M. J. International Co., Ltd.and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

The Board of Directors and Shareholders
M. J. International Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of M.J. International Co., Ltd. and its subsidiaries (collectively referred to as the "M.J. Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years 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 M.J. Group as of December 31, 2023 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 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 generally accepted 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 M.J. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the audit of the M.J. Group’s consolidated financial statements for the year ended December 31, 2023 are stated below:

M.J. Group's consolidated revenue was $2,702,434 thousand for the year of 2023. The accounts receivable from customer A had a long turnover rate and the sales amount accounted for 11% of the consolidated revenue. Therefore, the occurrence of revenue from these customers is considered as a critical review in this year's consolidated financial statements. Please refer to Note 4(14) and Note 25 to the consolidated financial statements for the description of the revenue recognition policy.

Our audit procedures performed included the following：

1. Through understanding the design and implementation of the internal control over sales and collection cycle, we accordingly designed audit procedures on the internal control over sales and collection cycle, in order to confirm and evaluate the effectiveness of the M.J. Group’s internal control over sales and collection cycle.
2. We selected appropriate samples from the sales transactions with the above-mentioned customer; reviewed shipment orders, invoices, bill of lading, and other customs documents; and verified remittance counterparties and cash receipts process, in order to confirm the occurrence of sales.

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 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 M.J. 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 M.J. Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the M.J. 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 generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatements 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 M.J. 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 M.J. 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 M.J. 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 and appropriate audit evidence regarding the financial information of entities or business activities within the M.J. Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the M.J. Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chiang-Shiun Chen and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14,2024

M. J. International Co., Ltd. and subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
Assets	Amount	%	Amount	%
Current assets				
Cash and cash equivalents (Notes 4 and 6)	$ 999,313	16	$ 1,089,427	17
Financial assets at fair value through profit or loss (Notes 4 and 7)	85,837	1	6,394	-
Financial assets at fair value through other comprehensive income -current (Notes 4, 8, 10 and 34)	118,487	2	118,670	2
Financial assets at amortized cost - current (Notes 4,9, 10 and 34)	64,459	1	36,732	1
Notes receivable (Notes 4, 11 and 25)	1,915	-	1,860	-
Notes receivable - related parties (Notes 4, 25 and 33)	474	-	428	-
Trade receivables (Notes 4, 11 and 25)	627,564	10	570,511	9
Trade receivables - related parties (Notes 4, 25 and 33)	27,548	1	42,438	1
Other receivables (Notes 4 and 11)	54,773	1	30,567	-
Current tax assets (Notes 4 and 27)	4,483	-	5,926	-
Inventories (Notes 4 and 12)	430,481	7	461,097	7
Other current assets - others (Notes 19)	85,929	1	199,045	3
Total current assets	2,501,263	40	2,563,095	40
Non-current assets				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 10)	12,965	-	13,454	-
Financial assets at amortized cost – non-current (Notes 4,9, 10 and 34)	-	-	1,000	-
Property, plant and equipment (Notes 4, 14 and 34)	3,246,611	52	3,594,021	56
Right-of-use assets (Notes 4 and 15)	157,754	3	105,113	2
Investment properties (Notes 4 and 16)	321,486	5	65,271	1
Goodwill (Notes 4,17)	-	-	9,009	-
Other intangible assets (Notes 4, 18)	2,204	-	17,568	0
Deferred tax assets (Notes 4 and 27)	17,025	-	25,105	1
Other non-current assets (Notes 4 and 19)	3,749	-	16,053	-
Total non- current assets	3,761,794	60	3,846,594	60
Total assets	$ 6,263,057	100	$ 6,409,689	100
Liabilities and equity				
Current liabilities				
Short-term borrowings (Notes 4 and 20)	$ 44,057	1	$ 206,944	3
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	2,600	-	-	-
Contract liabilities - current (Notes 4 and 25)	31,979	-	23,911	1
Trade payables	316,085	5	208,004	3
Other payables (Notes4, 22and 30)	247,747	4	342,176	5
Other payables- related parties (Notes 33)	6,449	-	5,479	-
Current tax liabilities (Notes 4 and 27)	50,895	1	39,117	1
Provisions - current (Notes 4 and 23)	17,844	-	20,946	-
Lease liabilities - current (Notes 4 and 15)	6,505	-	46,691	1
Current portion of long-term borrowings and bonds payable (Notes 4, 20, 21, 29 and 34)	346,895	6	716,203	11
Other current liabilities	1,310	-	11,717	-
Total current liabilities	1,072,366	17	1,621,188	25
Non-current liabilities				
Bonds payable（Notes 4 and 21）	470,831	8	-	-
Long-term borrowings（Notes 4, 20, 29 and 34)）	1,994,270	32	1,976,369	31
Deferred tax liabilities（Note 4 and 27）	17,861	-	12,414	-
Lease liabilities - non-current（Notes 4 and 15）	29,816	-	30,258	1
Deferred revenue - non-current（Notes 4 and 29）	229,469	4	125,547	2
Guarantee deposits	938	-	3,843	-
Total non-current liabilities	2,743,185	44	2,162,291	34
Total liabilities	3,815,551	61	3,783,479	59
Equity attributable to owners of the company (Notes 4 and 24)				
Share capital				
Ordinary shares	660,590	10	660,590	10
Capital surplus	1,259,321	20	1,229,455	19
Retained earnings				
Legal reserve	226,847	4	212,498	3
Special reserve	104,307	2	167,314	3
Unappropriated earnings	335,031	5	449,205	7
Total retained earnings	666,185	11	829,017	13
Other equity	(120,099)	(2)	(104,307)	(2)
Treasury shares	(21,450)	-	(21,450)	-
Total equity attributable to owners of the company	2,444,547	39	2,593,305	40
Non-controlling interests（Notes4 and 24）	2,959	-	32,905	1
Total equity	2,447,506	39	2,626,210	41
Total liabilities and equity	$ 6,263,057	100	$ 6,409,689	100

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

M. J. International Co., Ltd. and subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and33)				
Sales	$ 2,702,434	100	$ 3,262,778	100
OPERATING COSTS (Notes 12 and 26)				
Cost of goods sold	(2,284,358)	(84)	(2,573,811)	(79)
GROSS PROFIT	418,076	16	688,967	21
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	(165,914)	(6)	(226,777)	(7)
General and administrative expenses	(196,480)	(7)	(247,863)	(7)
Research and development expenses	(48,547)	(2)	(56,597)	(2)
Expected credit loss (Notes 4,10 and 11)	(16,428)	(1)	(6,394)	-
Total operating expenses	(427,369)	(16)	(537,631)	(16)
PROFIT FROM OPERATIONS	(9,293)	-	151,336	5
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 26)	44,846	2	16,585	1
Other income (Notes 4 and 26)	8,828	-	5,542	-
Other gains and losses (Notes 4 and 26)	37,036	2	40,376	1
Financial costs (Notes 4, 21 and 33)	(75,123)	(3)	(33,303)	(1)
Total non-operating income and expenses	15,587	1	29,200	1
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	6,294	1	180,536	6
INCOME TAX EXPENSE (Notes 4 and 27)	(101,917)	(4)	(51,328)	(2)
NET PROFIT FOR THE YEAR	$ 95,623	(3)	$ 129,208	4
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 24)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(22,433)	(1)	85,118	3
Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	7,129	-	(20,101)	(1)
Other comprehensive income/(loss) for the year, net of income tax	(15,304)	(1)	65,017	2
TOTAL COMPREHENSIVE INCOME/ FOR THE YEAR	($ 110,927)	(4)	$ 194,225	6
NET PROFIT/(LOSS) ATTRIBUTABLE TO:				
Owners of the Company	($ 64,313)	(2)	$ 143,494	4
Non-controlling interests	(31,310)	(1)	(14,286)	-
	($ 95,623)	3	$ 129,208	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	($ 80,105)	(3)	$ 206,501	6
Non-controlling interests	(30,822)	(1)	(12,276)	-
	($ 110,927)	(4)	$ 194,225	6
EARNINGS PER SHARE (Note 28)				
From continuing operations				
Basic	($ 0.98)		$ 2.18	
Diluted	($ 0.98)		$ 2.02	

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

M. J. International Co., Ltd. and subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the company										
			Retained Earnings			Other Equity					
	Share capital	Capital surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Exchange differences translating the financial statements of foreign operations	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	Treasury Shares	Total	Non-controlling Interests	Total equity
BALANCE AT JANUARY 1, 2022	$ 660,590	$ 1,229,455	$ 205,640	$ 119,001	$ 406,858	($ 172,132)	$ 4,818	($ 21,450)	$ 2,432,780	$ 43,760	$ 2,476,540
Appropriation of 2021 earnings (Note 24)											
Legal reserve	-	-	6,858	-	(6,858)	-	-	-	-	-	-
Special reserve	-	-	-	48,313	(48,313)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(45,976)	-	-	-	(45,976)	-	(45,976)
Net profit for the year ended December 31, 2022	-	-	-	-	143,494	-	-	-	143,494	(14,286)	129,208
Other comprehensive income (loss) for the year ended December 31, 2022 (Note 24)	-	-	-	-	-	83,108	(20,101)	-	63,007	2,010	65,017
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	143,494	83,108	(20,101)	-	206,501	(12,276)	194,225
Changes in non-controlling interests (Note 24)	-	-	-	-	-	-	-	-	-	1,421	1,421
BALANCE AT DECEMBER 31, 2022	660,590	1,229,455	212,498	167,314	449,205	(89,024)	(15,283)	(21,450)	2,593,305	32,905	2,626,210
Appropriation of 2022 earnings (Note 24)											
Legal reserve	-	-	14,349	-	(14,349)	-	-	-	-	-	-
Special reserve	-	-	-	(63,007)	63,007	449,205 -	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(98,519)	-	-	-	(98,519)	-	(98,519)
Equity component of convertible bonds issued by the Company(Note 21)	-	29,866	-	-	-	-	-	-	29,866	-	29,866
Net profit for the year ended December 31, 2023	-	-	-	-	(64,313)	-	-	-	(64,313)	(31,310)	(95,623)
Other comprehensive income (loss) for the year ended December 31, 2023 (Note 24)	-	-	-	-	-	(22,921)	7,129	-	(15,792)	488	(15,304)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(64,313)	(22,921)	7,129	-	(80,105)	(30,822)	(110,927)
Disposal of its subsidiaries(Note 24 and 30)	-	-	-	-	-	-	-	-	-	876	876
BALANCE AT DECEMBER 31, 2023	$ 660,590	$ 1,259,321	$ 226,847	$ 104,307	$ 335,031	($ 111,945)	($ 8,154)	($ 21,450)	$ 2,444,547	$ 2,959	$ 2,447,506

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

M. J. International Co., Ltd. and subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 6,294	$ 180,536
Adjustments for:		
Depreciation expenses	253,236	181,470
Amortization expenses	9,532	8,667
Expected credit loss recognizedon trade receivables	16,428	6,394
Finance costs	75,123	33,303
Interest income	(44,846)	(16,585)
Write-downs of inventories	55,884	15,425
(Gain)/loss on disposal of property, plant and equipment	1,931	(500)
Net (gain)/loss on fair value changes of financial assets at fair value through profit or loss	(861)	-
Net (gain)/loss on disposal of financial assets	3,906	315
Net (gain)/loss on foreign currency exchange	3,834	(47,932)
Loss (gain) on disposal of other assets	-	(198)
Loss (gain) on bond redemption	4,500	-
Gains from disposal of its subsidiaries	(724)	-
Recognition of provisions	(6,089)	(802)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(55)	1,542
Decrease (increase) in notes receivable due from related parties	(46)	914
Decrease (increase) in trade receivable	(69,381)	968,892
Decrease (increase) in trade receivable due from related parties	12,392	2,477
Decrease (increase) in other receivable	(28,629)	15,045
Decrease (increase) in inventories	4,202	150,970
Decrease (increase) in other current assets	112,893	40,935
Increase (decrease) in financial liabilities held for trading	-	-
Increase (decrease) in contract liabilities	8,068	1,271
Increase (decrease) in accounts payable	108,733	(217,422)
Increase (decrease) in other payable	(6,597)	(42,782)
Increase (decrease) in other payable - related parties	52	(24)
Increase (decrease) in provisions	(3,145)	2,738
Increase (decrease) in other current liabilities	(10,407)	9,511
Net cash flows from (used in) operating activities	506,228	1,294,160

(Continued)

	2023	2022
Interest received	$ 36,731	$ 7,544
Interest paid	(65,193)	(24,729)
Income tax paid	(88,979)	(23,483)
Net cash generated from operating activities	388,787	1,253,492
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	1,408	11,922
Purchase of financial assets at amortized cost	(26,721)	(36,302)
Purchase of financial assets at fair value through profit or loss	(87,595)	-
Proceeds from sale of financial assets at fair value through profit or loss	6,415	20,400
Payments for property, plant and equipment	(280,004)	(859,337)
Proceeds from disposal of property, plant and equipment	-	2,433
Increase in refundable deposits	(28)	(1,681)
Decrease in refundable deposits	10	50,610
Payments for intangible assets	(245)	(2,699)
Increase in other non-current assets	-	(9,407)
Increase in other non-current liabilities	4,438	-
Net cash inflow (outflow) from disposal of its subsidiaries	(553)	-
Interest received	10,373	5,080
Net cash used in financing activities	(372,502)	(818,981)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	870,360	2,278,784
Repayments of short-term borrowings	(1,033,450)	(2,768,475)
Proceeds from issuance of convertible bonds	499,410	-
Repayments of bonds	(604,500)	-
Proceeds from long-term borrowings	359,900	838,010
Repayments of long-term borrowings	(120,966)	-
Proceeds from guarantee deposits received	656	100
Refund of guarantee deposits received	(3,557)	(1,719)
Proceeds from related parties	786	5,535
Repayment of the principal portion of lease liabilities	(3,821)	(4,633)
Cash dividends paid	(98,519)	(45,976)
Changes in non-controlling interests	-	1,421
Net cash flows from (used in) financing activities	(133,701)	303,047
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	27,302	15,660
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(90,114)	753,218
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,089,427	336,209
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 999,313	$ 1,089,427

(Concluded)

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

M. J. International Co., Ltd. and subsidiaries

Notes To Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. GENERAL INFORMATION

M. J. International Co., Ltd. (hereinafter referred to as the "Company") was incorporated in the Cayman Islands on October 8, 2010. The Company is the holding company that has reorganized the organizational structure for the listing of stocks on the Taiwan Stock Exchange. After the reorganization, the company became the holding company of all the merged entities. The Company's shares have been listed on the Taiwan Stock Exchange since November 1, 2016. The Company and its subsidiaries (hereinafter referred to as the "M.J. Group") are primarily engaged in the business of developing, manufacturing and selling for LVT and SPC floors.

