

Yong Shun Chemical Co., Ltd.
and Subsidiaries

Consolidated Financial
Statements and Independent
Auditor's Report
2024 and 2023

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§Table of Contents§

Item	Page	Notes Number in the Financial Report
I. Cover	1	-
II. Table of Contents	2	-
III. Statement of Consolidated Financial Statements of Affiliated Companies	3	-
IV. Independent Auditor's Report	4 ~ 6	-
V. Consolidated Balance Sheet	7	-
VI. Consolidated Statement of Comprehensive Income	8 ~ 9	-
VII. Consolidated Statement of Changes in Equity	10	-
VIII. Consolidated Statement of Cash Flow	11 ~ 12	-
IX. Notes to Consolidated Financial Statements		
(I) Organization and Operations	13	I
(II) Financial Statement Approval Date and Procedures	13	II
(III) Application of new standards, amendments, and interpretations	13 ~ 15	III
(IV) Summary of Significant Accounting Policies	15 ~ 22	IV
(V) Sources of Uncertainty to Significant Accounting Judgments, Estimates, and Assumptions	22	V
(VI) Notes to Major Accounts	23 ~ 43	VI ~ XXVII
(VII) Related party transactions	43	XXVIII
(VIII) Pledged Assets	43	XXIX
(IX) Significant contingent liabilities and unrecognized contract commitments	43 ~ 44	XXX
(X) Losses from Major Disasters	-	-
(XI) Significant Subsequent Events	-	-
(XII) Other	44	XXXI
(XIII) Other Disclosures	44 ~ 45 、 47 ~ 49	XXXII
(XIV) Segments Information	45 ~ 46	XXXIII

Statement of Consolidated Financial Statements of Affiliated Companies

For the year 2024 (January 1, 2024 to December 31, 2024), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. The relevant information has been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary, and therefore no separate consolidated financial statements of the related companies are prepared.

We hereby state the above.

Company name: Yong Shun Chemical Co., Ltd.

Person in charge: Tsai Cheng-Fung

March 10, 2025

Independent Auditor's Report

To Yong Shun Chemical Co., Ltd.:

Opinion

We have duly audited the consolidated balance sheet of Yong Shun Chemical Co., Ltd. and Subsidiaries for December 31, 2024 and 2023, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to December 31, 2024 and 2023 as well as notes to the consolidated financial statements (including the summary of material accounting policies).

In our opinion, the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and are fairly stated in terms of the consolidated financial position of Yong Shun Chemical Co., Ltd. as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2024 and 2023.

Basis for Opinion

Certified Public Accountants conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements using auditing principles. Our responsibilities as an auditor under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed the CPA code of ethics and maintained independence from Yong Shun Chemical Co., Ltd. and its subsidiaries when performing their duties. We believe that the evidence obtained provides an adequate and appropriate basis for our opinion.

Key Audit Matters

Key audit matters are matters that we considered to be the most important, based on professional judgment, when auditing the 2024 consolidated financial statements of Yong Shun Chemical Co., Ltd. and its subsidiaries. These issues were addressed when we audited and formed our opinions on the consolidated financial statements. Therefore, we do not provide opinions separately for individual matters.

The key audit items of the consolidated financial statements of Yong Shun Chemical Co., Ltd. and its subsidiaries for 2024 are as follows:

Key audit matter: Authenticity of sales, revenue and shipment to specific customers

Yong Shun Chemical Co., Ltd. and its subsidiaries are mainly engaged in the design, development, and manufacturing of resin products. Since changes in the major customers have a significant impact on the financial statements, and sales revenue is inherently subject to a high degree of risk, we have identified customers meeting specific criteria, and assessed the authenticity of the sales revenue transactions for these customers as a key audit matter. Please refer to Notes 4 and 21 to the consolidated financial statements.

In response to the above important matters, the main audit procedures implemented by the CPAs are as follows:

1. Understanding and testing the revenue recognition of a specific sales target is critical to the design and execution of internal control.
2. For the aforementioned specific sales target revenue details, select the sample to check the relevant supporting documents and test the collection status to confirm that the sales transaction actually occurred.
3. We review whether material sales returns and discounts have occurred after the balance sheet date, in order to confirm whether there is material misstatement in the revenue of specific sales targets.

Other Items

Yong Shun Chemical Co., Ltd. has prepared the parent company's financial statements for the years 2024 and 2023, and we have issued an audit report with a unmodified opinion for reference.

