2022					
Short-term borrowings	\$195,000	-	-	-	\$195,000
Short-term notes payable	30,000	-	-	-	30,000
Notes payable	6,780	-	-	-	6,780
Accounts payable	1,115	-	-	-	1,115
Other payables	32,371	-	-	-	32,371
Lease liabilities (including the portion due within one year or one operating cycle)	519	479	299	1,917	3,214

- ② As of the years ended December 31, 2023 and 2022, the Company hasn't traded derivative financial liabilities.
- ③ The Company doesn't expect the time point of the cash flow would be significantly moved up or the actual amount of the cash flow would be significantly different.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

D.Reconciliation of liabilities arising from financing activities

The information of reconciliation of liabilities arising from financing activities for the year ended December 31, 2023 is as follows:

	Expressed in thousands of New Taiwan Dollars		
	Lease liabilities	Others	Total liabilities arising from financing activities
January 1, 2023	\$3,006	\$225,000	\$228,006
Cash flows	(477)	(69,406)	(69,883)
Non-cash changes	-	-	-
December 31, 2023	\$2,529	\$155,594	\$158,123

The information of reconciliation of liabilities arising from financing activities for the year ended December 31, 2022 is as follows :

	Expressed in thousands of New Taiwan Dollars		
	Lease liabilities	Others	Total liabilities arising from financing activities
January 1, 2022	\$3,532	\$185,222	\$188,754
Cash flows	(526)	39,523	38,997
Non-cash changes	-	255	255
December 31, 2022	\$3,006	\$225,000	\$228,006

2.Fair Value of Financial Instruments

(a)The valuation techniques and assumptions of the fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used to measure or disclose the fair value of financial assets and liabilities are as follows :

- ① The carrying amount of cash and cash equivalents, receivables, payables, and other current liabilities is the reasonable approximation of fair value, because the duration of the instruments aforementioned is short.
- ② The fair value of financial assets and liabilities traded in active markets with standard terms and conditions is determined by quoted prices (such as stocks and bonds of listed companies, etc.).
- ③The fair value of equity instruments without active markets (such as stocks of public companies without active markets or stocks of unlisted companies) is assessed by the market approach, which uses prices and other relevant information (inputs such as discount for lack of marketability analysis, the P/E ratio of comparable companies, and

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

P/B ratio of comparable companies, etc.)generated by market transactions involving identical or comparable equity instruments.

(b)The information related to fair value hierarchy of financial instruments

Please refer to Note 12-3 for the fair value hierarchy information.

3. Fair Value Hierarchy

(a)The definition of fair value hierarchy

Measuring and disclosing all of the assets and liabilities are to categorize the fair value hierarchy by the lowest level input that is significant to the entire measurement. The inputs of each level are as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b)The information of fair value hierarchy

The Company holds assets measured at fair value on a non-recurring basis. The information of fair value hierarchy for the assets measured at fair value on a recurring basis is as follows :

December 31, 2023	Expressed in thousands of New Taiwan Dollars			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value :				
Financial assets at fair value through other comprehensive income				
Equity securities	\$16,111	\$-	\$100,478	\$116,589
December 31, 2022	Expressed in thousands of New Taiwan Dollars			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value :				
Financial assets at fair value through other comprehensive income				
Equity securities	\$9,868	\$-	\$102,984	\$112,852

(c)The methods and assumptions used to measure the fair value are as follows :

A.The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by charactersits :

	Stocks of listed companies	Open-end funds
Market quoted price	Closing price	Net asset value

B.Except for financial instruments with active markets, the fair value of other financial

- instruments is measured by using valuation techniques that are accepted by financial management.
- C. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation techniques that are widely used by market participants. The variables used in the valuation model are normally the observable information in the market.
 - D. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation methods and techniques that are widely used within the same industry. These valuation models are normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitized instruments, etc. Certain inputs used in the valuation models are not observable at market, so the Company shall make reasonable estimates based on its assumptions.
 - E. The output of the valuation models is estimated values and the valuation techniques may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated values derived by the valuation models would be adjusted accordingly based on additional variables, such as model risk or liquidity risk, etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management of the Company is convinced that adjustments to valuation is necessary in order to reasonably represent the fair value of the financial and non-financial instruments on the balance sheets. The variables and pricing information used in the valuation are carefully assessed and adjusted based on current market conditions.
 - F. The Company takes into account adjustments for credit risk to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- (d) During the years ended December 31, 2023 and 2022, there were no significant transfers between Level 1 and Level 2 fair value measurements.

4. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximized the shareholders' equity. The Company manages and adjusts the capital structure, probably by adjusting dividend payment, returning of capital, or issuing new shares, to maintain and adjust the capital structure.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

(13)Other Disclosures :

1.Information on Significant Transactions :

(a)Loans to others : None.

(b)Provision of endorsements and guarantees to others : None.

(c)Holding of marketable securities at the end of the period :

The company holds the securities	Names and types of the securities	Relationship	Financial statement account	Expressed in New Taiwan Dollars December 31, 2022				Remark
				Shares (thousand)	Carrying amount	Percentage of ownership	Market price	
Chia Ta World Co., Ltd.	Ordinary share of Tenpin United Enterprise Co., Ltd.	-	Non-current financial assets measured at fair value through other comprehensive income	557	16,111,403	0.90%	16,111,403	-
Chia Ta World Co., Ltd.	Ordinary shares of Ta Tainan Natural Gas Co., Ltd.	-	Non-current financial assets measured at fair value through other comprehensive income	3,460	100,477,993	2.88%	100,477,993	-

(d)Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital or more :
None.

(e)Acquisition of real estate reaching NT\$300 million or 20% of the Company's paid-in capital or more : None.

(f)Disposal of real estate reaching NT\$300 million or 20% of the Company's paid-in capital or more : None.

(g)Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more : None.

(h)Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more : None.

(i)Trading in derivative instruments : None.

Notes to the Financial Statements of Chia Ta World Co., Ltd. (Cont.)
(Except as indicated, expressed in New Taiwan Dollar)

2.Information on Investees :

Expressed in New Taiwan Dollars

The company holds the securities	Names of the securities	Location	Main businesses and products	Initial investment		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Remark
				Ending balance of this period	Beginning balance of previous period	Shares (thousand)	Percent age of owners hip	Carrying amount			
Chia Ta World Co., Ltd.	Shing Eco blue Co., Ltd.	New Taipei City	Manufacture of other chemical products	10,000,000	10,000,000	1,000	20.00%	2,779,849	(1,278,171)	(255,634)	-

3.Information on Investees in Mainland China : None.

4.Major Shareholders' Information :

Unit : share

Name of major shareholders	Shares	Number of shares	Percentage of ownership
Feng-pei International Investment Co., Ltd.		7,388,000	9.15%
Wu, Ta-ho		6,859,931	8.50%
Tienpin United Enterprise Co., Ltd.		5,107,020	6.32%

- (a)The information of major shareholders, whose ownership of the Company is above 5%, was calculated by Taiwan Depository & Clearing Corporation on the last operating date of each quarter, using the Company's issuance of ordinary shares (including treasury shares) and preference shares registered and held by the shareholders. The share capital on the financial statements may differ from the actual number of shares in dematerialized form due to the difference of calculation basis.
- (b)If the shares were kept in the trust by the shareholders, it was disclosed as a separate account set by the trustee. As for the shareholder, whose percentage of ownership of shares was greater than 10%, is regarded as an insider in accordance with Securities and Exchange Act, the percentage of ownership included the self-owned shares and trusted shares controlled by them. For the information of insiders, please refer to the Market Observation Post System.

(14)Segment Information

The Company manufactures single steel wire products, and the management of the Company allocates the resource and determines the performance evaluation based on the entire operating result. Therefore, the Company shall be identified as an entity with a single reportable segment.

1.Products types and service types: The Company manufactures and sells single steel wire products, and is not involved in other industries.

2.Regional Information :

(a)Revenue from domestic and foreign external customers

Expressed in thousands of New Taiwan Dollars

Region	2023	2022
Taiwan	\$546,405	\$768,223
Japan	39,115	39,605
Mainland China	1,028	2,975
Total	\$586,548	\$810,803

(b)Non-current assets

Expressed in thousands of New Taiwan Dollars

Region	December 31, 2023	December 31, 2022
Taiwan	\$623,844	\$641,149

3.Information of Major Customers

The individual customer with sales revenue accounting for over 10% of the net operating revenue of the Company is listed below :

Expressed in thousands of New Taiwan Dollars

Name of the Customer	2023	2022
Company C	\$71,111	\$138,188
Total	\$71,111	\$138,188

6.5 The Parent-Company-Only Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report: None.

6.6 If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the printing date of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