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

<u>Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"</u>

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. M.J. Group applied the amendments and recognized a deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. M.J. Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, M.J. Group restated comparative information.

M.J. Group is impact for the application of the amendments to IAS 12 is summarized below on December 31, 2023：

Impact of assets and liabilities in 2023

	2023
Increase in Deferred tax assets	$ 9,573
Increase in assets	$ 9,573
Increase in Deferred tax liabilities	$ 9,573
Increase in liabilitie	$ 9,573

Impact of initial application of the amendments to IAS 12,is below on 2023：

Impact of assets and liabilities in 2022

	As Originally Stated	Adjustments Arising from Initial Application	Restated
December 31, 2022			
Deferred tax assets	$ 11,245	$ 13,860	$ 25,105
Total effect on assets	$ 11,245	$ 13,860	$ 25,105
Deferred tax liabilities	$ 12,414	$ 13,860	$ 26,274
Total effect on liabilities	$ 12,414	$ 13,860	$ 26,274
January 1, 2022			
Deferred tax assets	$ 12,104	$ 19,834	$ 31,938
Total effect on assets	$ 12,104	$ 19,834	$ 31,938
Deferred tax liabilities	$ 8,430	$ 19,834	$ 28,264
Total effect on liabilities	$ 8,430	$ 19,834	$ 28,264

b. Applicable FSC-approved IFRS Accounting Standards in 2024

New, revised or amended standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	Jan. 1, 2024 (Note 2)
Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current	Jan. 1, 2024
Amendments to IAS 1 - Non-current Liabilities with Covenants	Jan. 1, 2024
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	Jan. 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new/revised/amended standards or interpretations are effective for annual reporting periods beginning on their respective effective dates.

Note 2: A seller-lessee applies the amendments retrospectively to IFRS 16 to sale and leaseback transactions entered into after the date of initial application.

Note 3: When the amendments apply for the first time, some requirements for disclosure are exempted.

As of the date the consolidated financial statements were authorized for issue, the M.J. Group has assessed that the application of other standards and interpretations will not have a material impact on the M.J. Group's financial position and financial performance.

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

New, revised or amended standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by IASB
IFRS 17 - Insurance Contracts	Jan. 1, 2023
Amendments to IFRS 17	Jan. 1, 2023
Amendments to IFRS 17 - Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Jan. 1, 2023
Amendments to IAS 21 - Lack of Exchangeability	Jan. 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new/revised/amended standards or interpretations are effective for annual reporting periods beginning on their respective effective dates.

Note 2: The amendments apply to the annual reporting periods beginning on or after Jan. 1, 2025. When the amendments apply for the first time, the effects will be recognized in retained earnings on the initial application - 16 - date. When the Consolidated Company adopts a non-functional currency as the presentation currency, the effects will be reclassified as the exchange differences arising from the translation of the financial statements of foreign operations under equity on the initial application date.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Liabilities for which the M.J. Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period; and
3) Liabilities for which the M.J. Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra- M.J. Group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests.

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

a. the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and

b. the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

See Note 13 and Table 7 and Table 9 for the detailed information of subsidiaries (including the percentage of ownership and main businesses).

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of its foreign operations (including subsidiaries, associates that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and inventories in transit are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately.The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the M.J. Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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.

k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the M.J. Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the M.J. Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any interest earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note32: Financial Instruments.

ii. Financial assets at amortized cost

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

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

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss., except for cases where the interest recognition of short-term receivables is not significant, Exchange differences are recognized in profit or loss.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets

The M.J. Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI,

The M.J. Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the M.J. Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the M.J. Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the M.J. Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the M.J. Group):

i) Internal or external information show that the debtor is unlikely to pay its creditors.

ii) When a financial asset is more than 180 days past due unless the M.J. Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts 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 the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The M.J. Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading.

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses on such financial liabilities are recognized in profit or loss.

Fair value is determined in the manner described in Note 32.

b) Derecognition of financial liabilities

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

3) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the M.J. Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus -others.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

4) Derivative financial instruments

The M.J. Group enters into derivative financial instruments are foreign exchange forward contracts, dual currency Investment and foreign exchange option to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with sales contracts are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the M.J. Group’s obligations.

n. Revenue recognition

The M.J. Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of LVT floors are recognized as revenue when the goods are shipped or the goods are delivered to the customer’s specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Advance receipts are recognized as contract liabilities before the goods are shipped.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Provision for estimated sales returns and other allowances is generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize provisions, which is classified under other payables.

o. Leases

At the inception of a contract, the M.J. Group assesses whether the contract is, or contains, a lease.

1) The M.J. Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The M.J. Group as lessee

The M.J. Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the M.J. Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is the M.J. Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the M.J. Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the M.J. Group recognizes as the grants intend to compensate. Specifically, government grants whose primary condition is that the M.J. Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.
Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the M.J. Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The M.J. Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications climate change and related government policies and regulations when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The accounting policies, estimates and underlying assumptions adopted by the merging company are not subject to material uncertainty in accounting judgments, estimates and assumptions after being assessed by the management of the merging company.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand	$ 1,287	$ 1,769
Checking accounts and demand deposits	625,686	415,411
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	372,340	672,247
	$ 999,313	$ 1,089,427

The market rate intervals of cash in the bank at the end of the year were as follows

	December 31, 2023	December 31, 2022
Bank balance	0.001%～5.75%	0.01%～5.1%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Hybrid financial assets		
－Structured deposits (c)	$ 85,837	$ 6,394
Financial liabilities - current		
Held for trading		
Derivative		
—Options of convertible bonds (Note 21)	$ 2,600	$ -

The M.J. Group entered into a structured time deposit contract with Bank. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in debt instruments at FVTOCI

	December 31, 2023	December 31, 2022
Current		
Foreign investments		
Overseas bond investment	$ 118,487	$ 118,670
Non-current		
Foreign investments		
Overseas bond investment	12,965	13,454
	$ 131,452	$ 132,124

1) Refer to Note 10 for information relating to their credit risk management and impairment.

2) Refer to Note 34 for information relating to investments in debt instruments at FVTOCI pledged as security.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Current		
Domestic investments		
Restricted deposit -time deposits	$ 64,459	$ 36,732
Non-current		
Domestic investments		
Time deposits with original maturity of more than one year	$ -	$ 1,000

1) Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.
2) Refer to Note 34 for information relating to investments in financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

December 31, 2023

	At FVTOCI	At Amortized Cost
Gross carrying amount	$ 155,102	$ 64,459
Less: Allowance for impairment loss	(12,285)	-
Amortized cost	142,817	$ 64,459
Adjustment to fair value	(8,154)	
Effect of exchange rate changes	(3,211)	
	$ 131,452	

December 31, 2022

	At FVTOCI	At Amortized Cost
Gross carrying amount	$ 161,641	$ 37,732
Less: Allowance for impairment loss	(11,122)	-
Amortized cost	150,519	$ 37,732
Adjustment to fair value	(15,283)	
Effect of exchange rate changes	(3,112)	
	$ 132,124	

The M.J. Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The M.J. Group’s exposure and the external credit ratings are continuously monitored. The M.J. Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the M.J. Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries. The M.J. Group's current credit risk grading mechanism is as follows:

Category	**Description**	**Basis for Recognizing Expected Credit Losses (ECLs)**
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition, or the debtor has a higher credit risk but still has a strong capacity to meet contractual cash flows	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the M.J. Group has no realistic prospect of recovery	Amount is written off

December 31, 2023

		Gross Carrying Amount Gross	
Category	Expected Loss Rate	At FVTOCI	At Amortized Cost
Performing	0%	$ 129,921	$ 64,459
Doubtful	0.49%～36.8%	12,873	-
In default	36.8%～100%	12,308	-
Write-off	100%	-	-
		$ 155,102	$ 64,459

December 31, 2022

		Gross Carrying Amount Gross	
Category	Expected Loss Rate	At FVTOCI	At Amortized Cost
Performing	0%	$ 130,260	$ 37,732
Doubtful	0.48%～14.70%	19,016	-
In default	25.02%～100%	12,365	-
Write-off	100%	-	-
		$ 161,641	$ 37,732

The movements of the allowance for impairment loss of investments in debt instruments at FVTOCI were as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In default (Lifetime ECLs - Credit-impaired)
Balance at January 1,2023	$ -	$ 1,024	$ 10,098
Derecognition（a）	-	-	(917)

Change in model or risk parameters	-	2,152	(55)
Change in exchange rates or others	-	(32)	15
Balance at December 31,2023	$ -	$ 3,144	$ 9,141

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In default (Lifetime ECLs - Credit-impaired)
Balance at January 1,2022	$ -	$ 1,607	$ 809
From doubtful to in default	-	(3,156)	3,156
Derecognition（a）	-	(187)	-
Change in model or risk parameters	-	2,597	5,784
Change in exchange rates or others	-	163	349
Balance at December 31,2022	$ -	$ 1,024	$ 10,098

(a) Changes in external credit ratings provided by third party pricing services.

(b) Investments in government bonds rated as doubtful at FVTOCI of $1,408 thousand and $11,922 thousand were sold during 2023 and 2022, respectively, with a consequential reduction in the loss allowance for investments rated as doubtful of $917 thousand and $187 thousand , respectively.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Notes receivable		
At amortized cost		
Gross carrying amount- operating	$ 1,915	$ 1,860
Less: Allowance for impairment loss	-	-
	$ 1,915	$ 1,860
Trade receivables		
At amortized cost		
Gross carrying amount	$ 557,593	$ 492,914
Less: Allowance for impairment loss	(10,572)	(1,006)
	547,021	491,908
At FVTOCI receivables	80,543	78,603
	$ 627,564	$ 570,511
Other receivables		
Retention for sale of receivables	$ 28,966	$ 1,863
Tax refund receivable	16,149	13,795
Interest receivable	8,844	10,724
Others	2,683	4,185
Less: Allowance for impairment loss	(1,869)	-
	$ 54,773	$ 30,567

(a) Notes receivable and trade receivable

1) At amortized cost

The average cashing days of notes receivables was 30 to 60 days. The average credit period of sales of goods was 30 to 150 days. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the M.J. Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the M.J. Group's credit risk was significantly reduced.

The M.J. Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on notes receivable and trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the M.J. Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the group's different customer base.

The M.J. Group writes off notes and accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For notes and accounts receivable that have been written off, the M.J. Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivables based on the M.J. Group's provision matrix.

December 31, 2023

	Not Past Due
Expected credit loss rate	0%
Gross carrying amount	$ 1,915
Loss allowance (Lifetime ECLs)	-
Amortized cost	$ 1,915

December 31, 2022

	Not Past Due
Expected credit loss rate	0%
Gross carrying amount	$ 1,860
Loss allowance (Lifetime ECLs)	-
Amortized cost	$ 1,860

The following table details the loss allowance of trade receivables based on the M.J. Group's provision matrix.

December 31, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Individual assessment	Total
Expected credit loss rate	0%~0.29%	0%~0.83%	0%~2.73%	0%~4.25%	12.71%~100%	100%	
Gross carrying amount	$ 506,259	$ 39,451	$ 14	$ 1,209	$ 1,938	$ 8,722	$ 557,593
Loss allowance (Lifetime ECLs)	(2)	(8)	-	(6)	(1,834)	(8,722)	(10,572)
Amortized cost	$ 506,257	$ 39,443	$ 14	$ 1,203	$ 104	$ -	$ 547,021

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%~0.12%	0%~0.45%	0%~1.07%	0%~2.63%	8.6%~100%	
Gross carrying amount	$ 481,582	$ 10,284	$ 4	$ 49	$ 995	$ 492,914
Loss allowance (Lifetime ECLs)	(4)	(6)	-	(1)	(995)	(1,006)
Amortized cost	$ 481,578	$ 10,278	$ 4	$ 48	$ -	$ 491,908

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

	2023	2022
Balance at January 1	$ 1,006	$ 2,993
Add: Net remeasurement of loss allowance	12,424	(1,987)
Less: Amounts written off	(2,704)	(140)
Effect of exchange rate changes	(154)	140
Balance at December 31	$ 10,572	$ 1,006

2) At FVTOCI

For certain customers' accounts receivable, the M.J. Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets.

