YEOU YIH STEEL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
AND
INDEPENDENT AUDITORS' REPORT

Contents

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Yeou Yih Steel Co., Ltd. as of and for the year ended December 31, 2022 under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No.10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Yeou Yih Steel Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Yeou Yih Steel Co., Ltd.

By

Sen-Tong Liu
Chairman

March 17, 2023

Crowe

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Independent Auditors' Report

To the Board of Directors and Shareholders
Yeou Yih Steel Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Yeou Yih Steel Co., Ltd. and its subsidiaries (the "Group") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Valuation of inventory

Please refer to Note 4.8 to the consolidated financial statements for the accounting policy of inventories, Note 5.2(4) for critical accounting judgments, estimates and key sources of assumption uncertainty of inventories, and Note 6.4 for inventory valuation.

Description of key audit matter

As of December 31, 2022, inventory was $873,376 thousand and accounted for 58.43% of the total assets. The inventory valuation is measured at the lower of inventory cost and net realizable value. Since inventory valuation is dependent on the influence of frequently volatile fluctuations of nickel price, further affecting stainless steel price.

How the matter was addressed in our audit

In relation to the key audit matter above, our principal audit procedures included evaluating the correctness of the valuation allowance, rationality of evaluation loss, preciseness of evaluation allowance of the past and comparing which with that of current period to see if the estimation method and assumption was appropriate, and examining the appropriateness of the related disclosure of the inventory allowance.

Revenue recognition

Please refer to Note 4.16 to the consolidated financial statements for the accounting policy of revenue recognition, Note 5.1(1) and Note 5.2(1) for critical accounting judgements, estimates and key sources of assumption uncertainty of revenue recognition, and Note 6.17 for the description of revenue recognition.

Description of key audit matter

The Group sales revenue is easily influenced by various factors such as the industry boom, market environment and government policies, and has a significant impact on the capacity utilization rate of the Group (the recognition of idle capacity loss), inventory risk and cash flow. Consequently, revenue recognition is deemed to be a key audit matter.

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<u>How the matter was addressed in our audit</u>

In relation to the key audit matter above, our principal audit procedures included testing the Group's controls surrounding revenue recognition; inspecting customer orders and performing a test of revenue transactions which incurred within a certain period before or after the balance sheet date, analysis of the trend of product sales and comparing the number of relevant changes or differences with the budget to confirm whether there is a significant exception; and evaluating the orders and related document of bill-and-hold sales, in which delivery is delayed at the buyer's request but the buyer takes the title and accept the billing, to see if the risk and reward had been transferred to the buyer for revenue recognition.

Other Matters

We have also audited the standalone financial statements of Yeou Yih Steel Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo Ming Lee and Ling Wen Huang.

Crowe (TW) CPAs

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China

March 17, 2023

<u>*Notice to Readers*</u>

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

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

YEOU YIH STEEL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
Assets	Note	Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6.1	$211,799	14	$108,286	6
Accounts receivable, net	6.2	45,947	3	103,422	6
Other receivables	6.3	16,124	1	15,831	1
Current income tax assets		-	-	1,547	-
Inventories	6.4	873,376	59	1,142,480	68
Prepayments		28,249	2	38,629	3
Other financial assets - current	6.5	3,300	-	3,300	-
Total current assets		1,178,795	79	1,413,495	84
NONCURRENT ASSETS					
Financial assets at fair value through other comprehensive income or loss - noncurrent	6.6	26,830	2	-	-
Property, plant and equipment	6.7	285,407	19	263,040	16
Intangible assets	6.8	196	-	531	-
Deferred income tax assets	6.23	2,809	-	4,413	-
Refundable deposits		635	-	680	-
Total noncurrent assets		315,877	21	268,664	16
TOTAL ASSETS		$1,494,672	100	$1,682,159	100
Liabilities and Equity					
CURRENT LIABLITIES					
Short-term loans	6.9	$104,731	8	$457,206	27
Contract liabilities - current	6.17	7,883	1	11,436	1
Notes payable		6,299	-	5,455	-
Accounts payable		71,999	5	35,375	2
Other payables	6.10	51,033	3	34,521	2
Current tax liabilities		36,399	2	34,261	2
Provisions - current	6.11	1,583	-	3,388	-
Total current liabilities		279,927	19	581,642	34
NONCURRENT LIABILITIES					
Deferred income tax liabilities	6.23	45	-	5	-
Net defined benefit liability - noncurrent	6.12	11,850	1	13,965	1
Total noncurrent liabilities		11,895	1	13,970	1
TOTAL LIABILITIES		291,822	20	595,612	35

Liabilities and Equity	Note	December 31, 2022 Amount	%	December 31, 2021 Amount	%
EQUITY					
Share capital	6.13				
Common stock		902,203	59	902,203	55
Capital surplus	6.14	8,385	1	8,087	-
Retained earnings	6.15				
Legal reserve		37,852	3	23,093	1
Special reserve		-	-	693	-
Unappropriated earnings		255,953	17	152,471	9
Other equity	6.16	(1,543)	-	-	-
Total equity attributable to owners of the parent		1,202,850	80	1,086,547	65
NON-CONTROLLING INTERESTS		-	-	-	-
Total equity		1,202,850	80	1,086,547	65
TOTAL LIABILITIES AND EQUITY		$1,494,672	100	$1,682,159	100

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

YEOU YIH STEEL CO., LTD.
STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		Year Ended December 31			
		2022		2021	
Item	Note	Amount	%	Amount	%
OPERATING REVENUE	6.17	$3,530,808	100	$2,591,575	100
OPERATING COST	6.4	(3,168,241)	(89)	(2,339,172)	(90)
GROSS PROFIT (LOSS)		362,567	11	252,403	10
OPERATING EXPENSES					
Sales and marketing		(41,120)	(1)	(32,996)	(1)
General and administrative		(70,379)	(2)	(55,594)	(2)
Total operating expenses		(111,499)	(3)	(88,590)	(3)
INCOME (LOSS) FROM OPERATIONS		251,068	8	163,813	7
NON-OPERATING INCOME AND EXPENSES					
Interest income	6.19	593	-	47	-
Other income	6.20	5,369	-	4,953	-
Other gains and losses	6.21	12,667	-	7,899	-
Finance cost	6.22	(1,826)	-	(1,394)	-
Total non-operating income and expenses		16,803	-	11,505	-
INCOME (LOSS) BEFORE INCOME TAX		267,871	8	175,318	7
INCOME TAX BENEFIT (EXPENSE)	6.23	(54,820)	(2)	(35,152)	(1)
NET INCOME (LOSS)		213,051	6	140,166	6
OTHER COMPREHENSIVE INCOME (LOSS)	6.24				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		1,943	-	(449)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		642	-	8,482	-
Income tax benefit (expense) related to items that will not be reclassified subsequently to profit or loss		(389)	-	90	-
Total other comprehensive income (loss), net of income tax		2,196	-	8,123	-
TOTAL COMPREHENSIVE INCOME (LOSS)		$215,247	6	148,289	6
NET INCOME (LOSS) ATTRIBUTABLE TO					
Shareholders of the parent		$213,051	6	$140,166	6
Non-controlling interests		-	-	-	-
Total		$213,051	6	$140,166	6
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent		$215,247	6	$ 148,289	6
Non-controlling interests		-	-	-	-
Total		$ 215,247	6	$148,289	6
EARNINGS (LOSS) PER SHARE					
Basic earnings (loss) per share	6.25	$2.36		$1.55	
Diluted earnings (loss) per share	6.25	$2.35		$1.55	

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

YEOU YIH STEEL CO., LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent								
			Retained Earnings			Other Equity Item			
	Common Stock	Capital Surplus	Legal reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Shareholders of the parent	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2021	$902,203	$8,087	$22,736	$ -	$5,925	($693)	$938,258	$ -	$938,258
Appropriations and distributions of prior years' earnings:									
Legal reserve	-	-	357	-	(357)	-	-	-	-
Special reserve	-	-	-	693	(693)	-	-	-	-
Net income (loss) in 2021	-	-	-	-	140,166	-	140,166	-	140,166
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	(359)	8,482	8,123	-	8,123
Total comprehensive income in 2021	-	-	-	-	139,807	8,482	148,289	-	148,289
Disposal of financial instruments designated at fair value through other comprehensive income	-	-	-	-	7,789	(7,789)	-	-	-
BALANCE AT DECEMBER 31, 2021	902,203	8,087	23,093	693	152,471	-	1,086,547	-	1,086,547
Appropriations and distributions of prior years' earnings:									
Legal reserve	-	-	14,759	-	(14,759)	-	-	-	-
Cash dividends - $1.1 per share	-	-	-	-	(99,242)	-	(99,242)	-	(99,242)
Reversal of special reserve	-	-	-	(693)	693	-	-	-	-
Net income (loss) in 2022	-	-	-	-	213,051	-	213,051	-	213,051
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	1,554	642	2,196	-	2,196
Total comprehensive income (loss) in 2022	-	-	-	-	214,605	642	215,247	-	215,247
Disposal of financial instruments designated at fair value through other comprehensive income	-	-	-	-	2,185	(2,185)	-	-	-
Other	-	298	-	-	-	-	298	-	298
BALANCE AT DECEMBER 31, 2022	$902,203	$8,385	$37,852	$ -	$255,953	($1,543)	$1,202,850	$ -	$1,202,850