Unit: NT\$ thousands				
Item	Year	2022	2023	Difference
				Amount %
Current Assets		544,438	491,015	53,423 9.81
Financial Assets		115,887	119,369	-3,482 -3.00
Property, Plant and Equipment		473,652	456,329	17,323 3.66
Investment Property		164,602	164,768	-166 -0.10
Other Assets		12,441	12,664	-223 -1.79
Total Assets		1,311,020	1,244,145	66,875 5.10
Current Liabilities		265,875	198,954	66,921 25.17
Loan-term Loans		0	0	0 0
Other Liabilities		17,237	16,543	694 4.03
Total Liabilities		283,112	215,497	67,615 23.88
Capital Stock		806,945	806,945	0 0.00
Capital Surplus		18,038	18,038	0 0.00
Legal Reserve		96,497	96,497	0 0.00
Special Reserve		12,003	12,003	0 0.00
Retained earnings		1,470	- 1,528	2,998 203.95
Retained earnings		92,955	96,693	-3,738 -4.02
Total shareholders' equity		1,027,908	1,028,648	-740 -0.07
Liabilities & Equity		1,311,020	1,244,145	66,875 5.10
Explanation of Variations in Financial Ratios: 1. In 2023, there was a decrease of NT\$66,921 thousand in current liabilities, mainly attributed to lower revenue. This reduction in revenue lessened the company's need for short-term borrowings typically used for the procurement of raw materials and merchandise. 2. The decline in undistributed earnings reflects the losses sustained during the year 2023.				

7.2 Analysis of Financial Performance

7.2.1 Analysis of Comprehensive Income Statement

Unit: NT\$ thousands

Item	Year	2022	2023	Difference	
				Amount	%
Total Operating Revenue		812,614	587,831	-224,783	-27.66
Less: Sales Returns		-1,692	-1,146	-546	-32.27
Sales Allowances		-119	-137	18	15.13
Operating Revenue, Net		810,803	586,548	-224,255	-27.66
Operating Cost		759,243	534,430	-224,813	-29.61
Gross Profit		51,560	52,118	558	1.08
Operating Expenses		66,637	58,190	-8,447	-12.68
Operating Income		-15,077	-6,072	9,005	59.73
Other Income		7,696	6,287	-1,409	-18.31
Other Gains and Losses		-3,160	-542	2,618	82.85
Financial Costs		-3,663	-3,144	519	14.17
Share of Profit or Loss of Associates and Joint Ventures Accounted for Using Equity Method		-286	-256	30	10.49
Total Non-operating Income and Expenses		587	2,345	1,758	299.49
Profit (Loss) Before Tax		-14,490	-3,727	10,763	74.28
Income Tax Expense		1,792	615	-1,177	-65.68
Net Profit		-12,698	-3,112	9,586	75.49
Other Comprehensive Income		9,855	3,852	-6,003	-60.91
Total Comprehensive Income		-2,843	740	3,583	126.03
Earnings per Share		-0.16	-0.04	0.12	75.00

Explanation of Variations in Financial Ratios:

1. In 2023, sales revenue fell by 27.66%, primarily due to unfavorable market conditions. Additionally, returns decreased due to the stabilization of product quality from new equipment that started production in 2022.
2. The rise in net operating profit for 2023 was driven by the effective disposal of previously high-cost raw materials and finished goods, which lowered the unit cost of goods sold and boosted the gross margin on sales.
3. An increase in non-operating income was observed due to decreased interest expenses as a result of reduced borrowing for material purchases. Moreover, adept handling of fluctuations in the US dollar and Japanese yen exchange rates contributed to a reduction in currency losses.

7.2.2 Analysis of Financial Ratio

Item	2022	2023	Change%	Explanation
Gross Profit Margin	6.36	8.89	39.73%	Higher-priced inventory gradually sold off, subsequent purchases of raw materials and goods were at lower prices.
Inventory Turnover	3.03	2.10	-30.86%	Sales decreased in 2023, and imported goods in December increased by 24.85% compared to last year (imports are challenging to schedule due to maritime shipping).
Accounts Receivable Turnover	3.78	3.28	-13.14%	Explanation is omitted as the variation is less than 20%.

7.3 Cash Flow

Unit: NT\$ thousands					
Cash and Cash Equivalents at Beginning of Year(1)	Cash and Cash Equivalents at Beginning of Year(2)	Estimated Cash Outflow(3)	Cash Surplus (1)+(2)-(3)	Remedy for Liquidity Shortfall	
				Investment Plan	Investment Plan
63,720	58,000	50,000	71,720	0	0
1. Analysis of cash flow deviation of current year: (1)NT\$58,000 thousand net cash generated by operating activities. (2)NT\$30,000 thousand net cash used in investing activities. (3)NT\$20,000 thousand net cash used in financing activities. 2. Remedy Measures of Inadequate Liquidity and analysis: Not applicable.					