The following table details the loss allowance of At FVTOCI receivables based on the M.J. Group’s provision matrix.

December 31, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	-	-	-	0%~100%	
Gross carrying amount	$ 80,543	$ -	$ -	$ -	$ -	$ 80,543
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 80,543	$ -	$ -	$ -	$ -	$ 80,543

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	-	-	-	0%~100%	
Gross carrying amount	$ 78,603	$ -	$ -	$ -	$ -	$ 78,603
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 78,603	$ -	$ -	$ -	$ -	$ 78,603

Accounts receivable that have been sold without recourse are classified as other receivables in the retention account, please refer to Note 32.

(b) Other receivable

The accounts stated by the M.J. Group as other receivables are primarily the Retention for sale of receivables ,tax refund receivable and interest receivable. According to the M.J. Group’s policy, it only trades with the counterparts with fair credit ratings. The M.J. Group would continue to follow up and consider the trading counterparts’ past payment record and analyze their current financial position to assess whether there has been a significant increase in credit risk on the other receivables since initial recognition and to measure the expected credit loss. M.J. Group’s analysis by reference to the past default experience of the debtor and analysis of the debtor 's current financial position, as well as the forecasted direction of economic conditions,the estimated percentages of expected credit loss of other receivables are based the credit rating receiver.

The following table details the loss allowance of other receivables based on the M.J. Group's provision matrix.

December 31, 2023

	Group A	Group B	Total
Expected credit loss rate	-	100%	
Gross carrying amount	$ 54,773	$ 1,869	$ 56,642
Loss allowance (Lifetime ECLs)	-	(1,869)	(1,869)
Amortized cost	$ 54,773	$ -	$ 54,773

December 31, 2022

	Group A	Group B	Total
Expected credit loss rate	-	100%	
Gross carrying amount	$ 30,567	$ -	$ 30,567
Loss allowance (Lifetime ECLs)	-	-	-
Amortized cost	$ 30,567	$ -	$ 30,567

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

	2023	2022
Balance at January 1	$ -	$ -
Add: Net remeasurement of loss allowance	1,907	-
Effect of exchange rate changes	(38)	-
Balance at December 31	$ 1,869	$ -

12. INVENTORIES

	December 31, 2023	December 31, 2022
Commodity	$ 47,421	$ 94,203
Finished goods	125,869	120,469
Work in process	79,222	103,788
Raw materials and supplies	120,640	115,572
Inventory in transit	57,329	27,065
	$ 430,481	$ 461,097

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

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 2,189,646	$ 2,558,386
Inventory write-downs	34,875	15,425
Unallocated production overhead	15,425	-
	$ 2,284,358	$ 2,573,811

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main business	% of ownership December 31,2022	% of ownership December 31,2021
M.J. International Co., Ltd. ("M.J. Group")	Prolong International Co., Limited.("Prolong HK")	Investment holding	100%	100%
	M.J. International Flooring And Interior Products Inc.("M.J. Taiwan")	Sale and processing of LVT and SPC floors	100% (Remark1)	100% (Remark1)
	Opulent International Group Limited("Opulent")	International trade	100%	100%
	Fullhouse Investments Limited.	Investment holding	100%	100%
Fullhouse Investments Limited.	Green Touch Floors Inc.	Sale of engineered wood , LVT and floors decoration materials and construction materials.	60%	60%
Prolong HK	Dongguan MeiJer Plastic Products Co., Ltd.("M.J. Dongguan")	Production and sale of tiles, decoration materials and construction materials, and investment holding.	100%	100%
	Dongguan Prolong Plastic Products Co., Ltd.("Prolong Dongguan")	Production and sale of tiles, decoration materials and construction materials, and investment holding.	100%	100%
M.J. Dongguan	Chongqing M.J. Architecture & Decoration Materials Co., Ltd.("M.J. Chongqing")	Sale of plastic tiles, decoration materials and construction materials.	100%	100%
	Guangzhou Promax Architecture & Decoration Materials Co., Ltd.("M.J. Guangzhou")	Sale of plastic tiles, decoration materials and construction materials.	100%	100%
	Beijing M.J. Architecture & Decoration Materials Co., Ltd. ("M.J. Beijing")	Sale of plastic tiles, decoration materials and construction materials.	62% (Remark3)	62%
	Shanghai M.J. Architecture & Decoration Materials Co., Ltd. ("M.J. Shanghai")	Sale of plastic tiles, decoration materials and construction materials.	36%	36%
	Wuhan M.J. Architecture & Decoration Materials Co., Ltd. ("M.J. Wuhan")	Sale of plastic tiles, decoration materials and construction materials.	100%	100%
	Changchun MH Arts Co., Ltd. ("Changchun MH")	Production and sale of tiles, decoration materials and construction materials.	- (Remark2)	70%
Prolong Dongguan	M.J. Shanghai	Sale of plastic tiles, decoration materials and construction materials.	64%	64%
	Xian M.J. Architecture & Decoration Materials Co., Ltd. ("M.J. Xian")	Sale of plastic tiles, decoration materials and construction materials.	100%	100%
	Shenyang M.J. Architecture & Decoration Materials Co., Ltd. ("M.J. Shenyang")	Sale of plastic tiles, decoration materials and construction materials.	100%	100%
	M.J. Beijing	Sale of plastic tiles, decoration materials and construction materials.	38%	38%

Remark：

1) The M.J. Group invested M.J. Taiwan 300,000 thousand in January 2022. On August 24, 2023, the board of directors of the M.J. Group decided to increase 300,000 thousand on its investment by M.J. Taiwan..

2) The board of directors of the M.J. Group decided to resolved Changchun MH Arts Co., Ltd on June 21, 2023 and entered into a contract of sale with its non-controlling interest shareholder on June 26, 2023

14. Property, Plant and Equipment- Assets used by the M.J. Group

Land	Buildings	Machinery and equipment	Molding equipment	Transportation equipment	Office equipment	Other equipment	Equipment under Installation and Construction in Progress	Total

Cost									
Balance at January 1, 2023	$ 456,595	$1,793,914	$1,150,564	$ 36,772	$ 38,551	$ 19,784	$ 195,759	$ 990,217	$4,682,156
Additions	-	60,659	104,117	650	422	358	13,198	20,109	199,513
Disposals	-	(5,645)	(8,959)	-	(384)	(131)	(21,945)	-	(37,064)
Reclassified (Remark)	-	265,885	589,821	-	-	-	50,297	(906,159)	(156)
Transfers to investment properties	-	(335,812)	-	-	-	-	-	-	(335,812)
Disposals subsidiary	-	-	(40,016)	-	(404)	(796)	(2,632)	-	(43,848)
Effect of exchange rate changes	-	(5,505)	(15,377)	(632)	(427)	(155)	(2,796)	-	(24,892)
Balance at December 31, 2023	$ 456,595	$1,773,496	$1,780,150	$ 36,790	$ 37,758	$ 19,060	$ 231,881	$ 104,167	$4,439,897
Accumulated depreciation									
Balance at January 1, 2023	$ -	$ 295,386	$ 595,483	$ 32,525	$ 26,631	$ 13,260	$ 124,850	$ -	$1,088,135
Disposals	-	(4,086)	(8,959)	-	(73)	(131)	(21,884)	-	(35,133)
Depreciation expenses	-	55,464	125,988	2,261	2,703	1,988	36,592	-	224,996
Transfers to investment properties	-	(59,703)	-	-	-	-	-	-	(59,703)
Disposals subsidiary	-	-	(5,353)	-	(137)	(496)	(789)	-	(6,775)
Effect of exchange rate changes	-	(3,927)	(10,869)	(592)	(406)	(155)	(2,285)	-	(18,234)
Balance at December 31, 2023	$ -	$ 283,134	$ 696,290	$ 34,194	$ 28,718	$ 14,466	$ 136,484	$ -	$1,193,286
Accumulated impairment									
Balance at January 1, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Impairment losses recognized	-	-	5,628	-	-	-	-	-	5,628
Disposals subsidiary	-	-	(5,498)	-	-	-	-	-	(5,498)
Effect of exchange rate changes	-	-	(130)	-	-	-	-	-	(130)
Balance at December 31, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Carrying amounts at December 31, 2023	$ 456,595	$1,490,362	$1,083,860	$ 2,596	$ 9,040	$ 4,594	$ 95,397	$ 104,167	$3,246,611
Cost									
Balance at January 1, 2022	$ 456,595	$ 750,134	$ 907,001	$ 35,379	$ 33,891	$ 17,300	$ 180,617	$1,401,381	$3,782,298
Additions	-	14,569	134,245	844	5,615	3,953	38,018	746,241	943,485
Disposals	-	(26,420)	(19,562)	-	(3,922)	(2,003)	(31,626)	-	(83,533)
Reclassified (Remark)	-	1,043,932	114,922	-	2,522	-	5,942	(1,157,405)	9,913
Effect of exchange rate changes	-	11,699	13,958	549	445	534	2,808	-	29,993
Balance at December 31, 2022	$ 456,595	$1,793,914	$1,150,564	$ 36,772	$ 38,551	$ 19,784	$ 195,759	$ 990,217	$4,682,156
Accumulated depreciation									
Balance at January 1, 2022	$ -	$ 276,549	$ 533,735	$ 29,329	$ 24,890	$ 12,333	$ 119,522	$ -	$ 996,358
Disposals	-	(26,420)	(19,356)	-	(2,538)	(1,660)	(31,626)	-	(81,600)
Depreciation expenses	-	41,077	73,184	2,753	3,908	2,179	35,101	-	158,202
Effect of exchange rate changes	-	4,180	7,920	443	371	408	1,853	-	15,175
Balance at December 31, 2022	$ -	$ 295,386	$ 595,483	$ 32,525	$ 26,631	$ 13,260	$ 124,850	$ -	$1,088,135
Carrying amounts at December 31, 2022	$ 456,595	$1,498,528	$ 555,081	$ 4,247	$ 11,920	$ 6,524	$ 70,909	$ 990,217	$3,594,021

Remark：Reclassified into the property, plant and equipment or other non-current assets from the property in construction or equipment under installation.

The sudsidiary Changchun MH. had poor sales and the consolidated company expects the future cash inflow of this subsidiary's machinery and equipment to decrease, resulting in the recoverable amount of this subsidiary being less than the carrying amount; therefore, the company recognized an impairment loss of $5,628 thousand in 2023, which is included in the consolidated statements of comprehensive income under the other gains and losses.

The Group determined the recoverable amount of the relevant assets on the basis of their fair values less costs of disposal. The fair values used in determining the recoverable amounts were categorized as Level 3 measurements and were measured using the market value method.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:：

Buildings	
Main buildings	10~ 55Years
Others	3~20Years
Machinery and equipment	2~20Years
Molding equipment	2~5Years
Transportation equipment	2.5~10Years
Office equipment	3~10Years
Other equipment	2~20Years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 34.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land(Remark)	$ 121,629	$ 49,848
Buildings	36,125	55,265
	$ 157,754	$ 105,113

	2023	2022
Additions to right-of-use assets	$ 115,072	$ -
Disposal to right-of-use assets	($ 44,606)	$ -
Deprecition expense		
Land	$ 3,773	$ 1,377
Bulidings	10,941	19,410
	$ 14,714	$ 20,787

Remark ：The right-of-use assets include land use rights in mainland China. The M.J. Group has obtained the land use rights certificates issued by the government. Except for the depreciation expenses obtained, added, and recognized by the business combination listed above, the combined company's right-of-use assets did not undergo significant sub-lease and impairment in 2023and 2022.

b. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		
Current	$ 6,505	$ 46,691
Non-Current	$ 29,816	$ 30,258

Range of discount rate for lease liabilities was as follows

	December 31, 2023	December 31, 2022
Bulidings	5%	2.76%~5%

c. Material lease-in activities and terms

The right-of-use assets include land use rights in mainland China. The lease term is 50 years. The M.J. Group has obtained the land use rights certificates issued by the government.

The M.J. Group also leases l buildings for the use of offices and dormitory with lease terms of 5years. The M.J. Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 9,702	$ 9,702
Expenses relating to low-value asset leases	$ 196	$ -
Total cash outflow for leases	($ 12,217)	($ 16,345)

16. INVESTMENT PROPERTIES

	Buildings
Cost	

	Buildings
Balance at January 1, 2023	$ 97,866
Transfers from property, plant and equipment	335,812
Effects of foreign currency exchange differences	(8,386)
Balance at December 31, 2023	$ 425,292
Accumulated depreciation	
Balance at January 1, 2023	$ 32,595
Transfers from property, plant and equipment	59,703
Depreciation expenses	13,526
Effects of foreign currency exchange differences	(2,018)
Balance at December 31, 2023	$ 103,806
Carrying amounts at December 31, 2023	$ 321,486
Cost	
Balance at January 1, 2022	$ 96,357
Effects of foreign currency exchange differences	1,509
Balance at December 31, 2022	$ 97,866
Accumulated depreciation	
Balance at January 1, 2022	$ 29,664
Depreciation expenses	2,481
Effects of foreign currency exchange differences	450
Balance at December 31, 2022	$ 32,595
Carrying amounts at December 31, 2022	$ 65,271

(a).The lease term of investment real estate is 4 years. The lessee does not have the right of preferential purchase at the end of the lease period.