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

YEOU YIH STEEL CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Item	Year Ended December 31 2022	Year Ended December 31 2021
1.CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$267,871	$175,318
Adjustments to reconcile profit (loss)		
Depreciation	16,512	19,236
Amortization	778	822
Interest expense	1,826	1,394
Interest income	(593)	(47)
Dividend income	(820)	-
Loss (gain) on disposal and retirement of property , plant and equipment	(300)	681
Property, plant and equipment transfer to expense	544	-
Total adjustments to reconcile profit (loss)	17,947	22,086
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease (increase) in notes receivable	-	10
Decrease (increase) in accounts receivable	57,475	3,293
Decrease (increase) in other receivables	(141)	(6,738)
Decrease (increase) in inventories	269,104	(556,879)
Decrease (increase) in prepayments	10,380	(37,208)
Total net changes in operating assets	336,818	(597,522)
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	(3,553)	8,295
Increase (decrease) in notes payable	844	2,151
Increase (decrease) in accounts payable	36,624	3,849
Increase (decrease) in other payables	16,508	11,548
Increase (decrease) in provisions	(1,805)	2,136
Increase (decrease) in net defined benefit liability	(172)	(208)
Total net changes in operating liabilities	48,446	27,771
Total changes in operating assets and liabilities	385,264	(569,751)
Total adjustments	403,211	(547,665)
Cash generated from (used in) operations	671,082	(372,347)
Interest received	546	47
Dividends received	820	-
Interest paid	(1,960)	(1,276)
Income tax refund (paid)	(49,880)	6,153
Net cash generated from (used in) operating activities	620,608	(367,423)

Item	Year Ended December 31 2022	2021
2.CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income or loss	(39,454)	(92,899)
Proceeds from disposal of financial assets at fair value through other comprehensive income or loss	13,266	131,051
Acquisition of property, plant and equipment	(39,905)	(18,958)
Proceeds from disposal of property, plant and equipment	815	3,524
Decrease in refundable deposits	45	-
Acquisition of intangible assets	(443)	(643)
Net cash generated from (used in) investing activities	(65,676)	22,075
3.CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	355,760
Decrease in short-term loans	(352,475)	-
Cash dividends paid	(99,242)	-
Other financing activities	298	-
Net cash generated from (used in) financing activities	(451,419)	355,760
4.NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	103,513	10,412
5.CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	108,286	97,874
6.CASH AND CASH EQUIVALENTS - END OF YEAR	$211,799	$108,286

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

(Amounts In Thousands of New Taiwan Dollars, Except Stated Otherwise)

1. GENERAL INFORMATION

(1) Yeou Yih Steel Co., Ltd. (collectively as the "Company") was incorporated in January 1996. The Company is primarily engaged in the heat treatment of stainless steel products. leveling, cut, picking, processing and processing and sales of various steel. The Company's shares have been approved by Taipei Exchange to be traded on over-the-counter from April 28, 2006. The principal operating activities of the Company and its subsidiaries (collectively as the "Group") are described in Note 4.3(2). In addition, the Company has no ultimate parent company.

(2) The consolidated financial statements are presented in the Company's functional currency, New Taiwan Dollars.

2. THE AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 17, 2023.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

(1) Effect of adoption of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC):

New standards, interpretations and amendments endorsed by the FSC and effective from 2022 are as follows:

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"	January 1, 2022 (Note 2)
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022 (Note 3)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 4)
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the New IFRSs above are effective for annual periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented, January 1, 2021, in the financial statements in which the entity first applies the amendments.

Note 3: An entity shall apply these amendments to contracts for which it has not yet fulfilled all its obligations on January 1, 2022.

Note 4: These amendments apply to business combinations whose acquisition date occur during the annual reporting periods beginning on or after January 1, 2022.

Note 5: An entity shall apply the Amendment to IFRS 9 to financial liabilities that are modified or exchanged during the annual reporting periods beginning on or after January 1, 2022. An entity shall apply the Amendment to IAS 41 to fair value measurements for annual reporting periods beginning on or after January 1, 2022. An entity shall apply the Amendment to IFRS 1 for annual reporting periods beginning on or after January 1, 2022.

A. Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

The amendments set out that proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for them to be capable of operating in the manner intended by management shall not be recognized as a deduction of the asset. Instead, the proceeds from selling such items and the costs of those items, measured in accordance with IAS 2, shall be recognized in profit or loss in accordance with applicable IFRS Standards. Additionally, the amendments clarify that costs of testing whether the asset is functioning properly is the costs of assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The Group shall apply these amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Group first applies the amendments. The cumulative effects of initially applying the amendments shall be recognize as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented with comparative information restated.

B. Amendments to IAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"

The amendment stipulates that when assessing whether the contract is onerous, "Cost of Fulfilling a Contract" should include the incremental cost of fulfilling a contract (for example, direct labor and raw materials) and the allocation of other costs directly related to fulfilling a contract (for example, the depreciation expenses of property, plant and equipment items used in fulfilling a contract are allocated).

C. Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments update a reference to the Framework in IFRS 3 and require the acquirer shall apply IFRIC 21 for a levy that would be within the scope of IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

D. Annual Improvement to IFRS Standards 2018-2020

The annual improvement amends several Standards. Among which, the Amendment to IFRS 9 clarifies that, in determining whether an exchange or modification of the terms of a financial liability is substantially different from those of the original liability, only fees paid net of fees received between the Group (the borrower) and the lender for the new or modified contract, including fees paid or received by either the Group or the lender on the other's behalf, shall be included in the 10% test of the discounted present value of the cash flows under the new terms.

Base on the Group's assessment, the above standards and interpretations have no significant effect on the Group's financial position and financial performance.

(2) Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted

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

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosures of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12"Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2023.

Note 2: These amendments apply to changes in accounting estimates and changes in accounting policies that occur during annual reporting periods beginning on or after January 1, 2023.

Note 3: An entity shall apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred taxes for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

A. Amendments to IAS 1 "Disclosures of Accounting Policies"

The amendments clarify that an entity shall disclose its material significant accounting policy information if the transaction, other event or condition to which the accounting policy information relates is material in size or nature, or a combination of both, and the accounting policy information that relates to a material transaction, other event or condition is also material to the financial statements. On the other hand, if the transaction, other event or condition to which the accounting policy information relates is immaterial in size or nature, an entity needs not to disclosure the accounting policy information that relates to the immaterial transaction, other event or condition. Additionally, Immaterial accounting policy information that relates to material transactions, other events or conditions need not be disclosed, either. However, an entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other IFRS Standards

B. Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty and clarify that a change in measurement techniques or inputs used to develop an accounting estimate is a change in accounting estimates unless the change is due to an error from prior periods

C. Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

If the taxable temporary difference arising from a single transaction at the time of original recognition is the same as the deductible temporary difference, the above exemption does not apply. When the enterprise applies this amendment for the first time, it shall recognize deferred income tax on all temporary differences related to lease and decommissioning obligations on the start date of the earliest comparative period expressed (January 1, 2022), and the cumulative effect is recognized as an adjustment to the initial balance of retained earnings on that date. (Or other components of interest, as appropriate). For other transactions that occurred after January 1, 2022, the application of this amendment should be postponed, and the Group should recompile the comparative period information when applying this amendment for the first time.

The Group has evaluated the aforementioned standards and interpretations, and there's no significant effect to the Group's financial position and performance.

(3) Effect of the IFRSs issued by IASB but not yet endorsed and issued into effect by FSC：

New IFRSs	Effective Date Announced by 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 Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 17 "Initial application IFRS 17 and IFRS 9 – Compare Information"	January 1, 2023
Amendments to IFRS 16 "Lease Liability in a 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

As of the date the accompany consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Compliance statement

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the IFRSs, IASs, interpretations as well as related guidance endorsed by the FSC with the effective dates.

4.2 Basis of Preparation

(1) Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

A. Financial assets measured at fair value through other comprehensive income.

B. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

(2) The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

4.3 Basis of consolidation

(1) Basis for preparation of consolidated financial statements:

A. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

B. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

C. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

E. When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(2) The consolidated entities were as follows:

		Percentage of Ownership	
Investee / Subsidiary	Main Businesses	December 31, 2022	December 31, 2021
Yeou Yih International Co., Ltd.	Wholesale of building materials and hardware	100.00%	100.00%

A. The above-mentioned subsidiaries included in the consolidated financial report were audited.

B. Changes in subsidiaries: None.

(3) Subsidiaries not included in the consolidated financial reports: None.

(4) Adjustments for subsidiaries with different balance sheet dates: None.

(5) Material restrictions: None.
(6) Contents of the parent company's securities held by subsidiaries: None.
(7) Subsidiaries that have non-controlling interest that are material to the Group: None.