7.4 Major Capital Expenditure Items: None.

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year: The company has not made any investments in subsidiaries or associates.

7.6 The evaluation of risks by the Company:

01. Effects of changes in interest rates, foreign exchange rates and inflation on corporate finance, and future response measures:

Interest rate changes: The short-term securities held by the company with a maturity of up to three months have predetermined interest rates at the time of investment, and their holding period is very short (within 30 days). Therefore, the impact of market interest rate changes is minimal. Other borrowings are mainly for the procurement of raw materials and machinery necessary for operations. The loan amounts and interest can be adjusted in accordance with actual needs. As interest expenses are closely related to operational income, as long as borrowing and investment are managed securely, interest rate changes have no significant impact on the Company.

Exchange rate changes: The company responds to fluctuations in exchange rates based on the foreign currency situation at the time of order placement. Hedging derivative instruments are timely utilized for foreign currency orders, and imported materials are purchased through foreign currency loans, which are repaid or converted into Taiwanese dollars according to the exchange rate trend or hedged through derivative instruments. Overall, exchange rate changes do not have a significant impact on the company.

Inflation: The overall producer price index shows relatively low growth rates, and the consumer price index remains low. There is no significant inflation pressure. Therefore, inflation does not have a notable impact on the company.

02. Policies, main causes of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions: The company has not engaged in other high-risk, high-leverage investments, lending or endorsements guarantees. The company's operations related to derivative financial

- instruments are limited to forward contracts, which have minimal impact.
03. Research and development projects in the recent year, current progress of unfinished research and development projects, additional research and development expenses required, expected time for completion of mass production, and key factors affecting success: None.
 04. Effects of and response in the most recent fiscal year to changes in policies and regulations relating to corporate finance and sales: The company's financial operations are conducted in compliance with relevant laws and regulations, and there have been no significant effects on the company to date.
 05. Effects of and response to changes in technology relating to corporate finance and sales: No significant effect.
 06. The impact of changes in corporate image on corporate risk management, and the Company's response measures in the most recent year: Since the listing of our company's stock on the Taiwan Stock Exchange Corporation in the the fiscal year 2000, the company has consistently upheld the spirit of a listed company, fulfilled its social responsibilities, and sought to maximize the interests of all shareholders and employees.
 07. Expected benefits from, risks relating to and response to merger and acquisition plans: None.
 08. Expected benefits from, risks relating to and response to factory expansion plans: None.
 09. Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration: None.
 10. Effects of risks relating to and response to large share transfers or changes in shareholdings by directors or shareholders with shareholdings of over 10%: The company does not have any shareholders holding over 10% of the shares.
 11. Effects of risks relating to and response to the changes in management rights: The ownership of shareholders, directors, and supervisors in the company is stable, and the risk of changes in management rights is minimal.
 12. Litigation or non-litigation matters: The company has no litigation or non-litigation events
 13. Other major risks and responses:
 - A. In 2023, the company's major raw material suppliers were approximately 43.84% domestic and 56.16% foreign, including India, the United Kingdom, Malaysia, etc. Even in the event of global international events, the supply of raw materials will not be affected. Therefore, the procurement of raw materials does not have an impact on the company.
 - B. Operating Revenue: The domestic customers of the company are not the most severely affected industry in this wave, and some semi-finished products that cannot be imported from abroad have turned to the company for raw material procurement. The company's foreign customers, as the products are all shipped and used as raw materials for basic construction in their respective countries, have not been affected in terms of delivery due to the current wave of the pandemic.
 - C. As the sources of raw material supply are relatively stable and the customer base is from industries less affected by the crisis, the company's production lines can still operate normally. Therefore, there is no impairment of related real estate, factory buildings, and equipment.

7.7 Other Important Items: None.

VIII. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Basic Information of Affiliated Companies

Chia Ta World Co., Ltd.

8.2 Private Placement Securities in the Most Recent Years: None.

8.3 Shares in the Company Held or Disposed by Subsidiaries in the Most Recent Years: None.

8.4 Other Supplementary Information to be Disclosed: None.

8.5 Until the Printing Date of the Annual Report, the Items That Have Great Impact on the Company's Shareholders' Interests or Stock Prices Which Related to Securities and Exchange Act Article 36 Paragraph 3 Section 2: None.

Chia Ta World Co., Ltd.



Chairman: Wu, Ta-He



May 13, 2024