(b).The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2023 was as follows:

	December 31, 2023	December 31, 2022
Year1	$ 5,412	$ 786
Year2	4,904	-
Year3	3,839	-
Year4	2,920	-
	$ 17,075	$ 786

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

Building	20~35 Years

(d).The management of the Company used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

	December 31, 2023	December 31, 2022
Fair value	$ 336,170	$103,694

(e).There was no indication of impairment for the year ended December 31, 2023 and 2022.

17. GOODWILL

	2023	2022
Cost		
Balance at January 1	$ 9,009	$ 8,120
Effect of foreign currency exchange differences	(1)	889
Balance at December 31	$ 9,008	$ 9,009
Accumulated impairment losses		
Balance at January 1	$ -	$ -
Impairment losses recognized	(9,140)	-
Effect of foreign currency exchange differences	132	-
Balance at December 31	($ 9,008)	$ -
Carrying amount at December 31	$ -	$ 9,009

For the purposes of impairment testing, goodwill has been allocated to Green Touch Floors Inc. The recoverable amount of Green Touch Floors Inc. was determined based on a value-in-use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period and a discount rate of 15.53% .

Based on the assessment, the recoverable amounts of Green Touch Floors Inc. for the 2023 which were lower than the related carrying amounts, and goodwill impairment losses of $9,140 thousand were recognized in other gains and losses. Management assessed that there was no significant impairment of goodwill for the year ended December 31, 2022.

18. OTHER INTANGIBLE ASSETS

	Software	Customer Relationship	Total
Cost			
Balance at January 1,2023	$ 4,340	$ 41,014	$ 45,354
Additions	245	-	245
Disposals	(463)	-	(463)
Division subsidiary(Note30)	(101)	-	(101)
Effect of foreign currency exchange differences	(6)	(7)	(13)
Balance at December 31,2023	$ 4,015	$ 41,007	$ 45,022
Accumulated amortization			
Balance at January 1,2023	$ 1,127	$ 26,659	$ 27,786
Amortization expenses	1,210	8,322	9,532
Disposals	(463)	-	(463)

Impairment losses recognized	-	6,241	6,241
Division subsidiary(Note30)	(59)	-	(59)
Effect of foreign currency exchange differences	(4)	(215)	(219)
Balance at December 31,2023	$ 1,811	$ 41,007	$ 42,818
Carrying amounts at December 31,2023	$ 2,204	$ -	$ 2,204
Cost			
Balance at January 1,2022	$ 1,949	$ 36,968	$ 38,917
Additions	2,699	-	2,699
Disposals	(310)	-	(310)
Effect of foreign currency exchange differences	2	4,046	4,048
Balance at December 31,2022	$ 4,340	$ 41,014	$ 45,354
Accumulated amortization			
Balance at January 1,2022	$ 730	$ 16,636	$ 17,366
Amortization expenses	706	7,961	8,667
Disposals	(310)	-	(310)
Effect of foreign currency exchange differences	1	2,062	2,063
Balance at December 31,2022	$ 1,127	$ 26,659	$ 27,786
Carrying amounts at December 31,2022	$ 3,213	$ 14,355	$ 17,568

For the purposes of impairment testing, goodwill has been allocated to Green Touch Floors Inc. The recoverable amount of Green Touch Floors Inc. was determined based on a value-in-use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period and a discount rate of 15.53% .

Based on the assessment, the recoverable amounts of Green Touch Floors Inc. for the 2023 which were lower than the related carrying amounts, and customer relationship impairment losses of $6,241 thousand were recognized in other gains and losses. Management assessed that there was no significant impairment of goodwill for the year ended December 31, 2022.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Software	3-5 Years
Customer Relationship	5 Years

An analysis of depreciation by function：

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 85	$ -
Selling and marketing expenses	-	$ -
General and administrative expenses	9,447	8,667
Research and development expenses	-	-
	$ 9,532	$ 8,667

19. OTHER ASSETS

	December 31, 2023	December 31, 2022

Current		
Offset Against Business Tax Payable	$ 70,962	$ 170,476
Prepayments	1,187	5,208
Others	13,780	23,361
	$ 85,929	$ 199,045
Non-Currnt		
Prepayments for equipment	$ 557	$ 12,862
Refundable deposit (a)	3,192	3,191
	$ 3,749	$ 16,053

20. BORROWINGS

Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Bank overdraft(1)	$ 9,388	$ 7,444
Line of credit borrowings(1)	30,029	199,500
Other borrowings(2)	4,640	-
Total	$ 44,057	$ 206,944

1. As of December 31, 2023 and 2022, the interest rates on the unsecured borrowings were 1.88%~8.1% and1.64%~7.6%, respectively.
2. As of December 31, 2023, the interest rates on the other borrowings were 5%

Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 34)		
Bank loans A (Note1)	$ 324,133	$ 353,600
Bank loans B (Note2)	1,517,429	1,608,000
Bank loans C (Note3)	350,000	81,000
Less:Discounts on goverment grant （Note29）	(85,971)	(90,240)
	2,105,591	1,952,360
Unsecured borrowings		
Bank loans D (Note4)	200,000	150,000
Bank loans E (Note5)	40,900	-
Bank loans	-	907
Less:Discounts on goverment grant （Note29）	(5,326)	(5,953)
	235,574	144,954
Less：Current portion of long-term borrowings	(346,895)	(120,945)
	$ 1,994,270	$ 1,976,369

Note 1: The M.J. Group obtained a newly allocated bank loan of NT$353,600 thousand. The loan interest rate is 1.83%~1.95%, 10 years from the grant date on June 4, 2020, including grace period 3 years. Since the grace period expires, the principal will be amortized evenly in monthly installments, and the principal will be amortized evenly in 85 installments. The transfer amount is guaranteed by the land held by the combined company. Please refer to note 34.

Note 2: The M.J. Group obtained a government loan with preferential interest rate from the National Development Fund (NDF), Executive Yuan under the " Project Loan for Returning Overseas Taiwanese Businesses", please refer to Note 29. The amount of the loan is secured by the M.J. Group's plant and equipment (listed buildings, machinery and equipment, and unfinished construction and equipment to be tested), please refer to Note 34. The interest rate is 0.53%~0.65%, and the interest rate is 7~10 years from the grant date, including a grace period of 1~3 years. The principal will be repaid in one equal monthly installment from the date of expiration of the grace period.

Note 3: The M.J. Group allocated government loan with preferential interest rate, please refer to Note 29. The amount of the loan is secured by the M.J. Group's plant and equipment (listed buildings, machinery and equipment, and unfinished construction and equipment to be tested), please refer to Note 34. The interest rate is 0.53%~0.65%, and the interest rate is 5 years from the grant date, including a grace period of 1~2 years. The principal will be repaid in one equal monthly installment from the date of expiration of the grace period.

Note 4: The M.J. Group allocated government loan with preferential interest rate, please refer to Note 29. The interest rate is 0.73%~0.65%, and the interest rate is 5 years from the grant date, including a grace period of 1~2 years. The principal will be repaid in one equal monthly installment from the date of expiration of the grace period.

Note 5: The M.J. Group obtained a newly allocated bank loan of NT$40,900 thousand. The loan interest rate is 1.99%, 15 years from the grant date on November 20, 2023, including grace period 2 years. Since the grace period expires, the principal will be amortized evenly in monthly installments, and the principal will be amortized evenly in 156 installments.

21. Bonds payable

	December 31,2023	December 31,2022
Unsecured domestic convertible bonds	$ 470,831	$ 595,258
Less：Current portion	-	(595,258)
	$ -	$ -

Unsecured domestic convertible bonds-1st

The terms of the first domestic convertible bonds issue by the Company are as follows:

At August 12, 2020, the Company issued 6 thousand,interest rate 0% and 101% of the par value NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $600,000 thousand.The issuance period from August 12, 2020 to August 12, 2023.

Except for the holders of the converted corporate bonds applying for conversion into ordinary shares of the Company , the company's early redemption of corporate bonds, or the company's purchase and cancellation by the securities firm's business premises, When the converted bonds expire, the company will pay 100.75% of the bond's face value to the bondholders in one lump sum.

The bondholders have the right to ask for conversion of the bonds into ordinary shares of the Company during the period from the date after 3 months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations.

At August 4, 2020 is used as the reference date for the determination of the conversion price. Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $76. In case of ex-right or ex-dividend, the price should be adjusted according to the conversion price adjustment formula. Since the Company applied for ex-dividend on July 28 2021, the conversion price of bonds was adjusted to $67.7 per share. Since the Company applied for ex-dividend on August 28 2022, the conversion price of bonds was adjusted to $66.6 per share.

The convertible bonds contain assets、 liability and equity components. The assets component was presented in financial assets at fair value through profit or loss. The equity component was presented in equity under the heading of capital surplus. The effective interest rate of the liability component was 1.29% per annum on initial recognition. On August 26, 2023, the convertible bonds will expire and $600,000 thousand of convertible bonds will be repaid at par value.

Liability component at January 1,2022	587,611
Interest charged at an effective interest rate of 1.29%	7,647
Liability component at December 31,2022	$ 595,258
Liability component at January 1,2023	595,258
Interest charged at an effective interest rate of 1.29%	4,742
Redeemed convertible bonds	(600,000)
Liability component at December 31,2023	$ -

Unsecured domestic convertible bonds-2nd

At July 26, 2023, the Company issued 5 thousand,interest rate 0% and 101% of the par value NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $500,000 thousand.The issuance period from July 26, 2023 to July 26, 2026.

In accordance with Article 5 of the Regulations, the coupon rate of the convertible bonds is 0%, so there is no need to set the date and method of interest payment. Unless the bondholder converts the bonds to common shares of the Company in accordance with Article 13 of the Regulations, exercises the right of sale in accordance with Article 22 of the Regulations, or the Company redeems the bonds in advance in accordance with Article 21 of the Regulations, or the bonds are purchased and canceled by the Company from a brokerage firm, the bonds will be repaid in cash in a lump sum at face value within ten (10) business days from the next day after maturity, and the foregoing will be postponed to the following business day if the centralized stock market in Taipei City is closed. In the event that the centralized trading market in Taipei City is closed for business, the aforementioned date will be postponed to the next business day.

The bondholders have the right to ask for conversion of the bonds into ordinary shares of the Company during the period from the date after 3 months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations.

At July 18, 2023 is used as the reference date for the determination of the conversion price. Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $52.8. In case of ex-right or ex-dividend, the price should be adjusted according to the conversion price adjustment formula. Since the Company applied for ex-dividend on September 8 2023, the conversion price of bonds was adjusted to $51 per share.

The convertible bonds contain assets、 liability and equity components. The assets component was presented in financial assets at fair value through profit or loss. The equity component was presented in equity under the heading of capital surplus. The effective interest rate of the liability component was 2.34% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,590 thousand)	$ 499,410
Redemption component at the date of issue	(3,461)
Equity component	(29,866)
Liability component at the date of issue	466,083
Interest charged at an effective interest rate of 2.34%	4,748
Liability component at December 31,2023	$ 470,831

22. OTHER LIABILITIES

	December 31,2023	December 31,2022
Current		
Other payables		
Payables for salaries and bonuses (including remuneration to employees and directors)	$ 49,768	$ 61,786
Payables for purchase of equipment (Note31)	47,708	128,199
Payables for employee benefits	43,034	49,209
Payable for gas and oil expenses		
Payable for utility fees	18,518	10,258
Payable for repairs maintenance	15,206	13,442
Payable for royalty	14,576	8,960
Payable for freight	9,721	5,009
Payable for service fees	9,105	8,302
Tax payable	3,174	6,464
Others	2,856	3,876
	34,081	46,671
	$ 247,747	$ 342,176
Non-current		
Deferred revenue		
Goverment Grants(Note29)	$ 148,553	$ 125,547
Others(Note)	80,916	-
	$ 229,469	$ 125,547

The refund of land use fees paid in prior years by Dongguan Shijie Town Orange Island Joint Stock Economic Association was amortized to other income over the remaining land use period of 32 years.

23. PROVISIONS

	December 31,2023	December 31,2022
Current		
Warranties	$ 17,844	$ 20,946

	Warranties
Balance at January 1,2023	$ 20,946
Additional provisions recognized	11,483
Amount used	(14,628)
Effect of foreign currency exchange differences	43
Balance at December 31,2023	$ 17,844
Balance at January 1,2022	$ 16,336
Additional provisions recognized	12,842
Amount used	(10,104)
Effect of foreign currency exchange differences	1,872
Balance at December 31,2022	$ 20,946

The reserve for liability of warranty represents the present value of the best estimate by the M.J. Group's management of the future outflow of economic benefits on the M.J. Group's warranty obligation. The estimate is based on historical experience in warranty and may vary as a result of the entry of new materials, altered manufacturing processes or other events affecting product quality.