4.4 Foreign currency translation

(1) Foreign currency transactions and balance

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are premeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

4.5 Classification of current and non-current items

(1) Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

A. Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
B. Assets held mainly for trading purposes;
C. Assets that are expected to be realized within twelve months from the balance sheet date;
D. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settled liabilities more than twelve months after the balance sheet date.

(2) Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

A. Liabilities that are expected to be settled within the normal operating cycle;

B. Liabilities arising mainly from trading activities;

C. Liabilities that are to be settled within twelve months from the balance sheet date (Even if a long-term refinancing or re-arrangement of payment agreements is completed after the balance sheet date and before the issuance of the financial report is approved, it is classified as current liabilities);

D. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet 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.

4.6 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including the original maturity of the time deposits within three months.)

4.7 Financial instruments

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

Financial assets and financial liabilities are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial assets

The Group adopts trade-date accounting to recognize and derecognize financial assets.

A. Financial assets are classified into the following categories：financial at amortized cost and investments in equity instruments at (FVTOCI).

(A)Financial assets at amortized cost

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

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

b. The contractual terms of the financial assets give rise on specified date to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Expect for the following two cases, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

a. Purchased or originated credit-impaired financial assets: for those financial assets, the Group applies 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 but subsequently have become credit-impaired financial assets: for those financial assets, the Group shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

(B)Investments in equity instruments at FVTOCI

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

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

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

B. Impairment of financial assets

(A)At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivables and contract assets.

(B)The Group always recognizes lifetime Expected Credit Loss (i.e. ECL) for accounts receivable; contract assets and lease receivables. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equaling to 12-month ECL.

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

(D) The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

C. Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

(A) The contractual rights to receive cash flows from the financial asset expire.

(B) The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

(C) The Group neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it has not retained control of the financial asset.

On derecognition of financial assets at amortized cost in its entirety, the difference between the financial asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognition of investments in debt instruments measured at FVTOCI, the difference between the financial asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of investments in equity instruments at FVTOCI in its entirety, the cumulative profit and loss will be transferred directly to retained earning without reclassified into profit and loss.

(2) Equity instruments

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

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

(3) Financial liabilities

A. Subsequent measurement

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

(A) Financial liabilities at FVTPL are financial liabilities designated as at FVTPL on initial recognition. Financial liabilities held for trading or financial liabilities are classified in this category of held for trading if acquired principally the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at FVTPL on initial recognition:

a. Hybrid (combined) contracts; or

b. They eliminate or significantly reduce a measurement or recognition inconsistency; or

c. They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

(B) Financial liabilities at FVTPL are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognized in profit or loss.

(C) As for financial liabilities, the main changes in the classification and measurement relate to the subsequent measurement of financial liabilities designated as at fair value through profit or loss. The amount of change in the fair value of such financial liability attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting in profit or loss, the Group presents all gains or losses on that liability in profit or loss.

B. Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(4) Modification of Financial Instruments

When the contractual cash flows of a financial instrument are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liabilities using the original effective interest rate and recognises a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial instrument and are amortised over the remaining term of the modified financial instrument. If the renegotiation or modification results in that the derecognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

If the basis for determining the contractual cash flows of a financial asset or financial liability changes resulting from interest rate benchmark reform and the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, the Group applies the practical expedient to account for that change as a change in effective interest rate. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient aforementioned to the changes required by interest rate benchmark reform, and then applies the applicable requirements to any additional changes to which that practical expedient does not apply.

4.8 Inventories

Inventories are stated at the lower of cost and net realizable value, accounted for on a perpetual basis. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and costs necessary to make the sale.

4.9 Property, plant and equipment

(1) Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. For property, plant and equipment under construction, sample produced from testing whether the asset is functioning properly before its intended use are measured at lower of the costs or net realizable value. Proceeds from selling such an item and the cost of the item are recognized in profit or loss.

(2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be

measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance expense are charged to profit or loss during the financial period in which they are incurred.

(3) Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in accounting estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. Service lives are estimated as follows:
Buildings and structures, 10 to 50 years;
Machinery equipment, 2 to 11 years;
Transportation equipment, 5 to 6 years;
Office equipment, 2 to 8 years;
Other equipment, 4 to 11 years;

(4) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Intangible assets

Intangible assets with finite useful lives that are acquired separately are measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over the following estimated lives: computer software - 1 to 3 year. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets are derecognized when disposed of or expected to have no future economic benefits generated through usage or disposal. On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

4.11 Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use.

When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss.

4.12 Provisions

Provisions (including short-term employee benefits and more) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

4.13 Employee benefits

(1) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

(2) Pensions

A. Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund from the plan or a reduction in future contributions to the plan payments.

B. Defined benefit plans

(A) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability (at the balance sheet date).

(B) Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

(C) Past service costs are recognized immediately in profit or loss.

(3) Employees' compensation and directors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates.

(4) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring cost, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheets date shall be discounted to their present value.

4.14 Capital stock

Capital stock is classified as equity. Incremental cost that can be attributed to the issuance of stocks or options is deducted from the capital issued.

4.15 Income tax

(1) The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to 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.

(2) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

(3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

(4) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

(5) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(6) A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

4.16 Revenue Recognition

The Group recognizes revenue from contracts with customers in accordance with the principles and steps as stated below:

(1) Identify the contract with the customer;

(2) Identify the performance obligations in the contract;

(3) Determine the transaction price;

(4) Allocate the transaction price to the performance obligations in contracts; and

(5) Recognize revenue upon satisfaction of performance obligations.

The Group does not adjust the transaction price in a contract for the effects of a significant financing component, if the period between when the customer pays for the goods or services and when the entity transfers the goods or services is one year or less.

Sales revenue from goods mainly comes from the sales of steel materials and stainless products. Sales revenue is recognized when the control of goods is passed to customers. Since customers have obtained the right to set the price and make use of the goods and assumed the responsibility for resale and risks of obsolescence, the Group recognizes revenue and accounts receivable at such time point, presented as the net amount after deducting sales returns, discounts and allowance.

When supplying materials for processing, significant risk and rewards of the processed goods is not transferred, in which case it is not recognized as revenue.

4.17 Government subsidy

Government subsidies are recognized at fair value when it is reasonably certain that the Group will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government subsidies are recognized in profit and loss on a systematic basis during the period when the relevant costs that they intend to compensate are recognized as expenses by the Group. If government subsidy is used to compensate for expenses or losses that have occurred, or for the purpose of providing the Group with immediate financial support and there is no future related cost, it is recognized in the profit and loss during the period when it can be received. Government subsidies related to property, plant and equipment are recognized as non-current liabilities, and recognized as profits and losses on a straight-line basis based on the estimated useful life of the relevant assets.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of the Group's consolidated financial statements is adopting accounting policies based on the following significant judgements, significant accounting estimates and assumptions:

5.1 Critical judgements in applying accounting policies

(1) Revenue recognition

The Group follows IFRS 15 to determine if it controls the specified good or service before that good or service is transferred to the customer, and the Group is acting as a principal or an agent in that transaction. When the Group acts as an agent, revenue is recognized on a net basis.

The Group acts as a principal as that it meets one of the following situations:

a. The Group gains control over the goods from the other party before transferring goods to customers.
b. The Group controls the right of providing service by the other party in order to control the ability of the party to provide service to customers.
c. The Group gains control over goods or service from the other party in order to combine with other goods or services to provide specific goods or services to customers.

The indicators (not limited to) which assist making judgment on whether the Group controls the goods or services before transferring goods or services to customers:

a. The Group has primary responsibilities for the goods or services it provides;

b. The Group bears inventory risk before transferring the specific goods or services to customer, or after transferring the control to customer (for example, if the customer has the right to return).

c. The Group has the discretion to set prices.

(2) Judgment of financial asset classification

The Group assesses the business model of financial assets based on the hierarchy that reflects the Group of financial assets that are jointly managed for specific business purposes. This assessment requires consideration of all relevant evidence, including measures of asset performance, risks affecting performance, and the manner in which the relevant managers are determined, and judgments are required. The Group continues to assess the adequacy of its business model and monitors the financial assets measured by the amortized cost before the maturity date and the debt instrument investments measured at fair value through other comprehensive income. Evaluate whether the disciplinary action has the same goal of business model. If the business model has been changed, the Group delays the adjustment of the subsequent classification of financial assets. The Group reclassifies financial assets in accordance with IFRS 9, and the application will be postponed from the date of reclassification, if the business model has changed.

5.2 Critical accounting estimates and assumptions

(1) Revenue Recognition

The Group recognizes records a refund for estimated future returns and other allowances in the same period the related revenue is recorded. Refund for estimated sales returns and other allowances is generally made and adjusted at a specific percentage based on historical experience and any known factors that would significantly affect the allowance, and the management periodically reviews the adequacy of the percentage used.

(2) Impairment assessment of tangible and intangible assets

In the course of impairment assessments, the Group determines, based on how assets are utilized and relevant industrial characteristics, the useful lives of assets and the future cash flows of a specific company of the assets. Changes in economic circumstances or the Group's strategy might result in material impairment of assets in the future.