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

The responsibility of management is to prepare consolidated financial statements that fairly present the financial position of the Company in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain necessary internal controls relevant to 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's responsibility also includes assessing Yong Shun Chemical Co., Ltd. and its subsidiaries' ability to continue operating, the disclosure of related matters, and the adoption of the basis of accounting, unless management intends to liquidate Yong Shun Chemical Co., Ltd. and its subsidiaries or to cease operations, or there is no practical alternative to liquidation or cessation of operations.

The governance units (including the Audit Committee) of Yong Shun Chemical Co., Ltd. and its subsidiaries are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether caused by fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the financial statement user.

When conducting audits in accordance with auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risk of material misstatement within the consolidated financial statements that are attributed to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal controls, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Obtaining an understanding of the internal controls relevant to our 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 Yong Shun Chemical Co., Ltd. and its subsidiaries' internal controls.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures.
4. Based on the evidence obtained, making a conclusion on the appropriateness of the management's adoption of the basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Yong Shun Chemical Co., Ltd. and its subsidiaries to continue operating. We are bound to remind consolidated financial statement users to pay attention to relevant disclosures in the notes of statements within our audit report if material uncertainties exist in regards to the aforementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Yong Shun Chemical Co., Ltd. and its subsidiaries to cease to have the ability to continue operating.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes in the statements), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtaining sufficient and appropriate audit evidence of financial information and entities within the group, and expressing opinions on consolidated financial statements. Our responsibilities as an auditor are to instruct, supervise, and execute audits and form audit opinions on the Company.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects in internal controls identified during the audit) of our audit.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with the CPA code of ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including relevant protection measures).

From the matters communicated with the governance unit, we decided on the key audit items for the audit of the annual consolidated financial statements of Yong Shun Chemical Co., Ltd. and its subsidiaries for 2024. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because they may cause higher negative effects than the benefits they bring to public interest.

Deloitte Taiwan
CPA Weng, Po-Jen

CPA Kuo, Nai-Hua

Financial Supervisory Commission approval
number

Letter referenced Jin-Guan-Cheng-Shen Zi
No. 1010028123

Financial Supervisory Commission approval
number

Letter referenced Jin-Guan-Cheng-Shen Zi
No. 1070323246

March 25, 2025

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and December 31, 2023

Unit: NTD thousands

Code	Asset	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Notes 6 and 27)	\$ 362,218	28	\$ 364,631	29
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 27)	243	-	-	-
1136	Financial assets measured at amortized costs - current (Notes 8, 9 and 27)	109,019	9	99,000	8
1150	Net notes receivable (Notes 10, 21 and 27)	32,451	2	38,620	3
1170	Net accounts receivable (Notes 10, 21 and 27)	110,110	9	107,461	8
130X	Inventory (Note 11)	226,630	18	218,149	17
1410	Prepayments	2,850	-	2,937	-
1220	Income tax assets of the period (Note 23)	123	-	8,494	1
1479	Other current assets (Notes 15 and 27)	1,827	-	995	-
11XX	Total current assets	<u>845,471</u>	<u>66</u>	<u>840,287</u>	<u>66</u>
Non-current assets					
1600	Property, plant and equipment (Notes 13, 25 and 29)	369,000	29	369,543	29
1755	Right-of-use assets (Note 14)	18,741	2	26,684	2
1780	Intangible assets	940	-	1,272	-
1840	Deferred income tax assets (Note 23)	27,248	2	31,696	3
1920	Refundable deposits (Note 27)	2,022	-	2,022	-
1975	Net defined benefit assets - non-current (Note 19)	6,359	1	-	-
1990	Other non-current assets - others	3,427	-	405	-
15XX	Total non-current assets	<u>427,737</u>	<u>34</u>	<u>431,622</u>	<u>34</u>
1XXX	Total assets	<u>\$ 1,273,208</u>	<u>100</u>	<u>\$ 1,271,909</u>	<u>100</u>
Liabilities and equity					
Current liabilities					
2100	Short-term borrowing (Notes 16, 25 and 27)	\$ 52,000	4	\$ 43,000	3
2110	Short-term notes payable (Notes 16, 25 and 27)	44,338	3	32,130	3
2120	Financial liabilities at fair value through profit or loss - current (Notes 7 and 27)	-	-	1,280	-
2130	Contractual liabilities - current (Note 21)	2,194	-	917	-
2150	Notes payable (Notes 17 and 27)	3,976	-	5,618	-
2170	Accounts payable (Notes 17 and 27)	24,386	2	22,631	2
2219	Other payables (Notes 18 and 27)	34,726	3	29,571	2
2230	Income tax liabilities of the period (Note 23)	2,475	-	-	-
2280	Lease liabilities - current (Notes 14, 25 and 27)	7,082	1	6,964	1
2399	Other current liabilities	443	-	488	-
21XX	Total current liabilities	<u>171,620</u>	<u>13</u>	<u>142,599</u>	<u>11</u>
Non-current liabilities					
2570	Deferred income tax liabilities (Note 23)	48,577	4	47,094	4
2580	Lease liabilities - non-current (Notes 14, 25 and 27)	10,179	1	17,261	1
2550	Liability reserves - non-current (Note 14)	4,627	-	4,627	-
2640	Net defined benefit liabilities - non-current (Note 19)	-	-	6,213	1
25XX	Total non-current liabilities	<u>63,383</u>	<u>5</u>	<u>75,195</u>	<u>6</u>
2XXX	Total liabilities	<u>235,003</u>	<u>18</u>	<u>217,794</u>	<u>17</u>
Owner's equity attributable to owner of the Company (Note 20)					
Share capital					
3110	Common stock	610,560	48	610,560	48
3200	Capital surplus	53,309	4	53,309	4
Retained earnings					
3310	Legal reserve	212,550	17	210,483	17
3320	Special reserve	98,028	8	98,028	8
3350	Undistributed retained earnings	63,758	5	81,735	6
3300	Total retained earnings	<u>374,336</u>	<u>30</u>	<u>390,246</u>	<u>31</u>
3XXX	Total equity	<u>1,038,205</u>	<u>82</u>	<u>1,054,115</u>	<u>83</u>
Total liabilities and equity		<u>\$ 1,273,208</u>	<u>100</u>	<u>\$ 1,271,909</u>	<u>100</u>