24. EQUITY

a. Share capital

Ordinary shares

	December 31,2023	December 31,2022
Shares authorized (in thousands of shares)	150,000	150,000
Authorized capital	$ 1,500,000	$ 1,500,000
Shares issued and fully paid (in thousands of shares)	66,059	66,059
Issued capital	$ 660,590	$ 660,590

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31,2023	December 31,2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Additional paid-in capital	$ 1,189,103	$ 1,189,103
Employee share bonus- additional paid-in capital	9,599	9,599
May be used to offset a deficit only (2)		
Employee share bonus- additional paid-in capital	7,265	7,265
May not be used for any purpose		
Share warrants（Note 21）	53,354	23,488
	$ 1,259,321	$ 1,229,455

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

2) Such capital surplus doesn't have cash inflow and, therefore, may only be used to offset a deficit.

c. Retained earnings and dividends policy

In accordance with the Company's Articles of Incorporation, if there is any surplus in the annual accounts of the Company during the listing period, 10% of the Company's undistributed earnings for that year shall be set aside as legal reserve after paying taxes and making up for accumulated losses, plus any items other than net income for that year, provided that if the legal reserve has reached the amount of the Company's paid-in capital, no further provision shall be made and the remainder shall be set aside or reversed to special reserve in accordance with the law. The Company may, based on financial, business and operational considerations, set aside not less than 10% of the current year's distributable earnings plus all or a portion of the prior year's undistributed earnings as determined by an ordinary resolution of the shareholders' meeting to distribute dividends to shareholders in proportion to their shareholdings, and report the same to the shareholders' meeting. The distribution of dividends to shareholders may be made in cash or in shares, of which cash dividends shall not be less than 10% of the total dividends to shareholders for the year. Dividends and bonuses may be distributed to shareholders in whole or in part through the issuance of new shares by special resolution of the shareholders' meeting.

For the policy for distribution of remuneration to employees and directors under the Company's Articles, please see Note 26(8) for the remuneration to employees and directors.

Items referred to under Rule No. 1010012865 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company. On March 31, 2011, the FSC issued the letter No. 1090150022, which was rescinded on December 31, 2021 after the issuance of the letter.

The above appropriations for cash dividends were resolved by the Company's board of directors on March 23 2023 and March 17, 2022, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 21 2023 and June 15 2022, respectively.

	For the Year Ended, December 31	
	2022	2021
Legal reserve	$ 14,349	$ 6,858
Special reserve	($63,007)	$ 48,313
Cash dividends	$ 98,519	$ 45,976
Cash dividends per share (NT$)	$ 1.5	$ 0.7

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 7, 2024, were as follows:

	For the Year Ended December 31,2023
Special reserve	$ 15,792
Cash dividends	$ 19,704
Cash dividends per share (NT$)	$ 0.3

The distribution of cash dividends had been resolved by the Company's board of directors, the appropriation of earnings is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 25, 2024.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations.

	2023	2022
Balance at January 1	($ 89,024)	($ 172,132)
Recognized for the year		

Exchange differences on translating the financial statements of foreign operations	(22,921)	83,108
Other comprehensive income recognized for the year	(22,921)	83,108
Balance at December 31	($ 111,945)	($ 89,024)

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

	2023	2022
Balance at January 1	($ 15,283)	$ 4,818
Recognized for the year		
Unrealized gain/(loss) - debt instruments	1,126	(28,797)
Net remeasurement of loss allowance	2,097	8,381
	3,223	(20,416)
Reclassification adjustments		
Disposal of investments in debt instruments	3,906	315
Other comprehensive income recognized for the year	7,129	(20,101)
Balance at December 31	($ 8,154)	($ 15,283)

e. Non-controlling interests

	2023	2022
Balance at January 1	$ 32,905	$ 43,760
Share in loss for the year	(31,310)	(14,286)
Other comprehensive income/(loss) during the year		
Exchange differences on translating the financial statements of foreign entities	488	2,010
	(30,822)	(12,276)
Non-controlling interests arising from acquisition of subsidiaries	-	1,421
Partial disposal of subsidiaries	876	-
Balance at December 31	$ 2,959	$ 32,905

f. Treasury shares

Purpose of Buy-back	**Shares Transferred to Employees (In Thousands of Shares)**
Number of shares at January 1, 2023	380
Increase during the year	-
Number of shares at December 31,2023	380
Number of shares at January 1, 2022	-
Increase during the year	380
Number of shares at December 31,2022	380

By the end of the repurchase period, the Company had bought back 380 thousand shares at a total amount of $21,450 thousand.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.

25. REVENUE

a. Contract information- Revenue from the sale of goods

The M.J. Group engages in production and sale of LVT and SPC floors. In consideration of the products keeping innovative and drastic price fluctuation in the market, the discounts offered to few products are estimated based on the expected value within the range of discount offered in the past, while the other products are sold at the fixed price as agreed by contract.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Note receivable (including related party) (Notes 11 and 33)	$ 2,389	$ 2,288	$ 4,744
Trade receivable (including related party) (Notes 11 and 33)	$ 655,112	$ 612,949	$ 1,462,030
Contract liabilities			
Sale of goods	$ 31,979	$ 23,911	$ 22,640

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year is as follows:

	2023	2022
From contract liabilities at the start of the year		
Sale of goods	$ 22,336	$ 21,734

c. Disaggregation of revenue

Refer to Note 38 for information about the disaggregation of revenue.

26. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 36,731	$ 7,544
Financial assets at FVTPL	1,053	1,258
Investments in debt instruments at FVTOCI	7,062	7,783
	$ 44,846	$ 16,585

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income		
Investment properties	$ 2,095	$ 3,550
Government grants	5,301	1,992
Others	1,432	-
	$ 8,828	$ 5,542

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Impairment of property, plant and equipment	($ 5,628)	-
Impairment of Goodwill	(9,140)	-
Impairment of intangible assets	(6,241)	-
Losses on redemption of bonds payable	(4,500)	-
Gain/(loss) on disposal of financial assets		-
Investments in debt instruments at FVTOCI	(3,906)	($ 315)
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	861	-
Loss on disposal of property, plant and equipment	(1,931)	500
Gain on disposal of subsidiaries(Note30)	724	-
Gain on disposal of other assets	-	198
Net foreign exchange gains(Note9)	22,326	30,116
Others	44,471	9,877
	$ 37,036	$ 40,376

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans (Note 33)	$ 64,643	$ 42,075
Interest on convertible bonds (Note 21)	9,490	7,647
Interest on lease liabilities	990	2,010
Less: Amounts included in the cost of qualifying assets	-	(18,429)
	$ 75,123	$ 33,303

Information about capitalized interest is as follows:

	For the Year Ended December 31 2022
Capitalized interest amount	$ 18,429

Capitalization rate	0.15%～2.84%

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 204,519	$ 123,046
Operating expenses	48,717	58,424
	$ 253,236	$ 181,470
An analysis of amortization by function		
Operating costs	$ 85	$ -
Operating expenses	9,447	8,667
	$ 9,532	$ 8,667

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2023	2022
Investment properties generating rental income		
Depreciation	$ 13,526	$ 2,481
Others	807	404
	$ 14,333	$ 2,885

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plan(see Note)	$ 26,069	$ 28,983
Other employee benefits	463,341	489,943
Total employee benefits expense	$ 489,410	$ 518,926
An analysis of employee benefits expense by function		
Operating costs	$ 320,680	$ 284,035
Operating expenses	168,730	234,891
	$ 489,410	$ 518,926

M. J. Taiwan and Opulent Taiwan Branch of the M.J. Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the M.J. Group's subsidiary in Mainland China are members of a state-managed retirement benefit plan operated by the government of Mainland China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the M.J. Group with respect to the retirement benefit plan is to make the specified contributions.

h. Employees′ compensation and remuneration of directors and supervisors

The Company accrued employees’ compensation and remuneration of directors at rates of 1% to 6% and no higher than 5%, respectively, of net profit before income tax, employees’compensation, and remuneration of directors. In 2023, the Company did not estimate employee compensation and directors' compensation due to a loss before income taxes.The employees’ compensation and the remuneration of directors for the years ended December 31, 2022, which were approved by the Company’s board of directors on March 23, 2023 are as follows: ：

Accrual rate

	For the Year Ended December 31
	2022
Employees’ compensation	4.53%
Remuneration of directors	3.78%

Amount

	For the Year Ended December 31
	2022
	cash
Employees’ compensation	$ 7,093
Remuneration of directors	5,911

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

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

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

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 121,793	$ 136,890
Foreign exchange losses	(99,467)	(106,774)
Net loss	$ 22,326	$ 30,116

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 95,991	$ 48,798
Adjustments for prior year	6,209	(2,726)
	102,200	46,072
Deferred tax		
In respect of the current year	(283)	5,256
Income tax expense recognized in profit or loss	$ 101,917	$ 51,328

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	$ 6,294	$ 180,536
Income tax expense calculated at the statutory rate	$ 9,723	$ 34,185
Nondeductible expenses in determining taxable income	-	13,939
Unrecognized Loss carryforward tax credits /deductible temporary differences	44,028	5,930
Deferred tax effect of earnings of subsidiaries	41,957	-
Adjustments for prior years' tax	6,209	(2,726)
Effect of tax rate changes	$ 101,917	$ 51,328

Except M.J. Dongguan and M.J. Guangzhou, the tax rate applicable to subsidiaries in China is 25%. Tax rates used by other entities in the M.J. Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

M.J. Dongguan. is held qualified as a high and new tech enterprise pursuant to the Enterprise Income Tax Law of the People's Republic of China and Implementation Regulations thereof, and allowed to apply the preferential tax rate until 2025. Any company that is held qualified as a high and new tech enterprise pursuant to said Regulations and related tax revenue requirements is entitled to the preferential tax rate of 15%.

M.J. Guangzhou, in accordance with the Enterprise Income Tax Law of the People's Republic of China and Implementation Regulations meets the tax incentives for small and profit-making enterprises. The taxable income does not exceed RMB 1,000 thousand, and is reduced by 25% to the taxable income Corporate income tax is paid at a tax rate of 20%; for annual taxable income exceeding RMB 1,000 thousand but not exceeding RMB 3,000 thousand, 50% is deducted from the taxable income and corporate income tax is paid at a rate of 20%.

Green Touch Floors Inc., in accordance with the Canadian Tax Law meets the tax rate 26.5% and Ontario Provincial corporation tax 11.5%.

b. Current tax assets and liabilities

	December 31, 2023	December 31, 2022
Current tax assets		
Tax refund receivable	$ 4,483	$ 5,926
Current tax liabilities		
Income tax payable	$ 50,895	$ 39,117

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Inventory obsolescence and valuation loss	$ 6,920	($ 3,136)	$ -	($ 56)
Unrealized loss on exchange	-	84	-	-
Provisions	4,189	(629)	-	9
Refund liabilities	136	(66)	-	1
Lease liabilities	13,860	7,061	(11,152)	(196)
	$ 25,105	$ 3,314	($ 11,152)	(242)

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Unrealized gain on exchange	$ 3,852	($ 3,057)	$ -	$ 28
Right-of-use assets	13,860	7,061	(11,152)	(196)
Others	8,562	(973)	-	(124)
	$ 26,274	$ 3,031	($ 11,152)	($ 292)

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Effect of Retrospective Application of Amendments to IAS 12	Opening Balance (As Restated)	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences						
Allowance for impairment loss	$ 9	$ -	$ 9	($ 9)	$ -	$ -
Inventory obsolescence and valuation loss	6,423	-	6,423	402	95	6,920
Unrealized loss on exchange	2,256	-	2,256	(2,402)	146	-
Provisions	3,268	-	3,268	548	373	4,189
Refund liabilities	148	-	148	(28)	16	136
Lease liabilities	-	19,834	19,834	(5,974)	-	13,860
	$ 12,104	$ 19,834	$ 31,938	($ 7,463)	$ 630	$ 25,105

Deferred Tax Liabilities	Opening Balance	Effect of Retrospective Application of Amendments to IAS 12	Opening Balance (As Restated)	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences						
Unrealized gain on exchange	$ -	$ -	$ -	$ 3,767	$ 85	$ 3,852
Right-of-use assets	-	19,834	19,834	(5,974)	-	13,860
Others	8,430	-	8,430	-	132	8,562
	$ 8,430	$ 19,834	$ 28,264	($ 2,207)	$ 217	$ 26,274

d. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31, 2023	December 31, 2022
Deductible temporary differences		
Inventory obsolescence and valuation loss	$ -	$ 8,921
Loss carryforward tax credits		
Expiry in 2026	12,632	12,752
Expiry in 2031	8,091	8,091
Expiry in 2032	100,713	100,713
Expiry in 2033	211,449	-
	$ 332,885	$ 130,477

e. Income tax assessments

As of December 31, 2023, the M.J. Group had no pending tax litigation cases. The subsidiary companies of the M.J. Group, M.J. Taiwan and the the Taiwan branch of Opulent, the income tax returns through 2021, have been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share		
From continuing operations	($ 0.98)	$ 2.18
Diluted earnings per share		
From continuing operations	($ 0.98)	$ 2.02

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

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	($ 64,313)	$ 143,494
Earnings used in the computation of basic earnings per share	($ 64,313)	$ 143,494
Effect of potentially dilutive ordinary shares：		
Convertible bonds	-	7,647

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of diluted earnings per share	($ 64,313)	$ 151,141

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	65,679	65,679
Effect of potentially dilutive ordinary shares		
Convertible bonds	-	8,863
Compensation of employees	-	186
Weighted average number of ordinary shares used in the computation of diluted earnings per share	65,679	74,728

If the M.J. Group offered to settle the compensation or bonuses paid to employees in cash or shares, the M.J. Group assumed that the entire amount of the compensation or bonuses will 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. The M.J. Group net loss after tax for 2023,they are anti-dilutive and excluded from the computation of diluted earnings per share.

29. GOVERNMENT GRANTS

Except as disclosed in other notes, the government grants obtained by the M.J. Group are as follows.