(3) Realizability of deferred tax assets

Deferred assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. The Group's management assesses the realizability of deferred tax assets by making critical accounting judgements and significant estimates of expected future revenue growth rate and gross profit rate, the tax exemption period, available tax credits, and tax planning, etc. Changes in global economic environment, industrial environment, and laws and regulations might result in material adjustments to deferred tax assets.

(4) Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. The Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value.

(5) Calculation of net defined benefit liability

When calculating the present value of defined pension obligations, the Group uses judgments and actuarial assumptions to determine related estimates, including discount rates and future salary increase rate. Changes in these assumptions may have a significantly impact on the carrying amount of defined pension obligations.

(6) Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

6.1 Cash and cash equivalents

	December 31	
Item	2022	2021
Cash on hand	$97	$103
Checking account	59	59
Demand deposits	77,204	60,100
Foreign currency deposits	134,439	48,024
Total	$211,799	$108,286

(1) The financial institutions dealing with the Group are credit worthy, and the Group's transactions with a number of financial institutions to diversify credit risk that are unlikely to be expected to default.

(2) The Group had no cash and cash equivalents pledged to others.

6.2 Accounts receivable, net

	December 31	
Item	2022	2021
At amortized cost		
Accounts receivable	$45,947	$103,422
Less: Loss allowance	-	-
Net	$45,947	$103,422

(1) The Group sells products mainly by collecting letters of credit in advance, and accounts receivable refers to the funds that have not yet been processed in the bank. The general work process can be collected in about 6 to 10 days.

(2) The Group adopts a simplified method to recognize the provision loss of accounts receivable based on the expected credit loss during the duration. The expected credit loss during the duration is calculated using a provision matrix, which takes into account the customer's past default history, current financial situation and industry economic trends. As the Group's credit loss historical experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further distinguish customer groups, and the expected credit loss rate is determined by the number of days overdue accounts receivable.

(3) The Group measured the allowance for notes receivable. and accounts receivable to the provision matrix (including related parties):

December 31, 2022	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime ECL)	Amortized cost
Not past due	0%-0.5%	$45,947	$ -	$45,947

December 31, 2021	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime ECL)	Amortized cost
Not past due	0%-0.5%	$103,422	$ -	$103,422

(4) Movements of the loss allowance for notes receivable and accounts receivable were as follows:

	Year Ended December 31	
	2022	2021
Beginning balance	$ -	$ -
Add: Provision for impairment	-	-
Less: Reversal of impairment	-	-
Less: Derecognition	-	-
Less: Write-offs	-	-
Ending balance	$ -	$ -

The above provision has already taken into consideration of other credit enhancement. The other credit enhancement possessed by above receivables (such as L/C) were $45,947 thousand and $103,406 thousand as of December 31, 2022 and 2021, respectively.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due.

Where recoveries are made, these are recognized in profit or loss. The Group's trade receivables for offsetting amount were both $0 thousand for the years ended December 31, 2022 and 2021.

(5) Please refer to Note 12.2 for recognition on irrecovable purchase contracts.

(6) The Group had no accounts receivable pledged to others.

6.3 Other receivables

Item	December 31 2022	December 31 2021
Receivable for business tax	$15,952	$15,783
Receivable for equipment	105	-
Interest receivable	47	-
Others	20	48
Total	$16,124	$15,831

6.4 Inventories and cost of goods sold

Item	December 31 2022	December 31 2021
Raw materials	$251,831	$430,783
Supplies	1,172	1,068
Work in process	92,631	184,171
Finished goods	563,742	526,458
Total	$873,376	$1,142,480

(1) The related inventory (gain) loss recognized as operating cost for the years ended December 31, 2022 and 2021 were as follows:

Item	Year Ended December 31 2022	Year Ended December 31 2021
Cost of goods sold	$3,165,244	$2,329,666
Unallocated overheads	4,348	8,548
Loss on inventory valuation (recovery gain)	(1,351)	958
Total	$3,168,241	$2,339,172

(2) The Group recognized inventory valuation loss (recovery gain) of ($1,351) thousand and $958 thousand for the years ended December 31, 2022 and 2021, respectively, due to inventory's write-down to net realizable value, or the net realizable value of inventories recovered as a result of market stabilization that enabled the Group to raise prices on certain products.

(3) The Group had no inventories pledged to others.

6.5 Other financial assets-current

Item	December 31 2022	December 31 2021
Pledged time deposits	$3,300	$3,300

Range of change	1.185%	0.560%

6.6 Financial assets at fair value through other comprehensive income - noncurrent

Item	December 31 2022	December 31 2021
Equity instruments		
Domestic listed stocks	$28,373	$ -
Subtotal	$28,373	$ -
Evaluation adjustment	(1,543)	-
Total	$26,830	$ -

(1) The Group invests in domestic (foreign) listed stocks in accordance with its medium/ long-term strategies and expects to make a profit through long-term investment. Management of the Group believes that it is not consistent with the afore-mentioned long-term investment planning if the short-term fair value changes of such investment are presented in profit or loss. Therefore, the Group elects to designate such investment as to be measured at FVTOCI.

(2) The Group adjusted its investment positions in 2022 and 2021 to diversify risks, and sold some domestic listed counter stocks at fair values of 13,266 thousand and 131,051 thousand respectively. Related other interests financial assets measured at fair value through other comprehensive gains and losses have not been realized Gains and losses of 2,185 thousand and 7,789 thousand were transferred to retained earnings.

(3) Please refer to Note 12 for relevant credit risk management and assessment methods.

(4) The financial assets at FVTOCI were not pledged as collateral.

6.7 Property, plant and equipment

Item	December 31 2022	December 31 2021
Land	$180,803	$180,803
Buildings	90,919	90,709
Machinery and equipment	274,032	277,867
Transportation equipment	16,800	16,800
Office equipment	8,670	8,659
Miscellaneous equipment	20,387	20,120
Equipment to be inspected and construction in progress	31,444	3,277
Total cost	$623,055	$598,235
Less: Accumulated depreciation	(337,648)	(335,195)
Less: Accumulated impairment	-	-
Total	$285,407	$263,040

	Land	Buildings	Machinery and Equipment	Transportation equipment	Office equipment	Miscellaneous Equipment	Equipment to be Inspected and Construction in Progress	Total
Cost								
Balance at January 1, 2022	$180,803	$90,709	$277,867	$16,800	$8,659	$20,120	$3,277	$598,235
Additions	-	823	8,888	-	328	912	29,092	40,043
Disposals	-	(876)	(12,723)	-	(317)	(763)	-	(14,679)
Reclassification	-	263	-	-	-	118	(381)	-
Transfer to expenses	-	-	-	-	-	-	(544)	(544)
Balance at December 31, 2022	$180,803	$90,919	$274,032	$16,800	$8,670	$20,387	$31,444	$623,055
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$43,260	$259,737	$6,265	$7,892	$18,041	$ -	$335,195
Depreciation	-	2,416	10,632	2,342	425	697	-	16,512
Disposals	-	(437)	(12,544)	-	(315)	(763)	-	(14,059)
Balance at December 31, 2022	$ -	$45,239	$257,825	$8,607	$8,002	$17,975	$ -	$337,648

	Land	Buildings	Machinery and Equipment	Transportation equipment	Office equipment	Miscellaneous Equipment	Equipment to be Inspected and Construction in Progress	Total
Cost								
Balance at January 1, 2021	$180,803	$90,709	$276,927	$14,541	$8,489	$20,119	$ -	$591,588
Additions	-	115	5,210	-	370	393	11,295	17,383
Disposals	-	(230)	(4,494)	(5,420)	(200)	(392)	-	(10,736)
Reclassification	-	115	(224)	7,679	-	-	(8,018)	-
Balance at December 31, 2021	$180,803	$90,709	$277,867	$16,800	$8,659	$20,120	$3,277	$598,235
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$40,852	$250,866	$5,509	$7,475	$17,788	$ -	$322,490
Depreciation	-	2,541	13,365	2,069	616	645	-	19,236
Disposals	-	(133)	(4,494)	(1,313)	(199)	(392)	-	(6,531)
Balance at December 31, 2021	$ -	$43,260	$259,737	$6,265	$7,892	$18,041	$ -	$335,195

(1) Reconciliations of current additions and the acquisition of property, plant and equipment in statements of cash flows were as follows:

Item	Year Ended December 31 2022	2021
Acquisition of property, plant and equipment	$40,043	$17,383
Decrease (increase) in equipment payable	(138)	1,575
Cash paid for acquisition of property, plant and equipment	$39,905	$18,958

(2) The details of interest capitalized: None.

(3) Impairment loss of property, plant and equipment: None.

(4) Partial property, plant and equipment pledged for the borrowings: Please refer to Note 8.