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung

Manager: Lin, Cheng-Chien

Head of Accounting: Chen Fu-Mei

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2024 and December 31, 2023
Unit: NTD thousands, except earnings (losses) per share which is in NTD

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 21)	\$ 763,392	100	\$ 768,731	100
5000	Operating costs (Notes 11 and 22)	(677,338)	(89)	(667,787)	(87)
5900	Operating margin	86,054	11	100,944	13
	Operating expenses (Note 22)				
6100	Selling expenses	(34,563)	(4)	(33,747)	(4)
6200	Administrative expenses	(38,905)	(5)	(40,619)	(5)
6300	Research and development expenses	(7,178)	(1)	(5,568)	(1)
6450	Expected credit recovery gain (impairment loss)	879	-	(1,405)	-
6000	Total operating expenses	(79,767)	(10)	(81,339)	(10)
6900	Operating net income	6,287	1	19,605	3
	Non-operating income and expenses (Notes 22 and 31)				
7100	Interest income	5,314	1	4,431	-
7010	Other income	233	-	95	-
7020	Other gains and losses	2,188	-	1,091	-
7050	Finance costs	(1,544)	-	(1,460)	-
7000	Total non-operating income and expenses	6,191	1	4,157	-
7900	Net profit before tax	12,478	2	23,762	3
7950	Income tax expense (Note 23)	(6,664)	(1)	(5,384)	(1)
8200	Net profit for the year	5,814	1	18,378	2

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Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income (Notes 19, 20 and 23)				
	Items not reclassified into profit or loss:				
8311	Remeasurement of defined benefit obligation	\$ 11,005	1	\$ 2,857	-
8341	Income tax related to items not reclassified	(<u>2,201</u>)	-	(<u>571</u>)	-
8310		<u>8,804</u>	<u>1</u>	<u>2,286</u>	-
8300	Other comprehensive income of the period (net after tax)	<u>8,804</u>	<u>1</u>	<u>2,286</u>	-
8500	Comprehensive income of the period	<u>\$ 14,618</u>	<u>2</u>	<u>\$ 20,664</u>	<u>3</u>
	Net profit attributable to				
8610	Owner of the Company	<u>\$ 5,814</u>	<u>1</u>	<u>\$ 18,378</u>	<u>2</u>
8600		<u>\$ 5,814</u>	<u>1</u>	<u>\$ 18,378</u>	<u>2</u>
	Consolidated profit or loss attributable to				
8710	Owner of the Company	<u>\$ 14,618</u>	<u>2</u>	<u>\$ 20,664</u>	<u>3</u>
8700		<u>\$ 14,618</u>	<u>2</u>	<u>\$ 20,664</u>	<u>3</u>
	Earnings per share (Note 24)				
9750	Basic	<u>\$ 0.10</u>		<u>\$ 0.30</u>	
9850	Diluted	<u>\$ 0.10</u>		<u>\$ 0.30</u>	