As of December 31, 2023 and December 31, 2022, the M.J. Group has obtained a government preferential interest rate loan of $1,517,429 and $1,608,000 thousand from the National Development Fund (NDF), Executive Yuan " the Action Plan for Returning Overseas Taiwanese Businesses" for construction of factory buildings a and purchase of machinery and equipment, respectively. The loan will be amortized by instalments within 7~10 years from the date of first use (including a grace period of 1~3 years). The M.J. Group has obtained a newly government preferential interest rate loan of $NTD550,000 and 231,000 thousand from the National Development Fund (NDF), Executive Yuan " the Action Plan for Returning Overseas Taiwanese Businesses" for purchase of machinery and equipment and raw materials on 2023 and December 31, 2022. The loan will be amortized by instalments within 3~7 years from the date of first use (including a grace period of 1~3 years). The fair value of the loans was estimated by using the prevailing market interest rate of 1.45% to 1.65% and the interest rate used to estimate the fair value was changed to 2.84% to 3.09% on July 1, 2022, considering the increase in market interest rate. Based on the estimate market interest rate of 2.84% to 3.09%, the difference between the loan amount and the fair value of the borrowing is 148,553 and 125,547 thousand , respectively as the preferential interest rate of the government grant, and it is recognized as deferred income-non-current. The deferred income will be transferred to other income in accordance with its service life when the plant is completed and the inspection and acceptance of the machinery and equipment are completed. The M.J. Group recognized interest expense of $32,559 thousand and $21,346 thousand on the above loans in 2023 and 2022.

If the M.J. Group fails to meet the key points of the project loan identification during the loan period, and the NDF suspends or stops the loan interest grant, the M.J. Group will change to the original agreed interest rate and return all the fees paid by the NDF for the case.

30. Disposition of subsidiaries

The M.J. Group sign the sanction Changchun MH. Changchun MH was in production and sale of tiles, decoration materials and construction materials. The M.J. Group completed the dispositions on June 26, 2023, respectively, and lost control of the subsidiaries.

a. Consideration received

	Changchun MH
Cash and cash equivalents	$ 61

b. Analysis of assets and liabilities that have lost control

	Changchun MH
Current assets	
Cash and cash equivalents	$ 614
Other receivables	102
Other current assets	1,199
Non-current assets	
Property, plant and equipment	31,575
Right-of-use assets	44,606
Intangible assets	42
Deferred tax assets	11,152
Current liabilities	
Payable	(719)
Other payables	(7,787)
Lease liabilities – current	(42,568)
Non-current liabilities	
Deferred tax liabilities	(11,152)
Lease liabilities - non-current	(29,983)
Net assets disposed	($ 2,919)
Owners of the Company	($ 2,043)
Non-controlling interests	(876)
	($ 2,919)

c. Disposition of the interests of the subsidiary

	Changchun MH
Consideration received	$ 61
Net liabilities disposed of	2,043
Unrealized losses turn realized	(1,430)
Net Exchange Difference	50
Disposition of interests	$ 724

d. Net cash outflow from the disposal of subsidiaries

	Changchun MH
Consideration received in cash and approximately in cash	$ 61
Cash and cash balances disposed of	(614)
	($ 553)

31. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2023 and 2022, the M.J. Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

As of December 31, 2023 and 2022, the M.J. Group purchased property, plant and equipment amounting to 47,708 thousand and 128,199 thousand have not been paid, presented in other payables.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

			Non-cash Changes								
	Opening Balance	Cash Flows	Financial costs	Disposition of subsidiaries	New Leases	Fair Value Adjustments	Disposal of losses	Exchange Rate Change	Others	Closing Balance
Short-term borrowings	$ 206,944	($ 163,090)	$ -	$ -	$ -	$ -	$ -	$ 203	$ -	$ 44,057
Lease liabilities	76,949	(3,821)	990	(72,551)	37,191	-	-	(1,447)	(990)	36,321
Bonds payable	595,258	(105,090)	9,490	-	-	-	4,500	-	(33,327)	470,831
Long-term borrowings	2,097,314	238,934	32,559	-	-	(27,663)	-	21	-	2,341,165
Other payables-related parties	5,479	786	-	-	-	-	-	132	-	6,397
Guarantee deposits received	3,843	(2,901)	-	-	-	-	-	(4)	-	938
	$ 2,985,787	($ 35,182)	$ 43,039	($ 72,551)	$ 37,191	($ 27,663)	$ 4,500	($ 1,095)	($ 34,317)	$ 2,899,709

For the year ended December 31, 2022

			Non-cash Changes					
	Opening Balance	Cash Flows	Financial costs	New Leases	Fair Value Adjustments	Exchange Rate Change	Others	Closing Balance
Short-term borrowings	$ 658,874	($ 489,691)	$ -	$ -	$ -	$ 37,761	$ -	$ 206,944
Lease liabilities	86,342	(4,633)	2,010	(6,086)	-	1,326	(2,010)	76,949
Bonds payable	587,611	-	7,647	-	-	-	-	595,258
Long-term borrowings	1,301,264	838,010	21,346	-	(63,348)	42	-	2,097,314
Other payables- related parties	27	5,511	-	-	-	(59)	-	5,479
Guarantee deposits received	5,368	(1,619)	-	-	-	94	-	3,843
	$ 2,639,486	$ 347,578	$ 31,003	($ 6,086)	($ 63,348)	$ 39,164	($ 2,010)	$ 2,985,787

32. FINANCIAL INSTRUMENTS

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

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 470,831	$ 493,200	$ -	$ -	$ 493,200

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 595,258	$ 585,000	$ -	$ -	$ 585,000

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Hybrid financial assets Structured deposits	$ -	$ 85,837	$ -	$ 85,837

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in debt instruments foreign debt instruments	$ -	$ 131,452	$ -	$ 131,452
At FVTOCI receivables	-	-	80,543	80,543
	$ -	$ 131,452	$ 80,543	$ 211,995
Financial liabilities at FVTPL				
Convertible corporate bond Option	$ -	$ -	$ 2,600	$ 2,600

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Hybrid financial assets Structured deposits	$ -	$ 6,394	$ -	$ 6,394
Financial assets at FVTOCI				
Investments in debt instruments foreign debt instruments	$ -	$ 132,124	$ -	$ 132,124
At FVTOCI receivables	-	-	78,603	78,603
	$ -	$ 132,124	$ 78,603	$ 210,727

The M.J. Group assesses the bid-ask spread and trading volume of fixed-income securities to determine whether they are quoted prices in active markets. Therefore, the Company categorizes the measurement of fair value of investment in foreign debt instruments as Level 2. ◦ There were no transfers between Levels 1 and 2 in 2023 and 2022.

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTOCI Sale of debt Instruments receivables
Balance at January 1, 2023	$ 78,603
Reclassification	-
Net decrease	1,895
Effects of foreign currency exchange differences	45
Balance at December 31, 2023	$ 80,543

Financial Liabilities	Financial Liabilities at FVTOCI Sale of debt Instruments receivables

Balance at January 1, 2023	$ -
New	3,461
Recognized in profit or loss - unrealized	
(Gains or losses on financial instruments at fair value through profit or loss)	(861)
Balance at December 31, 2023	$ 2,600

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Sale of debt Instruments receivables
Balance at January 1, 2022	$ -
Reclassification	567,352
Net decrease	(492,688)
Effects of foreign currency exchange differences	3,939
	$ 78,603

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

Financial Instrument	Valuation Technique and Inputs
Hybrid financial assets - structured deposits	Discounted cash flow: Future cash flows are estimated based on the contractual rate of return.
Investment in foreign debt instruments	Measured by market quotes provided by third-party pricing services.

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

Financial Instrument	Valuation Technique and Inputs
Sale of debt Instruments receivables	The fair value was measured at the original invoice amount because the effect of discounting was immaterial.
Redemption rights of convert bonds	Valuation model of binomial tree of convertible bond: consider factors such as the duration of the bond, the stock price of the convertible bond and its fluctuation, the conversion price, the risk-free interest rate, the risk discount rate, and the liquidity risk of the convertible bond.

c. Categories of financial instruments

	December 31,2023	December 31,2022
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 85,837	$ 6,394
Financial assets at amortized cost (1)	1,682,546	1,683,756
Financial assets at FVTOCI		
Investments in debt instruments at FVTOCI	131,452	132,124
Sale of debt Instruments receivables	80,543	78,603

<u>Financial liabilities</u>		
FVTPL		
Hold for trading at fair value	2,600	-
Amortized cost (2)	3,331,614	3,344,210

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable notes (including related parties), trade receivable (including related parties), other receivables (exclusive of receivable income tax refund), other financial assets and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, payable accounts and other payables (including related parties, exclusive of payable salary and bonus, payable accrued tax, payable pension and insurance premium) long-term borrowings, bonds payable.

d. Financial risk management objectives and policies

The M.J. Group's major financial instruments include cash and cash equivalents, investment in debt instruments, structured deposits, notes receivable (including related parties), trade receivable (including related parties), refundable deposits, trade payables, short-term borrowings, lease liabilities and bonds payable.

The financial risks over said financial instruments relating to operations include market risk (including foreign exchange rate risk and interest rate risk), credit risk and liquidity risk.

The M.J. Group's financial department reports to the management periodically. The management monitors risks and implement policies ex officio to mitigate risk exposures.

1) Market risk

The M.J. Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The M.J. Group engages in foreign currency-denominated sales and purchases, which expose the Company to the risk of foreign exchange rate changes. In order to manage the foreign exchange rate risk, insofar as it is permitted by policies, the Company primarily engages in net foreign exchange positions to produce the effect of natural hedging, and utilizes foreign exchange financial derivative instruments to help manage the risk.

The carrying amounts of the M.J. Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year, please see Note36.

<u>Sensitivity analysis</u>

The M.J. Group is mainly exposed to the Currency USD and Currency NTD.

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

	Impact on USD		Impact on NTD	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Profit or (loss)	$ 7,589	$ 7,522	($ 300)	($ 1,473)

Primarily as a result of the Company's cash equivalents, receivables, payables and short-term borrowing denominated in USD or NTD which are still outstanding on the balance sheet date.

The M.J. Group's sensitivity to the U.S. dollar exchange rate during the year was not significant compared with the previous period, and the decrease in sensitivity to the exchange rate of the New Taiwan dollar during the year was mainly due to the decrease in net liabilities denominated in New Taiwan dollar.

b) Interest rate risk

The M.J. Group is exposed to the risk of interest rate changes as a result of the M.J. Group's bank deposits, investment in debt instruments, structured deposits, bank borrowings , lease liabilities and bonds payable bearing interest accruing at fixed interest rate and floating interest rate.

The carrying amounts of the M.J. Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31,2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 558,602	$ 800,433
Financial liabilities	548,271	788,593
Cash flow interest rate risk		
Financial assets	721,116	463,400
Financial liabilities	2,350,500	2,193,351

Sensitivity analysis

The sensitivity analysis below was determined based on the M.J. Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the M.J. Group's pre-tax profit for the years ended December 31, 2023 and 2022 would decrease/increase by $(16,294) thousand and $(17,300) thousand, respectively, which was mainly a result of M.J. Group's exposure to the risk of interest rate changes on its bank deposits, structured deposits, investment in debt instruments and bank loan at the floating interest rate.

The M.J. Group's sensitivity to interest rates increased during the current year, mainly due to the increase in net debt as a result of the increase in bank loans with floating interest rates.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the M.J. Group. At the end of the year, the M.J. Group's maximum exposure to credit risk, which would cause a financial loss to the M.J. Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the M.J. Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

According to the M.J. Group's policy, the M.J. Group only trades with the counterparts with renowned goodwill, and would secure sufficient guarantee to mitigate the risk of financial loss to be caused by delinquent payment, if necessary. The M.J. Group rates its key customers based on the customers' credit data files created by it pursuant to the regulations governing customers' credit management, and other financial information accessible to the public and both parties' past trading record. The M.J. Group continues to monitor the exposure to credit risk and trading counterparts' credit ratings, and control the exposure to credit risk by the responsible supervisors' double check and the credit limit granted to the trading counterparts.

To minimize credit risk, the M.J. Group's management appoints the dedicated team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Meanwhile, the M.J. Group reviews the recoverable amount of each individual receivable account on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. Given this, the M.J. Group's management believes that the M.J. Group's credit risk should have been significantly reduced.

The M.J. Group's credit risk is concentrated on the key customers from which the annual sales revenue amounts to more than 10% of the M.J. Group's total revenue. Until December 31, 2023 and 2022, the total receivable accounts from said customers have accounted for 79% and 90% of the M.J. Group's total revenue.

3) Liquidity risk

The M.J. Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the M.J. Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The M.J. Group relies on bank borrowings as a significant source of liquidity. As December 31, 2023 and 2022 the M.J. Group had available unutilized short-term bank loan facilities set out in (b) below.