6.8 Intangible assets

Item	December 31 2022	December 31 2021
Computer software	$705	$905
Less: Accumulated amortization	(509)	(374)
Net	$196	$531

Cost	Year Ended December 31 2022	Year Ended December 31 2021
Balance at January 1	$905	$838
Additions	443	643
Derecognition	(643)	(576)
Balance at December 31	$705	$905

Accumulated amortization	Year Ended December 31 2022	Year Ended December 31 2021
Balance at January 1	$374	$128
Amortization	778	822
Derecognition	(643)	(576)
Balance at December 31	$509	$374

6.9 Short-term loans

Item	December 31, 2022 Short-term loans	Range of change
Material loans	$104,731	1.535%

Item	December 31, 2021 Short-term loans	Range of change
Material loans	$449,206	0.88%-0.95%
Secured loans	8,000	0.90%
Total	$457,206	

Please refer to Note 8 for pledged asset information.

6.10 Other payables

Item	December 31 2022	December 31 2021
Salary and wages	$18,484	$13,631
Compensation to employees and remuneration to directors	11,152	7,304
Equipment	782	644
Fuel payable	1,110	750
Service fees payable	1,273	860
Supplies payable	2,064	1,006
Rebate	6,896	974
Interest	5	139
Others	9,267	9,213
Total	$51,033	$34,521

6.11 Provisions - current

Item	December 31 2022	December 31 2021
Employee benefits	$1,583	$1,407
Onerous purchase contracts	-	1,981
Total	$1,583	$3,388

Item	Employee benefits	Onerous purchase contracts	Total
Balance at January 1, 2022	$1,407	$1,981	$3,388
Additional provisions recognized	2,368	-	2,368
Used in current period	(2,192)	(1,981)	(4,173)
Balance at December 31, 2022	$1,583	$ -	$1,583

Item	Employee benefits	Onerous purchase contracts	Total
Balance at January 1, 2021	$1,252	$ -	$1,252
Additional provisions recognized	2,147	1,981	4,128
Used in current period	(1,992)	-	(1,992)
Balance at December 31, 2021	$1,407	$1,981	$3,388

(1) Provision for employee benefits represents vested short-term service leave entitlements accrued.

(2) Provision for onerous contracts are material purchase contracts in which the Group's unavoidable costs incurred in fulfilling contractual obligations exceed the economic benefits expected to be received from the contract. From 2022, when evaluating whether a contract is onerous, the cost of fulfilling the contract includes the

incremental cost of fulfilling the contract and the allocation of other costs directly related to the fulfillment of the contract; before 2021, only the incremental cost of fulfilling the contract is included.

6.12 Pension

(1) Defined Contribution Plans

A. The pension plan under the Labor Pension Act is a defined contribution plan. Under the new plan, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

B. The total expenses contributed under the defined contribution plan were $2,191 thousand and $1,986 thousand for the years ended December 31, 2022 and 2021. respectively, and were recognized in the standalone statement of comprehensive income.

(2) Defined benefit plans

A. The Group has defined benefit plan under the Labor Standards Law that provides benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Group contributes an amount equal to 4% of salaries paid each month to the respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the Bureau of Labor Funds, Ministry of Labor; as such, the Group does not have any right to intervene in the investments of the Funds. The contribute amount made to the Funds were both $0 thousand in March, 2022 and 2021.

B. The amounts recognized in the standalone balance sheets were determined as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$25,088	$25,562
Fair value of plan assets	(13,238)	(11,597)
Net defined benefit liability	$11,850	$13,965

C. Movements in net defined benefit liability were as follows:

Item	Year Ended December 31, 2022 Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$25,562	($11,597)	$13,965
Cost of service			
Current service cost	407	-	407
Interest expense (income)	178	(82)	96
Recognized in profit and loss remeasurement	$585	($82)	$503
Return on plan asset (net interest income or expense excluded)	$ -	($884)	($884)
Actuarial (gains) losses -			
Effect of change in demographic assumptions	-	-	-
Effect of change in financial assumptions	(1,905)	-	(1,905)
Experience adjustment	846	-	846
Recognized in other comprehensive income	($1,059)	($884)	($1,943)
Contributions from the employer	$ -	($675)	($675)
Benefits paid	-	-	-
Balance at December 31	$25,088	($13,238)	$11,850

Item	Year Ended December 31, 2021 Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$24,557	($10,833)	$13,724
Cost of service			
Current service cost	398	-	398
Interest expense (income)	97	(44)	53
Recognized in profit and loss remeasurement	$495	($44)	$451
Return on plan asset (net interest income or expense excluded)	$ -	($167)	($167)
Actuarial (gains) losses -			
Effect of change in demographic assumptions	69	-	69
Effect of change in financial assumptions	(925)	-	(925)
Experience adjustment	1,472	-	1,472
Recognized in other comprehensive income	$616	($167)	$449
Contributions from the employer	$ -	($659)	($659)
Benefits paid	(106)	106	-
Balance at December 31	$25,562	($11,597)	$13,965

D. Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

(A) Investment risk

The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management by Bureau of Labor Funds, Ministry of Labor. However, the rate of return on the Group’ s planned assets shall not be less than the average interest rate on a two-year time deposit published by the local banks.

(B) Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, the return on the debt investments of the plan assets will also increase. Those two will partially offset each other.

(C) Salary risk

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

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

	Measurement date	
Item	December 31, 2022	December 31, 2021
Discount rate	1.35%	0.70%
Future salary increases rate	2.00%	2.00%
Average maturity period of defined benefit obligations	11 Years	11 Years

(A) Assumptions on future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table (TSO).

(B) If a reasonable change in one of the principal assumptions for actuarial valuation occurred and all other assumptions were held constant, the increase (decrease) in the present value of defined benefit obligation would be as follows:

	December 31	
Item	2022	2021
Discount Rate		
Increase 0.25%	($684)	($748)
Decrease 0.25%	$711	$778
Expected growth rate of salaries		
Increase 0.25%	$704	$766
Decrease 0.25%	($682)	($740)

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

F. The Group expects to make contributions of $751 thousand to the pension for the year ended December 31, 2023.

6.13 Share capital

(1) Movements in the number of the Group's ordinary shares outstanding were as follows:

Item	Year Ended December 31, 2022	
	Shares (in thousands)	Amount
Balance at January 1	90,220	$902,203
Capital increase by cash	-	-
Balance at December 31	90,220	$902,203

Item	Year Ended December 31, 2021	
	Shares (in thousands)	Amount
Balance at January 1	90,220	$902,203
Capital increase by cash	-	-
Balance at December 31	90,220	$902,203

(2) As of December 31, 2022, the authorized capital is $1,200,000 thousand, consisting of 120,000 thousand shares.

6.14 Capital surplus

Item	December 31	
	2022	2021
Share premium	$8,087	$8,087
Other	298	-
Total	$8,385	$8,087

Under the Group Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset deficit or may be distributed as stock dividends or in cash. Under the regulations of the Security Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Group's capital per year shall not be over 10% of the Group's paid-in capital. Capital surplus can't be used to offset deficit unless legal reserve is insufficient. The capital surplus from long-term investments may not be used for any purpose.

6.15 Retained earnings and Dividends Policy

(1) According to the surplus distribution policy stipulated in the articles of association of the company, if there is a surplus in the company's annual final accounts, it shall be distributed in the following order:
(1) Paying taxes. (2) Offsetting losses. (3) After deducting the provisions of (1) and (2), if there is any balance, setting aside as legal reserve 10% of the remaining profit (4) In accordance with laws or relevant regulations, when necessary, special surplus reserves may be withdrawn from the current period's surplus items or surplus

reserves may be retained at discretion, and will be included in surplus distribution after the withdrawal conditions are eliminated and reversed. (5) setting aside a special reserve in accordance with the laws and regulations, and the remainder plus prior year's unappropriated earnings will be recommended by the board of directors and approved through the shareholders' meeting.

The company distribute dividends on cash, after more than two-thirds of the directors, present at the meeting and more than half of the directors agree, the board of directors is authorized to do so and report to the general meeting of shareholders.

The Company's dividend policy is assort with current and future development plans, consider the capital expenditure demands of future and the maintenance of long-term financial structure of sound, satisfying shareholder's cash inflow demands, shareholders' dividends shall be distributed at least 50% of the distributable earnings and at least 10% of total dividends may be distributed as cash dividends .However, if cash dividend less than 0.1 per share, the dividend will adopts the stock dividend.

The shareholder's meeting can consider demand and profit situation that does not distribute all or parts of earnings.

(2) Legal reserve may be used to offset a deficit, and be transferred to capital or distributed in cash. However, legal reserve can be transferred to capital or distributed in cash only when the legal reserve has exceeded 25% of the Company's paid-in capital.

(3) Special reserve

	December 31	
Item	2022	2021
Reserve for the debit balance of other equities	$ -	$ 693

While earning distribution, the earnings can be distributed after appropriation of the equivalent amount of the debit balance of the other equites of the balance sheet.

(4) The appropriation of 2021 and 2020 earnings had been resolved at the shareholders' meeting in June 2022 and July 2021, respectively. Details were summarized below:

	Amount		Dividends Per Share	
Item	2021	2020	2021	2020
Legal reserve	$14,759	$ 357		
Special reserve	(693)	693		
Cash dividends	99,242	-	1.10	-
Total	$113,308	$ 1,050		

(5) The appropriation of 2022 earnings had been proposed by the Board of Directors on March 17, 2023. Details were summarized below:

Item	Amount	Dividends Per Share
Legal reserve	$21,679	
Special reserve	1,543	
Cash dividends	162,396	1.8
Total	$185,618	

The appropriations of earnings for 2022 are to be presented for approval in the shareholders' meeting to be held in June 2023.