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung

Manager: Lin, Cheng-Chien

Head of Accounting: Chen, Fu-Mei

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and December 31, 2023

Unit: NTD thousands

Code		Share capital		Retained earnings			Total equity	
		Number of shares (thousand)	Amount	Capital surplus	Legal reserve	Special reserve		Undistributed retained earnings
A1	Balance on January 1, 2023	61,056	\$ 610,560	\$ 53,309	\$ 210,483	\$ 98,028	\$ 91,599	\$ 1,063,979
	Earnings distribution for 2022							
B5	Cash dividends	-	-	-	-	-	(30,528)	(30,528)
D1	Net profit for 2023	-	-	-	-	-	18,378	18,378
D3	Other after-tax comprehensive income of 2023	-	-	-	-	-	2,286	2,286
D5	Total comprehensive income of 2023	-	-	-	-	-	20,664	20,664
Z1	Balance on December 31, 2023	61,056	610,560	53,309	210,483	98,028	81,735	1,054,115
	Earnings distribution for 2023							
B1	Legal reserve	-	-	-	2,067	-	(2,067)	-
B5	Cash dividends	-	-	-	-	-	(30,528)	(30,528)
D1	Net profit for 2024	-	-	-	-	-	5,814	5,814
D3	Other after-tax comprehensive income of 2024	-	-	-	-	-	8,804	8,804
D5	Total comprehensive income of 2024	-	-	-	-	-	14,618	14,618
Z1	Balance on December 31, 2024	<u>61,056</u>	<u>\$ 610,560</u>	<u>\$ 53,309</u>	<u>\$ 212,550</u>	<u>\$ 98,028</u>	<u>\$ 63,758</u>	<u>\$ 1,038,205</u>

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung

Manager: Lin, Cheng-Chien

Head of Accounting: Chen, Fu-Mei

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31, 2024 and December 31, 2023

Unit: NTD thousands

Code		2024	2023
	Cash flow from operating activities		
A10000	Net income before tax	\$ 12,478	\$ 23,762
A20010	Income, expenses and losses		
A20100	Depreciation expenses	22,762	21,498
A20200	Amortization expenses	332	93
A20300	Expected credit (recovery gain) impairment loss	(879)	1,405
A20400	Net (gain) loss of financial assets/ liabilities at fair value through profit or loss	(1,523)	936
A20900	Finance costs	1,544	1,460
A21200	Interest income	(5,314)	(4,431)
A22500	Gain on disposal of property, plant, and equipment	(192)	(40)
A22900	Inventory scrapping loss	698	622
A23700	Loss (recovery gain) on decline in value of inventories	1,359	(16,785)
A29900	Amortization of prepayments	218	-
A30000	Net change of operating assets and liabilities		
A31130	Notes receivable	6,169	(3,004)
A31150	Accounts receivable	(1,770)	6,380
A31200	Inventory	(10,653)	46,851
A31230	Prepayments	87	(94)
A31240	Other current assets	(826)	(530)
A32125	Contractual liabilities	1,277	(8,345)
A32130	Notes payable	(1,642)	1,497
A32150	Accounts payable	1,755	(1,895)
A32180	Other payables	2,551	1,093
A32230	Other current liabilities	(45)	44
A32240	Defined benefit liabilities	(1,567)	(1,396)
A33000	Cash from operations	26,819	69,121
A33100	Interest received	5,308	4,418
A33300	Interest paid	(1,180)	(978)
A33500	Income tax received (paid)	7,912	(925)
AAAA	Net cash inflow from operating activities	<u>38,859</u>	<u>71,636</u>

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Code		2024	2023
	Cash flow from investment activities		
B02700	Acquisition of property, plant and equipment	(\$ 11,584)	(\$ 33,940)
B02800	Proceeds from disposal of property, plant and equipment	219	40
B04500	Acquisition of intangible assets	-	(1,327)
B06700	Increase in other non-current assets	(3,240)	(405)
B06500	Acquisition of financial assets at amortized cost	(<u>10,019</u>)	<u>-</u>
BBBB	Net cash outflow from investments	(<u>24,624</u>)	(<u>35,632</u>)
	Cash flow from financial activities		
C00100	Increase in short-term borrowings	9,000	9,000
C00600	Increase in short-term notes payable	12,208	19,416
C04020	Repayment of lease liability principal	(7,328)	(7,328)
C04500	Cash dividend payment	(<u>30,528</u>)	(<u>30,528</u>)
CCCC	Net cash outflow from financial activities	(<u>16,648</u>)	(<u>9,440</u>)
EEEE	(Decrease) increase in cash and cash equivalents	(2,413)	26,564
E00100	Cash and cash equivalents at the beginning of the year	<u>364,631</u>	<u>338,067</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 362,218</u>	<u>\$ 364,631</u>