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

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

December 31, 2023

	1-3 Months	3 Months to 1 Year	1-5 Years	5+years
Non-derivative financial liabilities				
Non-interest bearing	$ 407,381	$ 60,845	$ 938	$ -
Lease liabilities	2,030	6,109	32,732	-
Variable interest rate liabilities	99,218	269,056	1,622,302	515,849
Fixed interest rate liabilities	30,128	11,321	505,013	-
	$ 538,757	$ 347,331	$2,160,985	$ 515,849

December 31, 2022

	1-3 Months	3 Months to 1 Year	1-5 Years	5+years
Non-derivative financial liabilities				
Non-interest bearing	$ 427,266	$ 8,106	$ 3,843	$ -
Lease liabilities	29,858	18,109	31,459	-
Variable interest rate liabilities	89,256	139,047	1,358,234	758,275
Fixed interest rate liabilities	111,243	600,737	-	-
	$ 657,623	$ 765,999	$1,393,536	$ 758,275

b) Financing facilities

	December 31,2023	December 31,2022
Unsecured bank overdraft facilities		
Amount used	$ 284,957	$ 357,851
Amount unused	1,183,496	2,176,895
	$ 1,468,453	$ 2,534,746
Secured bank overdraft facilities		
Amount used	$ 2,191,562	$ 2,042,600
Amount unused	370,285	514,680
	$ 2,561,847	$ 2,557,280

e. Transfers of financial assets

The M.J. Group's factored trade receivables that are not yet overdue at the end of the year were as follows:

December 31, 2023

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to [Other Receivables]	Advances Received - Unused	Advances Received -Used	Annual Interest Rates on Advances Received (Used) (%)
KGI bank	$ 123,865	$ 28,960	$ -	$ 94,899	1.88%~1.89%

December 31, 2022

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to [Other Receivables]	Advances Received - Unused	Advances Received -Used	Annual Interest Rates on Advances Received (Used) (%)
KGI bank	$ 12,843	$ 1,863	$ -	$ 10,980	1.59%

Pursuant to the M.J. Group’s factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the M.J. Group, while losses from credit risk are borne by the banks. As of December 31, 2023 and 2022, the M.J. Group issued promissory notes with aggregate amounts of $10,000 thousand to the banks.

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
Sing Cheng Lin Co., Ltd. (“Sing Cheng”)	Related party in substance
Fu Ming Corporate (“Fu Ming”)	Related party in substance
G.T Floor Co., LTD. (“G.T Floor”)	Related party in substance
Zeng Xu	Related party in substance (1)

(1)An influential shareholder of the M.J. Group's subsidiary, Green Touch Floors Inc.

b. Sales of goods

		For the Year Ended December 31	
Line Item	Related Party Category	2023	2022
sales	Related party in substance	$ 156,404	$ 162,100

Since no identical transactions for the sale price are available for comparison, the price and terms were determined in accordance with mutual agreements. The payment terms were O/A 90 days.

c. Receivables from related parties

Line Item	Related Party Category	December 31,2023	December 31,2022
Notes receivable	Related party in substance		
	Sing Cheng	$ 474	$ 428
Trade receivabie	Related party in substance		
	Sing Cheng	$ 13,167	$ 19,125
	G.T Floor	2,260	14,222
	Fu Ming	12,121	9,091
		$ 27,548	$ 42,438

The outstanding receivables from related parties were unsecured. No allowance for loss/bad debt was provided for the receivables from related parties in 2023 and 2022.

d. Compensation of key management personnel

Line Item	Related Party Category	December 31,2023	December 31,2022
Other payables	Related party in substance		
	Sing Cheng	$ 52	$ -

e. Loans from related parties

Related Party Category/Name	December 31,2023	December 31,2022
Related party in substance		
Zeng Xu	$ 6,397	$ 5,479

Interest expense

Related Party Category/Name	December 31,2023	December 31,2022
Related party in substance		
Zeng Xu	$ 314	$ -

The M.J. Group's borrowings from related parties bear interest rates comparable to market rates and are unsecured.

f. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022 year
Short-term employee benefits	$ 22,744	$ 30,991
Post-employment benefits	592	695
	$ 23,336	$ 31,686

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

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings,

	December 31,2023	December 31,2022
Financial assets at fair value through other comprehensive income	$ 118,281	$ 117,078
Financial assets at amortized cost	64,459	36,732
Land	456,595	447,202
Equipment under installation and construction in progress	2,433,181	2,247,099
	$3,072,516	$2,848,111

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the M.J. Group at December 31, 2023 and 2022 were as follows:

Unrecognized commitments were as follows:

	December 31,2023	December 31,2022
Acquisition of property, plant and equipment		
In Thousands of USD	$ 98	$ 1,174
In Thousands of RMB	$ 6,630	$ 11,420
In Thousands of NTD	$ 31,088	$ 15,131
In Thousands of EUR	$ 199	$ -

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency （thousand）	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 3,893	30.7050 （USD：NTD）	$ 119,541
USD	22,317	7.0827 （USD：RMB）	685,254
NTD	5,750	0.0326 （NTD：USD）	5,750
RMB	3,394	0.1412 （RMB：USD）	14,714
Financial liabilities			
Monetary items			
USD	$ 1,423	30.7050 （USD：NTD）	$ 43,702
USD	73	7.0827 （USD：RMB）	2,229
NTD	35,740	0.0326 （NTD：USD）	35,740
RMB	576	0.1412 （RMB：USD）	2,499

December 31, 2022

	Foreign Currency （thousand）	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,962	30.7100 (USD:NTD)	$ 60,257
USD	24,049	6.9647 (USD:RMB)	738,554
NTD	8,708	0.0326 (NTD:USD)	8,708
RMB	4,042	0.1436 (RMB:USD)	17,822
Financial liabilities			
Monetary items			
USD	1,391	30.7100(USD:NTD)	42,706
USD	127	6.9647(USD:RMB)	3,900
NTD	156,020	0.0326(NTD:USD)	156,020
RMB	146	0.1436(RMB:USD)	643

The significant gains or losses on foreign exchange are stated as following:

For the years ended December 31, 2023 and 2022, net foreign exchange gains (losses) were 22,326 thousand and 30,116 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions of the entities in the M.J. Group.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

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

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

9) Trading in derivative instruments (Table 7)

10) Intercompany relationships and significant intercompany transactions (Table 7)

b. Information on investees (Table 8)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

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

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

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders (Table 10)

38. SEGMENT INFORMATION

a. Information about significant transactions and investees:

The units engaged in production and sale of LVT and SPC floors in various districts, each of which is considered a separate operating segment by the chief operating decision maker. For the purposes of financial statement presentation, these individual operating segments havebeen aggregated into a single operating segment, taking into account the following factors:

a) The nature of the products and production processes are similar.
b) The product pricing strategies are similar.
c) The methods used to distribute the products to the customers are the same.

b. Revenue from major products

The following is an analysis of the M.J. Group's revenue from continuing operations from its major products.

	For the Year Ended December 31	
	2023	2022
LVT and SPC floors	$ 2,702,434	$ 3,262,778

c. Geographical information

The M.J. Group operates in two principal geographical areas - Mainland China and Taiwan.

The M.J. Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers
	For the Year Ended December 31

	2023	2022
Europe	$ 1,666,555	$ 2,069,672
North America	572,991	553,655
Mainland China	178,023	187,581
Taiwan	104,500	107,974
Others	180,365	343,896
	$ 2,702,434	$ 3,262,778

	Non-current Assets	
	December31,2023	December31,2022
Mainland China and Hong Kong	$ 856,765	$ 1,010,108
Taiwan	2,835,523	2,767,160
Others	36,324	26,576
	$ 3,728,612	$ 3,803,844

Non-current assets above exclude deferred tax assets and financial instruments.

d. Information about major customers

Single customers contributing 10% or more to the M.J. Group's revenue were as follows:

	For the Year Ended December 31	
	2023	2022
M.J. Group P	$ 1,762,147	$ 2,356,130

TABLE1

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (3)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (2)	Aggregate Financing Limit (2)
													Item	Value		
0	M.J. Group	Opulent**(6)**	Other receivable -related party	Yes	$ 453,000	$ -	-	0%	Short-term financing	$ -	Repay borrowinf	$ -	-	-	$ 977,819	$ 977,819
		M.J. Taiwan	Other receivable -related party	Yes	200,000	200,000	-	0%	Short-term financing	-	Operating capital	-	-	-	977,819	977,819
1	Prolong Dongguan	M.J. Shanghai	Other receivable -related party	Yes	164,738 (RMB 38,000)	-	(4)	3%	Short-term financing	-	Operating capital	-	-	-	298,503	497,505
		M.J. Dongguan	Other receivable -related party	Yes	130,056 (RMB 30,000)	-	-	3%	Short-term financing	-	Operating capital	-	-	-	298,503	497,505
2	M.J. Dongguan	Prolong Dongguan	Other receivable -related party	Yes	86,704 (RMB 20,000)	86,704 (RMB 20,000)	-	3%	Short-term financing	-	Operating capital	-	-	-	668,140	1,113,566
		M.J. Beijing	Other receivable -related party	Yes	12,139 (RMB 2,800)	12,139 (RMB 2,800)	10,968 (RMB 2,530)	3%	Short-term financing	-	Operating capital	-	-	-	668,140	1,113,566
		M.J. Shanghai	Other receivable -related party	Yes	138,726 (RMB 32,000)	138,726 (RMB 32,000)	137,643 (RMB 31,750) (5)	2.8%	Short-term financing	-	Operating capital	-	-	-	668,140	1,113,566
3	Opulent	M.J. Taiwan	Other receivable -related party	Yes	200,000	200,000	-	2%	Short-term financing	-	Operating capital	-	-	-	372,914	621,524

Note1： The number column is organized as follows：

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2： (1) The total amount available for lending purpose shall not exceed 40% of the net worth of the Company’s most recent financial statements audited, certified or reviewed by the independent external auditors.

(2) A single financing, if any, should not exceed the amount of purchases or sales between the financing company and trading counterpart for the most recent year or in the current year until the financing is provided, whichever is higher. A single short-term financing, if any, should not exceed 60% of the net worth of the Company’s most recent financial statements audited, certified or reviewed by the independent external auditors.

(3) In the case of overseas subsidiaries wholly-owned directly or indirectly by the Company (not incorporated or registered in Taiwan), the financing provided to others shall not exceed 40% of the net worth of the financing company’s most recent financial statements.

Note 3： Intercompany balances and transactions were eliminated upon consolidation.

Note 4： The interest income of financing provided Prolong Dongguan NT$201 thousand.

Note 5： The interest income of financing provided M.J. Dongguan NT$3,450 thousand.

Note 6： The object of actual mobilization amount is the Taiwan branch of Opulent.

Note 7： If the amounts were based on foreign currencies, please refer to the spot exchange rate on the financial statement date(exchange rate on December 31,2023 was USD/NTD:30.7050, RMB/NTD:4.3352, average rate was USD/NTD:31.1550,RMB/NTD:4.4240)

TABLE2

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party(3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount(4)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit(3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (2)										
0	M.J. Group	Opulent	(2)	$ 3,666,821	$ 1,935,872	$ 1,490,649	$ 30,000	N/A	60.98%	$ 7,333,641	Yes	No	No
		M.J. Taiwan	(2)	3,666,821	3,442,141	3,242,141	2,432,462	N/A	132.63%	7,333,641	Yes	No	No
		M.J. Dongguan	(2)	3,666,821	216,760	216,760	-	N/A	8.87%	7,333,641	No	No	Yes

Note1: The number column is organized as follows：

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationship between the endorsement/guarantee provider and the endorsed/guaranteed party may be categorized into the following 7 types:

(1) A company with which the Company does business.

(2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(3) A company holding more than 50 percent of the voting shares of the Company directly and indirectly.

(4) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(5) Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) A company in which each contributing shareholder endorses and guarantees it according to its shareholding ratio due to a joint investment relationship.

(7) Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

Note 3: (1) The total endorsement/guarantee provided by the Company for others shall be no more than 300% of the net worth of the Company’s most recent financial statements. The total endorsement/guarantee provided by the Company and its subsidiaries for others shall be no more than 300% of the net worth of the Company’s most recent financial statements.

(2) The total endorsement/guarantee provided by the Company and its subsidiaries to any individual entity shall not exceed 40% of the net worth of the Company’s most recent financial statements. Notwithstanding, the total endorsement/guarantee provided for the company’s wholly holding the voting shares of the Company directly and indirectly, or among the companies in which the Company wholly hold the voting shares directly or indirectly shall be no more than 150% of the net worth of the Company’s most recent financial statements.

Note 4: Intercompany balances and transactions were eliminated upon consolidation.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note1)	Relationship with the Holding Company(2)	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount (3)	Percentage of Ownership (%)	Fair Value	
Opulent	Banco Santander S.A. 5.179%11/19/2025 DTD 11/19/2015	—	Financial assets at fair value through other comprehensive income – Current	-	$ 30,476	-	$ 30,476	Pledged borrowings
	Credit Agricole S.A. London Branch 4.125% 01/10/2027 DTD 01/10/2017	—	〃	-	29,845	-	29,845	〃
	Societe Generale S.A. 4%01/12/2027 DTD 01/12/2017	—	〃	-	29,332	-	29,332	〃
	Banque Ouset Africaine de Developpement 5.0%07/27/2027 DTD 07/27/2017	—	〃	-	28,628	-	28,628	〃
	Golden Legacy Pte. Ltd. 6.875%3/27/2024 DTD 3/27/2017	—	〃	-	206	-	206	(4)
	Yuzhou Properties Company Limited 6.00% 1/25/2022 DTD 1/25/2017	—	〃	-	-	-	-	〃
					$ 118,487		$ 118,487	
	Softbank Group Corp 6.875%Perpetual DTD 7/19/2017	—	Financial assets at fair value through other comprehensive income –noncurrent	-	$ 5,895	-	$ 5,895	(4)
	RKP Overseas Finance 2016 (A) Limited 7.95%Perpetual DTD 2/17/2017	—	〃	-	1,198	-	1,198	〃
	HSBC Holdings PLC, 6%Perpetual DTD 5/22/2017	—	〃	-	5,872	-	5,872	〃
					$ 12,965		$ 12,965	

Note 1: The marketable securities referred to herein shall mean the stocks, bonds, beneficiary certificates and securities derivative from said instruments falling in the scope under IFRS 9 “Financial Instruments”.