(6) Information on the earnings appropriation proposed by the Company's Board of Directors and approved by the Company's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

6.16 Other Equity Items

Item	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	
	2022	2021
Balance at January 1	$ -	($693)
Unrealized gain(loss) on financial assets at fair value through other comprehensive income	642	8,482
Disposal Unrealized gain(loss) on financial assets at fair value through other comprehensive income	(2,185)	(7,789)
Balance at December 31	($1,543)	$ -

6.17 Operating Revenue

Item	Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from sales of finished goods	$3,064,566	$2,134,824
Revenue from sales of raw materials	468,561	430,699
Revenue from sales of surplus materials	46,419	45,145
Processing revenue	5,007	2,220
Total sales revenue from contracts with customers	$3,584,553	$2,612,888
Less: Sales return	(1,159)	(1,180)
Sales discount	(52,586)	(20,133)
Net sales revenue from contracts with customers	$3,530,808	$2,591,575

(1) Explain of contract revenue

Sales and processing income of steel coils and steel plates, etc. are mainly to downstream manufacturers, and are sold at fixed prices per contractual terms.

(2) Segments of revenue from contracts with customers

The Group's revenue can be split into the following segments:

Year 2022：

	Steel revenue	Processing	Total
Main area of market			
Taiwan	$2,346,701	$5,007	$2,351,708
South Korea	638,410	-	638,410
Thailand	115,245	-	115,245
Others	425,445	-	425,445
Total	$3,525,801	$5,007	$3,530,808
Time of revenue recognition			
Revenue recognized at a specific timing	$3,525,801	$5,007	$3,530,808
Revenue recognized over time	-	-	-
Total	$3,525,801	$5,007	$3,530,808

Year 2021：

	Steel revenue	Processing	Total
Main area of market			
Taiwan	$1,900,020	$2,220	$1,902,240
South Korea	261,867	-	261,867
Thailand	137,429	-	137,429
Others	290,039	-	290,039
Total	$2,589,355	$2,220	$ 2,591,575
Time of revenue recognition			
Revenue recognized at a specific timing	$2,589,355	$2,220	$2,591,575
Revenue recognized over time	-	-	-
Total	$2,589,355	$2,220	$2,591,575

(3) Contract balances

The Group recognized the accounts receivable, contract assets and contract liabilities related to customer contract revenue as follows:

	December 31	
	2022	2021
Accounts receivable	$45,947	$103,422
Contract assets	-	-
Total	$45,947	$103,422
Contract liabilities - current	$7,883	$11,436

A. Significant change in contract assets and contract liabilities

The change in contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment, and there are no other significant changes.

B. The allowance for contract assets: None.

C. Amount from previous period's performance obligations satisfied and beginning contract liabilities recognized in the current period as income were as follows:

	Year Ended December 31	
Revenue in the current period	2022	2021
From beginning contract liabilities - goods sale	$11,436	$3,141
From previous period's satisfied performance	$ -	$ -

6.18 Labor cost, depreciation and amortization

	Year Ended December 31, 2022		
Item	Operating Cost	Operating Expenses	Total
Labor cost			
Salaries	$39,375	$40,096	$79,471
Insurance	3,485	2,377	5,862
Pension	1,557	1,137	2,694
Others	3,248	1,394	4,642
Depreciation	13,380	3,132	16,512
Amortization	235	543	778
Total	$61,280	$48,679	$109,959

	Year Ended December 31, 2021		
Item	Operating Cost	Operating Expenses	Total
Labor cost			
Salaries	$33,856	$31,316	$65,172
Insurance	3,316	1,951	5,267
Pension	1,444	993	2,437
Others	2,641	1,053	3,694
Depreciation	16,265	2,971	19,236
Amortization	235	587	822
Total	$57,757	$38,871	$96,628

(1) The Company accrued employees' compensation and remuneration to directors at the rates 2% and not higher than 3% of net income before income tax, employees' compensation and remuneration to directors during the period. In 2022 and 2021, employee remuneration and director remuneration are estimated at 2% of the aforementioned net income before income tax.

(2) The employees' compensation and remuneration to directors for the years ended December 31, 2022 and 2021 had been approved by the Company's Board of Directors meeting held on March 17, 2023 and March 11, 2022, respectively, and the relevant amounts recognized in the parent company only financial statement were as follows:

	Year ended December 31			
	2022		2021	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
Resolution amount of allotment	$5,576	$5,576	$3,652	$3,652
Recognized in financial statements	5,576	5,576	3,652	3,652
Difference	$ -	$ -	$ -	$ -

The above mentioned employees' compensation will be paid by cash.

(3) Information about employee compensation and remuneration to directors approved by the board of directors is available at the Taiwan Stock Exchange Market Observation Post System website.

6.19 Interest income

Item	Year Ended December 31 2022	Year Ended December 31 2021
Interest on bank deposits	$593	$47

6.20 Other income

Item	Year Ended December 31 2022	Year Ended December 31 2021
Subsidies	$1,752	$3,150
Dividend income	820	-
Compensation	171	43
Others	2,626	1,760
Total	$5,369	$4,953

The Group applied for the subsidy of the process capacity improvement plan, recognized the government subsidy income of 1,570 thousand and 3,150 thousand for the years ended December 31, 2022 and 2021, respectively.

6.21 Other gains and losses

Item	Year Ended December 31 2022	2021
Gain on disposal of property, plant and equipment	$300	($681)
Net currency exchange gain (loss)	12,367	8,580
Total	$12,667	$7,899

6.22 Finance cost

Item	Year Ended December 31 2022	2021
Interest on loans	$1,826	$1,394
Less: capitalized amount for qualified assets	-	-
Net	$1,826	$1,394

6.23 Income tax

(1) Income tax expense (benefit) recognized in profit or loss

Item	Year Ended December 31 2022	2021
Current income tax		
Current tax expense	$52,436	$34,260
Undistributed surplus for income tax	1,129	-
Total	$53,565	$34,260
Deferred income tax		
Origination and reversal of temporary differences	$1,255	$892
Total	$1,255	$892
Income tax expense (benefit)	$54,820	$35,152

The applicable tax rate used by the company is 20%. In addition, the tax rate applicable to unappropriated earnings is 5%.

According to the amendments to the Statute for Industrial Innovation announced in July 2019, the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Company has already deducted the amount of the unappropriated earnings that has been reinvested as capital expenditures.

(2) Income tax expense (benefit) recognized in other comprehensive income was as follows：

Item	Year Ended December 31 2022	2021
Remeasurement of defined benefit plans	($389)	$90

(3) Reconciliation of income before income tax and income tax expense recognized in profit or loss is as follows:

Item	Year Ended December 31 2022	2021
Income (loss) before income tax	$267,871	$175,318
Income tax expense at the statutory rate	53,574	35,063
Tax effect of adjusting items:		
Realized (unrealized) loss (gain) on inventories	(270)	192
Realized (unrealized) pension	(34)	(41)
Others	(834)	1,324
Undistributed surplus for income tax	1,129	-
Income tax impact of loss carryforwards	-	(2,278)
Deferred income tax expense		
Loss carryforwards	-	2,278
Temporary differences	1,255	(1,386)
Income tax expense recognized in profit or loss	$54,820	$35,152

(4) Deferred tax assets and liabilities from temporary differences:

Item	Year Ended December 31, 2022 Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Temporary differences				
Unrealized pension	$2,794	($34)	($389)	$2,371
Unrealized loss on inventories	272	(270)	-	2
unused compensated absences	281	35	-	316
Others	1,066	(946)	-	120
Subtotal	$4,413	($1,215)	($389)	$2,809
Deferred income tax liabilities:				
Temporary differences				
Unrealized exchange gain	($5)	($40)	$ -	($45)
Subtotal	($5)	($40)	$ -	($45)
Net	$4,408	($1,255)	($389)	$2,764

Item	Year Ended December 31, 2021 Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Temporary differences				
Unrealized pension	$2,745	($41)	$90	$2,794
Unrealized loss on inventories	80	192	-	272
Unused compensated absences	250	31	-	281
Others	13	1,053	-	1,066
Loss carryforwards	2,278	(2,278)	-	-

Subtotal	$5,366	($1,043)	$90	$4,413
Deferred income tax liabilities:				
Temporary differences				
Unrealized exchange gain	($156)	$151	$ -	($5)
Subtotal	($156)	$151	$ -	($5)
Net	$5,210	($892)	$90	$4,408

(5) Not recognized as deferred income tax asset item:

Item	December 31 2022	December 31 2021
Deductible temporary differences	$ -	$3

(6) Income tax returns through 2020 had been examined and cleared the tax authorities.