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung

Manager: Lin, Cheng-Chien

Head of Accounting: Chen, Fu-Mei

Yong Shun Chemical Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and December 31, 2023
(NTD thousand, Unless Stated Otherwise)

I. Organization and Operations

Yong Shun Chemical Co., Ltd. (hereinafter referred to as "the Company") was established in July 1965, mainly engaged in the manufacturing and sales of multi-component resins, special coating resins and fiber auxiliaries as well as the manufacturing, processing and trading of various reinforced plastic-steel products, the manufacturing of the auxiliary raw materials, the purchase of raw materials, and the import and export of finished products.

The Company's stock has been traded on the Taipei Exchange of the Republic of China since February 1999.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group" are presented in the Company's functional currency, the New Taiwan dollar.

II. Financial Statement Approval Date and Procedures

The consolidated financial report was approved by the Board of Directors on March 10, 2025.

III. Application of new standards, amendments, and interpretations

- (I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to collectively as the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the application of the revised IFRS approved and issued by the FSC will not result in a material change in the accounting policies of the Group.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

(II) FSC-approved IFRS Accounting Standards applicable from 2025 onwards

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by IASB (Note 1)</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

1) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

2) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- a) if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) to clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) to clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

The Group has decided not to apply the amendments earlier.

(III) IFRS Accounting Standards issued by the IASB but not yet approved and released by the FSC

<u>New/amended/ revised standards and interpretations</u>	<u>Effective date announced by IASB (Note 1)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the financial report authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) 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 the IFRS Accounting Standards approved and issued by the FSC.

(II) Basis of preparation

In addition to financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of planned assets, the consolidated financial statements are prepared based on historical cost.

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 the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date, and
3. Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due for settlement within 12 months of the balance sheet date (long-term refinancing or rescheduled agreements completed after the balance sheet date and before the issuance of the financial report are also current liabilities), and
3. Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets or liabilities that are not classified as current assets or liabilities are classified as non-current assets or non-current liabilities.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial instruments of the Company and the entities controlled by the Company (i.e., its subsidiaries). In the consolidated statement of comprehensive income, the operating income of the acquired or discontinued subsidiaries since the acquisition date or until the disposal date has been included. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. The total comprehensive income of the subsidiaries is attributable to the owners and to the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

Where the change of ownership rights of the subsidiaries of the Group does not result in a loss of control, it shall be treated as an equity transaction. The book values of the Group and non-controlling interests have been adjusted to reflect the change in the relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and belongs to the owners of the Company.

For details of subsidiaries, shareholding ratio and business items, please refer to Note 12 and Table 2.

(V) Foreign currency

Within the financial statements for each individual entity, every transaction in a currency other than the individual's functional currency (foreign currency) is converted into the functional currency based on the exchange rate on the transaction date.

Monetary items denominated in foreign currencies are converted at the closing rate on the balance sheet date. Exchange differences arising from the settlement of monetary items or the conversion of monetary items are recognized in profit or loss in the period they occur.

Non-monetary items denominated in foreign currencies that are measured at fair value are converted at the prevailing exchange rates on the date when the fair values are determined, and the resulting exchange differences are recognized in profit or loss for the

current period, except for those arising from changes in fair value that should be recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies measured at historical cost are converted at the exchange rates prevailing on the dates of transactions and are not re-converted.

(VI) Inventory

Inventory includes raw materials, supplies, finished goods and work-in-progress. Inventories are measured at a lower cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. The net realizable value is the estimated selling price under normal circumstances less the estimated costs still to be invested to completion and the estimated costs required to complete the sale. The cost of inventories is calculated using the weighted-average method.

(VII) Property, plant, and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Group reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

When property, plant and equipment are de-recognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss.

(VIII) Intangible assets

1. Single acquisition

Individually acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Group reviews the estimated useful lives, residual values and amortization methods at least at the end of each year and defers the effect of changes in applicable accounting estimates. Intangible assets with uncertain useful lives are presented at cost less accumulated impairment losses.