Note 2: The securities issuer is not a related party.

Note 3: The balance of carrying amount at fair value upon adjustment.

Note 4: The securities as listed are not provided as security or pledge/mortgage for borrowings, or restricted according to any other agreements.

TABLE 4

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition(3)		Disposal				Other Adjustment(2)		Ending Balance	
					Number of Shares	Amount	Number of Shares	Number of Shares	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount	Number of Shares	Amount
M.J. Group	<u>Stock</u> M.J. Taiwan	Investments counted for using the equity method	-	subsidiaries	30	$ 588,403	30	$ 300,000	-	$	$ -	$ -	-	-	90	$ 657,593

Note 1: The amount at the end of the period includes gains and losses recognized using the equity method and related equity adjustments.

Note2: Consolidated reversals

TABLE5

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivable (Payables)		Note
			Purchase/(sale)	Amount (Note1)	% to total purchase (sale)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note1)	% to Total (Note2)	
Opulent	M.J. Taiwan	Associate	(Sale)	(139,229)	(6%)	120 days after monthly closing days	$ -	-	36,122	6%	5
	M.J. Dongguan	Associate	Purchase	$ 1,224,243	23%	120 days after monthly closing days	-	-	(259,421)	(66%)	5
	Prolong Dongguan	Associate	Purchase	603,836	12%	120 days after monthly closing days	-	-	(125,143)	(32%)	5
M.J. Dongguan	Opulent	Associate	(Sale)	(1,224,243)	(92%)	120 days after monthly closing days	-	-	259,421	94%	3 and 5
Prolong Dongguan	Opulent	Associate	(Sale)	(603,836)	(99%)	120 days after monthly closing days	-	-	125,143	99%	4 and 5
M.J. Taiwan	Opulent	Associate	Purchase	139,229	54%	120 days after monthly closing days	-	-	(36,122)	(31%)	5

Note1: Intercompany balances and transactions were eliminated upon consolidation.

Note2: Computed based on the amount or balance of the transactions with each seller and purchaser.

Note3: Unrealizes gain on transations is 2,808 thousand.

Note4: Unrealizes gain on transations is 767 thousand.

Note5: The transaction price is determined by the method of cost markup.

Note 6： If the amounts were based on foreign currencies, please refer to the spot exchange rate on the financial statement date(exchange rate on December 31,2023 was USD/NTD:30.7050, RMB/NTD:4.3352, average rate was USD/NTD:31.1550,RMB/NTD:4.424)

TABLE6

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note2)	Allowance for Impairment Loss
					Amount	Actions Taken		
M.J. Dongguan	Opulent	Associate	Trade Receivable $259,421	3.12 次	-	—	$95,627	-
	M.J. Shanghai	Invested subsidiary	Other receivables 138,607				964	
Prolong Dongguan	Opulent	Associate	Trade Receivable 125,143	3.57 次	-	—	36,314	-

Note 1: Intercompany balances and transactions were eliminated upon consolidation.

Note 2: It is the amount recovered from January 1 to January 31, 2024.

Note 3: This amount includes interest receivable of 964 thousand yuan.

Note 4: For foreign currencies mentioned in this table, the exchange rate of USD 30.7050 and RMB exchange rate of RMB 4.3352 at the balance sheet date are used to convert NTD and the relevant amounts of profit and loss are USD 31.1550 and RMB exchange rate of RMB 4.4240 to NTD as at the balance sheet date.

TABLE7

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Company Name	Related Party	Relationship (Note 2)	Transactions Details			
				Financial Statements Account	Amount (Notes 4)	PaymrentTerms	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
0	M.J. Group	Opulent	(1)	Endorsement/guarantee	$ 1,490,649	–	24%
		M.J. Taiwan	(1)	Endorsement/guarantee	3,242,141	–	52%
		M.J. Taiwan	(1)	Cash capital increase	300,000	–	5%
		M.J. Dongguan	(1)	Endorsement/guarantee	216,760	–	3%
1	Opulent	M.J. Taiwan	(3)	Sales	139,229	the selling price based on the cost,120 days after monthly closing days	5%
		M.J. Taiwan	(3)	Trade receivable	36,122	–	1%
		M.J. Dongguan	(3)	Sales	29,006	the selling price based on the cost,120 days after monthly closing days	1%
		Prolong Dongguan	(3)	Sales	17,822	the selling price based on the cost,120 days after monthly closing days	1%
2	M.J. Dongguan	Opulent	(3)	Sales	1,224,243	the selling price based on the cost,120 days after monthly closing days	45%
		Opulent	(3)	Trade receivable	259,421	–	4%
		M.J. Shanghai	(3)	Other receivables	138,607	Financing (including interest receivable 964）	2%
		M.J. Beijing	(3)	Other receivables	11,050	Financing (including interest receivable 82）	-
3	Prolong Dongguan	Opulent	(3)	Sales	603,836	the selling price based on the cost,120 days after monthly closing days	22%
		Opulent	(3)	Trade receivable	125,143	–	2%
4	M.J. Taiwan	Opulent Taiwan	(3)	Other receivables	60,324	–	1%

Note 1: The information about transactions between the parent and the subsidiaries shall be noted in the following manners:

(1) 0 stands for the parent company.

(2) The subsidiaries shall be numbered from 1 in Arabic numeral sequentially by the company.

Note 2: The relationship with the trader may be categorized into the following 3 types. The schedule only discloses the information about unilateral transactions, which were already consolidated and written off when the consolidated financial statements were preparing.

(1) Parent company vs. subsidiary

(2) Subsidiary vs. parent company

(3) Subsidiary vs. subsidiary

Note 3: The percentage of the amount of transaction to the consolidated total operating revenue or total assets shall be computed as the ending balance to the consolidated total assets, in the case of assets and liabilities, or as the interim accumulated amount to the consolidated total operating revenue, in the case of profit or loss.

Note 4： Intercompany balances and transactions were eliminated upon consolidation.

Note 5：If the amounts were based on foreign currencies, please refer to the spot exchange rate on the financial statement date(exchange rate on December 31,2023 was USD/NTD:30.7050, RMB/NTD:4.3352, average rate was USD/NTD:31.1550,RMB/NTD:4.4240)

TABLE8

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 4)		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
M.J. Group	Prolong HK	Hong Kong	Investment holding	$ 443,994 (USD 14,460)	$ 444,067 (USD 14,460)	-	100	$ 1,610,061	$ 38,115	$ 38,115	1 and 2
	Opulent	Hong Kong	International trading	267,134 (USD 8,700)	267,177 (USD 8,700)	8,700	100	621,524	200,610	200,610	1,2 and 5
	M.J. Taiwan	Taiwan	Sale and processing of plastic tiles, decoration materials and construction materials.	900,000	600,000	90	100	657,593	(230,810)	(230,810)	1 and 2
	Fullhouse Investments Limited.	Samoa	Investment holding	53,772 (USD 1,751)	53,780 (USD 1,751)	-	100	4,731	(41,481)	(41,481)	1 and 2
Fullhouse Investments Limited.	Green Touch Floors Inc.	Canada	Sale of engineered wood floors, LVT floors decoration materials and construction materials.	53,002 (USD 1,726)	53,010 (USD 1,726)	60	60	4,438	(39,259)	(23,555)	1,2 and 5

Note 1: The related investment income or loss is recognized on the basis of the investee's audited financial statements for the same period.

Note 2: Intercompany balances and transactions were eliminated upon consolidation.

Note 3: Refer to Table 9 for information on investment in mainland China.

Note 4: In the case of investment denominated in foreign currency, it shall be translated based on the foreign exchange rate on the balance sheet date.

Note 5: The income or loss of investee includes the effect of unrealized gross profit on intercompany transactions, the amortization expenses of intangible assets arising from mergers and acquisitions.

TABLE 9

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital Note (6)(7)	Method of Investment Note (1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss) (Note(2)(b)(2)) and Note(3)	Carrying Amount as of December 31, 2022 Note (3) and (5)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
M.J. Dongguan	Production and sale of tiles, decoration materials and construction materials, and investment holding.	$ 990,868 (USD 32,271)	(b) (1)	$ -	$ -	$ -	$ -	100	$ 52,388	$ 50,507	$ 1,113,566	$ -
Prolong Dongguan	Production and sale of tiles, decoration materials and construction materials, and investment holding.	308,576 (HKD 78,538)	(b) (1)	-	-	-	-	100	29,121	28,684	497,505	-
M.J. Chongqing	Sale of plastic tiles, decoration materials and construction materials.	34,682 (RMB 8,000)	(b) (2)	-	-	-	-	100	(447)	(447)	10,753	-
M.J. Beijing	Sale of plastic tiles, decoration materials and construction materials	62,860 (RMB 14,500)	(b) (2)	-	-	-	-	100	(5,238)	(5,238)	4,528	-
M. J. Shanghai	Sale of plastic tiles, decoration materials and construction materials	203,754 (RMB 47,000)	(b) (2)	-	-	-	-	100	(11,257)	(11,257)	106,518	-
M. J. Guangzhou	Sale of plastic tiles, decoration materials and construction materials	3,468 (RMB 800)	(b) (2)	-	-	-	-	100	(3,808)	(3,808)	423	-
M.J. Wuhan	Sale of plastic tiles, decoration materials and construction materials	47,687 (RMB 11,000)	(b) (2)	-	-	-	-	100	(1,502)	(1,502)	34,846	-
Changchun MH	Production and sale of tiles, decoration materials and construction materials.	- (RMB -)	(b) (2)	-	-	-	-	-	(32,606)	(22,824)	-	- Note8
M.J. Xian	Sale of plastic tiles, decoration materials and construction materials	21,676 (RMB 5,000)	(b) (2)	-	-	-	-	100	(2,078)	(2,078)	14,947	-
M.J. Shenyang	Sale of plastic tiles, decoration materials and construction materials	20,778 (RMB 4,793)	(b) (2)	-	-	-	-	100	(151)	(151)	13,682	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	**Investment Amount Authorized by the Investment Commission, MOEA**	**Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA**
Note(4)	Note(4)	Note(4)

Note 1: The mode of investment is categorized into the following three types:

(a) Direct investment in companies in the territories of mainland China.

(b) Through investing in an existing company in the third area, which then investing in the investee in Mainland China.

(1) Investment in companies in mainland China via the company in a third territory (Prolong International Company Limited).

(2) Investment in companies in mainland China via M.J. Dongguan and Prolong Dongguan reinvested by the company in a third territory (Prolong International Company Limited).

(c) Other modes.

Note 2: In the recognized current investment income section:

(a) To be noted, if it is under preparation and no investment income has generated therefor.

(b) The basis for recognition of investment income may be categorized into the following three types. Please identify it.

(1) Financial statements audited by the international CPA firm which enters into cooperative relationship with any R.O.C. CPA firm.

(2) Financial statement audited by the independent external auditor of the parent company in Taiwan.

(3) Others.

Note 3: Intercompany balances and transactions were eliminated upon consolidation.

Note 4: Not applicable, as the Company is not a company incorporated in the R.O.C.

Note 5: Including the unrealized income from side-stream transactions.

Note 6: Translated based on the foreign exchange rate on the balance sheet date.

Note7： Changes in paid-in capital are mainly due to capital increase and capital reduction. Please refer to Note 13.

Note8：Changchun MH was sold in June 2023.

Any significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please see Table 7.
2. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please see Table 7.
3. The amount of property transactions and the amount of the resultant gains or losses: None.
4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please see Table 2.
5. The highest balance, balance at the end of period, interest rate range, and total current period interest with respect to financing of funds: See Table 1.
6. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.:None.

TABLE 10

M. J. INTERNATIONAL CO., LTD.
INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares Percentage of	Number of Shares Percentage of
CROWN HARVEST COMPANY LIMITED	4,393,440	6.65%
Yunta Bank as Trustee of Luckmore Invetment Limited Account	7,779,000	11.77%
Ideal Compass Inter	4,881,600	7.38%
Black Dragon Assets Limited	4,478,400	6.77%

Note 1: The information on major shareholders disclosed in the table above was calculated by the Taiwan Depository & Clearing Corporation based on the number of ordinary and preference shares held by shareholders with ownership of 5% or greater, that had completed dematerialized registration and delivery (including treasury shares) as of the last business day of the current quarter. The share capital recorded in the Corporation's consolidated financial statements may differ from the number of shares that have completed dematerialized registration and delivery due to differences in the basis of preparation.

Note 2: If the above information is related to shareholders who have delivered their shares held to a trust, the information is separately disclosed by each trustor's account opened by the trustee. As for the declaration of insider shareholdings exceeding 10% in accordance with the securities and exchange act, the shareholdings include the shares held by the shareholder as well as those that have been delivered to the trust and for which the shareholder has the right to determine the use of trust property. For information on the declaration of insider shareholdings, refer to the Market Observation Post System website of the TWSE.