6.24 Other comprehensive income (loss)

Item	Year Ended December 31, 2022 Other Comprehensive Income (Loss), Before Tax	Income tax Benefit (Expense)	Other Comprehensive Income (Loss), Net of Tax
Items that will not be reclassified subsequently to profit or loss：			
Remeasurement of defined benefit plans	$1,943	($389)	$1,554
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	642	-	642
Recognized in other comprehensive income (loss)	$2,585	($389)	$2,196

Item	Year Ended December 31, 2021 Other Comprehensive Income (Loss), Before Tax	Income tax Benefit (Expense)	Other Comprehensive Income (Loss), Net of Tax
Items that will not be reclassified subsequently to profit or loss：			
Remeasurement of defined benefit plans	($449)	$90	($359)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	8,482	-	(8,482)
Recognized in other comprehensive income (loss)	$8,033	$90	$8,123

6.25 Earnings per share

Item	Year Ended December 31 2022	Year Ended December 31 2021
(1)Basic earnings (loss) per share		
Net income	$213,051	$140,166
Weighted average shares outstanding (in thousands)	90,220	90,220
Basic earnings per share (after tax)	$2.36	$1.55
(2)Diluted earnings (loss) per share		
Net income	$213,051	$140,166
Effect of potential dilutive ordinary shares	-	-
Net income used in computation of diluted earnings per share	$213,051	$140,166
Weighted average shares outstanding (in thousands)	$90,220	$90,220
Impact on employees' compensation (Note)	326	205
Weighted average number of ordinary shares outstanding after dilution (in thousands)	$90,546	$90,425
Diluted earnings per share (after tax)	$2.35	$1.55

(Note) Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

7. RELATED PARTY TRANSACTIONS

7.1 Parent and ultimate controlling party

The Company does not have a parent company nor ultimate controller.

7.2 Related party name and category:

Related Party Name	Related party category
Pacific Harbour Stevedoring Corp.	Other related party
Sym Wang Iron Steel Co., Ltd.	Other related party
Sumi Steel Co., Ltd.	Other related party

7.3 Significant transactions with related parties

(1) Sales

Related Party Category	Year Ended December 31 2022	Year Ended December 31 2021
Other related parties	$8	$1

Selling prices with the related parties are equivalent to those with ordinary customers. Collection period was 1 month.

(2) Purchase: None.

(3) Contract assets: None.

(4) Contract liabilities: None.

(5) Balance of receivables (excluding lending to related parties and contract assets): None.

(6) Balance of payables (excluding borrowing from related parties):

	December 31	
Related Party Category	2022	2021
Notes payables:		
Other related parties	$36	$132
Accounts payables:		
Other related parties	$3	$102

(7) Prepayments: None.

(8) Property transactions

A. Acquisition of property, plant and equipment: None.

B. Disposal of property, plant and equipment:

Year 2022: None.

Year 2021:

Related Party Category	Transaction Target	Disposal Price	Disposal Loss
Sym Wang Iron Steel Co., Ltd.	Transportation equipment	$3,524	($583)

Above mentioned transaction prices were negotiated by both parties, as of December 31, 2022 the priced were received.

(9) Lessee arrangements: None.

(10)Rent arrangements: None.

(11)Financing activities - lending: None.

(12) Financing activities - borrowing: None.

(13) Guarantee for related parties: None.

(14) Others:

A. Miscellaneous expenses:

	Year Ended December 31	
Related Party Category	2022	2021

Other related parties	$553	$2,233

Other expenses were mainly loading fee and consumables, etc.

B. Key management compensation:

Item	Year Ended December 31	
	2022	2021
Salaries and other short-term employee benefits	$24,640	$18,100
Post-employment benefits	417	346
Total	$25,057	$18,446

8. PLEDGED ASSETS

The following assets have been pledged as collateral for long-term and short-term loans:

Item	December 31	
	2022	2021
Property, plant and equipment (net)	$86,625	$87,341
Other financial assets - current	3,300	3,300
Total	$89,925	$90,641

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2022, and 2021, the Group issued guarantee notes for bank loans amounting to $304,720 thousand and $200,000 thousand, respectively.

(2) As of December 31, 2022 and 2021, the Group received guarantee notes from customers for contract performing and securing creditor's rights amounting to both $6,837 thousand.

(3) As of December 31, 2022 and 2021, the Group applied to the Taiwan Small & Medium Enterprise Counseling Foundation for a process capability improvement plan, and the bark provided a performance guarantee amounting to $1,573thousand and $3,150 thousand, respectively.

(4) The unused letters of credit as of December 31, 2022 and 2021, were as follows:

Item	December 31	
	2022	2021
Foreign L/C Amount	USD 25	USD 7,057
Domestic L/C Amount	NTD 95,802	NTD 94,923

10. SIGNIFICANT DIASATER LOSS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE.

12. OTHERS

(1) Capital risk management

As the Group needs to maintain sufficient capital to meet the needs for expansion and plant and equipment improvement, capital management of the Group focuses on ensuring there are sufficient financial resources and operating plans to meet the demands for operating capital, capital expenditure, research and development expense, loan repayment and dividend distribution in the next 12 months.

(2) Financial Instruments

A. Financial risk of financial instruments

Financial risk management policies

The Group's daily operations are affected by various financial risks, e.g. market risk (including exchange rate, interest rate and price risks), credit risk and liquidity risk. The Group is devoted to identify, assess and avoid market uncertainties in order to eliminate the potential adverse effects of market changes on the financial performance.

Before engaging in significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. While the financial plan is underway, the Group shall comply with relevant financial operation procedures on the overall financial risk management and segregation of duties at all times.

The nature and degree of significant financial risks

(A) Market risks

a. Foreign exchange rate risk

(a) The Group is exposed to exchange rate risk arising from the sales, purchases and borrowings in currencies other than the Group's functional currency, as well as from net investment of foreign operations. Functional currencies adopted by entities within the Group mainly comprise New Taiwan Dollars, such transactions are denominated mainly in USD. To avoid a decrease in the value of assets dominated in foreign currency and volatility in future cash flows due to changes in exchange rates, the Group hedges the exchange rate risk with foreign-currency borrowings and derivative financial instruments. Those derivative financial instruments can diminish but not completely eliminate the impacts of changes in exchange rate.

(b) Foreign currency risk and sensitivity analysis:

			December 31, 2022			
				Sensitivity analysis		
	Foreign Currency	Exchange rate	Carrying Value (NTD)	Variation	Profit and Loss Impact	Equity Impact
Financial assets						
Monetary item						
USD:NTD	4,621	30.71	141,911	increase 1%	1,419	-

Financial liabilities						
Monetary item						
USD:NTD	71	30.71	2,178	increase 1%	(22)	-

	December 31, 2021					
				Sensitivity analysis		
	foreign currency	Exchange rate	Carrying Value (NTD)	Variation	Profit and Loss Impact	Equity Impact
Financial assets						
Monetary item						
USD:NTD	2,788	27.68	77,183	increase 1%	772	-
Financial liabilities						
Monetary item						
USD:NTD	1,071	27.68	29,645	increase 1%	(296)	-

If NTD appreciates against the above-mentioned currencies, held all other variables constant, the impact generated as of December 31, 2022 and 2021 would stay the same with the reverse result.

Due to the exchange rate volatility, total exchange gain and loss (including realized and unrealized) from the Group's monetary items amounted to $12,367 thousand and $8,580 thousand for the years ended December 31, 2022 and 2021, respectively.

b. Price risk

Since the Group's investment in securities is classified as financial assets at FVTPL and FVTOCI on the standalone balance sheet, the Group exposes to price risks of securities. The Group mainly invests in domestic listed. The price of such securities can be affected by changes in future value of those investment targets.

If the equity instrument price increase or decrease by 1%. The post-tax other comprehensive income for the years ended December 31, 2022 and 2021 will increase or decrease by $268 thousand and $0 thousand due to the increase or decrease of the fair value of financial assets measured at FVTOCI.

c. Interest rate risk

The carrying amount of the Group's financial assets and financial liabilities that are exposed to interest rate risk at the reporting date is stated as follows:

	Carrying Value	
Item	December 31, 2022	December 31, 2021
With fair value interest rate risk:		
Financial assets	$3,300	$3,300
Financial liabilities	-	-
Net	$3,300	$3,300

Item	Carrying Value December 31, 2022	December 31, 2021
With cash flow interest rate risk:		
Financial assets	$211,643	$108,124
Financial liabilities	(104,731)	(457,206)
Net	$106,912	($349,082)

(a) Sensitivity analysis of those with fair value interest rate risk:

The Group does not classify any fixed-rate instruments as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. In addition, the Group does not designate derivatives (interest rate swap) as hedge instruments under hedge accounting. Therefore, the change of interest rate at reporting date does not have influence on net income and other comprehensive income.

(b) Sensitivity analysis of those with cash flow interest rate risk:

The interest-fluctuate instruments possessed by the Group were floating-interest assets (liabilities). Therefore the effective interest rate, as well as the future cash flows, changes along with the market movement. Every one percent increase in the market interest will decrease the net profit by $1,069 thousand and ($3,491) thousand for the years ended December 31, 2022 and 2021, respectively.

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a contract leading to a financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily accounts receivables, and from investing activities, primarily deposit and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

a. Business elated credit risk

In order to maintain the credit quality of accounts receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed in the consideration of the relevant factors which may affects the customer's paying ability such as financial condition, external and internal credit scoring, historical experience, and economic conditions.

b. Financial credit risk

The Group’s exposure to financial credit risk which pertained to bank deposits and other financial instruments were evaluated and monitored by Group Treasury function. The Group only deals with creditworthy counterparties, banks, and government so that no significant credit risk was identified. In addition, the Group has no financial assets at amortized and investments in debt instruments at fair value through other comprehensive income.

(a) Credit concentration risk

As of December 31, 2022 and 2021, the Group's ten largest customers accounted for 79.87% and 86.21% of accounts receivable, respectively.

(b) Measurement of expected credit impairment loss

(I) Accounts receivables adopts a simplified approach. Please refer to Note 6.2.

(II)Collaterals and other credit enhancement held to avoid credit risks from financial assets

The following table shows the maximum exposure to credit risk regarding financial assets recognized in the standalone balance sheets, pledged collateral, master netting arrangements and other credit enhancement held by the Group:

December 31, 2022	Carrying amount	Decreased amount of maximum exposure to credit risks: Collateral	Net settlement agreement	Other credit enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS 9 are applicable	$ -	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets measured at FVTOCI	26,830	-	-	-	-
Total	$26,830	$ -	$ -	$ -	$ -

December 31,2021: None.

(C) Liquidity risk

a. Liquidity risk management:

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements of cash and cash equivalents and the unused of financing facilities associated with existing operations.

b. Financial liabilities with repayment periods:

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods:

	December 31, 2022						
Non-derivative financial liabilities :	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flow	Carrying amount
Short-term	$104,731	$ -	$ -	$ -	$ -	$104,731	$104,731

loans							
Notes payable	6,299	-	-	-	-	6,299	6,299
Accounts payable	71,999	-	-	-	-	71,999	71,999
Other payables	51,033	-	-	-	-	51,033	51,033
Subtotal	$234,062	$ -	$ -	$ -	$ -	$234,062	$234,062

	December 31, 2021						
Non-derivative financial liabilities:	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flow	Carrying amount
Short-term loans	$449,206	$8,000	$ -	$ -	$ -	$457,206	$457,206
Notes payable	5,455	-	-	-	-	5,455	5,455
Accounts payable	35,375	-	-	-	-	35,375	35,375
Other payables	34,521	-	-	-	-	34,521	34,521
Subtotal	$524,557	$8,000	$ -	$ -	$ -	$532,557	$532,557

The Group does expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

B. Types of Financial instruments

	December 31	
Financial assets	2022	2021
Financial assets at amortized cost		
Cash and cash equivalents	$211,799	$108,286
Notes receivable and account receivable (including related parties)	45,947	103,422
Other receivables	16,124	15,831
Other financial assets - current	3,300	3,300
Refundable deposits	635	680
Financial assets at FVTOCI - noncurrent	26,830	-
Financial liabilities		
Financial liabilities at amortized cost		
Short-term loans	104,731	457,206
Notes payable and account payables (including related parties)	78,298	40,830
Other payables	51,033	34,521

(3) Fair Value Information

A. For information on fair value of financial assets and financial liabilities not measured at fair value, please refer to Note 12(3)C.

B. Definition of the three levels in fair value:

Level 1:

Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The Group does not hold financial assets and financial liabilities of Level 2.

Level 3

Unobservable inputs for the asset or liability. The Group does not hold financial assets and financial liabilities of Level 3.

C. Financial instruments not measured at fair value

The Group considers that the carrying amounts of financial instruments including cash and cash equivalents, receivables, other financial assets, refundable deposits, short-term loans and payables that are not measured at fair value approximate their fair values.

D. Fair value hierarchy:

The fair value hierarchy of financial instrument is measured at fair value on a recurring basis. Information about the Group's fair value hierarchy was disclosed in the following table:

	December 31, 2022			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets at FVTOCI				
Domestic listed stocks	$26,830	$ -	$ -	$26,830

December 31, 2021: None.

E. Fair value valuation technique for instruments measured at fair value:

(A) The fair value of financial instruments with quoted prices in active markets is the quoted market prices. Market prices published by major trading centers and exchanges for on-the-run government bonds are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in active markets. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry guild, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If one of the conditions fails, the market is not deemed active. In general, indications of an inactive market include a wide bid-ask spread, a significant increase in the bid-ask spread and low level of trading volume. The fair value of financial instruments with active markets held by the Group are stated by their natures and types as follows:

a. Listed stocks: closing prices

b.OTC stocks: closing prices

F. Transfers between Level 1 and Level 2 fair value hierarchy: None.

G. Statement of changes in Level 3 fair value hierarchy: None.

(4) Transfer of financial assets: None.

(5) Offset of financial assets and liabilities: None.

13. SUPPLEMENTARY DISCLOSURES

A. Significant transactions information

(A) Financings provided: None.

(B) Endorsement/guarantee provided: None.

(C) Marketable securities held: Table 1.

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

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

(F) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

(G) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None.

(H) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

(I) Information about the derivative financial instruments transaction: None.

(J) The business relationship between the parent and the subsidiaries and significant transactions between them: Table 2.

B. Information on investees: Table 3.

C. Information on investments in Mainland China: Not applicable.

D. Information on major shareholders (including name of the shareholders with shareholding above 5%, shares held and shareholding ratio): Table 4.

Table 1

YEOU YIH STEEL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars: thousand shares)

Investor	Type and Name of Securities	Relationship with the Issuer	General Ledger Account	Ending balance				Remarks
				Number of Shares (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	
Yeou Yih steel Co., Ltd.	Stock-Formosa Plastics Corporation	-	Financial assets at fair value through other comprehensive income or loss - noncurrent	200	17,360	-	17,360	-
	Stock-Taiwan Mobile CO., LTD.	-	Financial assets at fair value through other comprehensive income or loss - noncurrent	100	9,470	-	9,470	-

Table 2

YEOU YIH STEEL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Yeou Yih Steel CO., LTD.	Yeou Yih International Co., Ltd.	1	Sales revenues	26,808	The sales terms between the parent and the subsidiary are equivalent to those of other clients. The collection period is one months.	0.76%

Note 1: The description of the number column is as follows:

(1) The issuer is represented in 0.

(2) The investee company is numbered sequentially from Arabic numeral 1. 。

Note 2: There are three types of relationships with traders. The type of mark is as follows:

(1) No. 1 represents the transactions from parent company to subsidiary.

(2) No. 2 represents the transactions from subsidiary to parent company.

(3) No. 3 represents the transactions between subsidiaries.

Note 3: The ratio of transaction amount to consolidated revenues or total assets is calculated as follows:

(1) asset/liability items: ending balance to total assets;

(2) profit and loss items: accumulated amount to consolidated revenues.

Note 4: The above-mentioned parent-subsidiary transactions have been eliminated.

Table 3

YEOU YIH STEEL CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS AND OTHER INFORMATION OF INVESTEE COMPANIES (EXCLUDING INVESTEE IN MAINLAND)

DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee
				As of December 31, 2022	As of December 31, 2021	Shares (In Thousands)	Percentage of Ownership	Carrying Value		
Yeou Yih steel Co., Ltd.	Yeou Yih International Co., Ltd.	Kaohsiung	Wholesale of building materials and hardware	20,000	20,000	2,000	100%	20,673	904	904

Note：The above-mentioned parent-subsidiary transactions have been eliminated.

Table 4

YEOU YIH STEEL CO., LTD. AND SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS

DECEMBER 31, 2022

(Unit: share)

Shares / Name of Major Shareholder	Number of Shares	Percentage of Ownership (%)
YU SHENG INVESTMENT & DEVELOPMENT CO.,LTD	5,409,129	5.99%

Note: The information of major shareholders is based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in the producing and sales of stainless steel products. The chief operating decision-maker, chairman who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement basis

Management monitors the operation results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax and is measured consistently with profit or loss before tax in the consolidated financial statements.

(3) Information on product:

The Group operates business only in a single industry. The main product of the Group is stainless steel products, so the Group does not need to disclose the information on product.

(4) Geographic information:

A. Sales from external customers(Sort based on country of delivery)

	Year ended December 31	
Item	2022	2021
Taiwan	$2,351,708	$1,902,240
South Korea	638,410	261,867
Thailand	84,645	137,429
Europe	55,370	18,850
Vietnam	40,248	28,789
Malaysia	115,245	17,079
Japan	26,143	35,511
Singapore	82,965	46,293
Indonesia	91,050	23,225
Others	45,024	120,292
Total	$3,530,808	$2,591,575

B. Noncurrent Assets

	Year ended December 31	
Item	2022	2021
Taiwan	$285,603	$263,571

C. Major customers:

Client Name	Year ended December 31, 2022	
	Amount	Percentage
Company A	$771,296	21.84%
Company B	677,546	19.19%
Company C	450,801	12.77%

Client Name	Year ended December 31, 2021	
	Amount	Percentage
Company A	$760,990	29.36%
Company B	447,293	17.26%
Company C	327,241	12.63%