2. Derecognition

When intangible assets are de-recognized, the difference between the net disposal price and the carrying amount of the assets is recognized in the current profit or loss.

(IX) Impairment loss of property, plant and equipment, right-of-use assets and intangible assets.

The Group assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to the group of minimum cash-generating units on a reasonable and consistent basis.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(X) Financial instruments

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

When financial assets and financial liabilities are not initially recognized at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and de-recognized using trade date accounting.

(1) Type of measurements

The types of financial assets held by the Group are Financial assets at FVTPL and financial assets at amortized cost.

A. 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 remeasurement gains or losses, excluding any dividends and interest earned, are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

B. Financial assets measured at amortized costs

The Group's investment in financial assets is classified as financial assets carried at amortized cost if both of the following two conditions are met:

- a. It is held under an operating model in which financial assets are held for the purpose of receiving contractual cash flows; and
- b. The terms of the contract generate cash flows on specific dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, notes receivable and other receivables measured at amortized cost, and refundable deposits), after initial recognition, are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss, and any foreign currency exchange gain or loss is recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

- a. For credit-impaired financial assets purchased or established, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
- b. For financial assets that are not acquired or created but subsequently become impaired, interest income should be computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after the impairment is applied.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties or defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed deposits with minimal risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

(2) Impairment of financial assets

The Group assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost based on expected credit losses at each balance sheet date.

Accounts receivables are recognized as a loss provision based on the expected credit loss over the period of survival. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If there is no significant increase, an allowance for loss is recognized based on the expected credit loss over 12 months. If there is a significant increase, a loss provision is recognized based on the expected credit loss over the remaining period.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from possible defaults within 12 months after the reporting date of the financial instrument, and the ongoing, expected credit loss represents the expected credit loss arising from all possible defaults during the expected life of the financial instrument.

For internal credit risk management purposes, the Group determines, without regard to the collateral held, that a default on a financial asset has occurred in the following circumstances.

- A. There is internal or external information that indicates that the debtor is unlikely to be able to pay its debts.
- B. Financial assets are more than 365 days past due, unless there is reasonable and supportable information indicating that the basis for delayed default is more appropriate.

All impairment losses on financial assets are reversed by reducing the carrying amount through the provision account. However, the loss provision on investments in debt instruments at fair value through other comprehensive income are recognized in other comprehensive income without reducing their carrying amount.

(3) De-recognition on financial assets

The Group derecognizes financial assets only when the contractual rights to the cash flows from the financial assets lapse or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When the financial asset is de-recognized as a whole at amortized cost, the difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss. When investments in debt instruments at fair value through other comprehensive income are de-recognized as a whole, the difference between the carrying amount of the investments and the sum of the consideration received and any accumulated gain or loss recognized in other comprehensive income is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are de-recognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Financial liabilities

(1) Subsequent measurements

All financial liabilities are measured at amortized cost using the effective interest method, except for the following.

Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit and loss are held for trading.

Financial liabilities held for trading are measured at fair value, and gains or losses arising from their re-measurement are recognized in other gains and losses.

For the determination of fair value, please refer to Note 27.

(2) De-recognition of financial liabilities

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

3. Derivatives

The derivative instruments entered into by the Group include forward foreign exchange contracts used to manage the Group's exchange rate risks.

Derivatives are initially recognized at fair value upon entering into derivative contracts and subsequently remeasured at fair value at the balance sheet date, with gains or losses arising from subsequent measurements recognized directly in profit or loss. However, for derivatives that are designated and are effective hedging instruments, the timing of their recognition in profit or loss will depend on the nature of the hedging. When the fair value of a derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

Derivatives that are embedded in asset master contracts within the scope of IFRS 9, "Financial Instruments", are used as a whole to determine the classification of financial assets. A derivative is considered to be a separate derivative if it is embedded in a master contract of an asset that is not within the scope of IFRS 9 (e.g., embedded in a master contract of a financial liability) and the embedded derivative meets the definition of a derivative, the risks and characteristics of which are not closely related to those of the master contract and the hybrid contract is not measured at fair value through profit or loss.

(XI) Revenue recognition

The Group allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

Revenue from product sales

Revenue from product sales is from the manufacturing and sale of multi-resins. The Group recognizes revenue when the product is delivered and control of ownership is transferred. Advance receipt of payments for the sale of goods are recognized as contract liabilities before the products are delivered.

(XII) Leases

The Group assesses whether a contract is (or contains) a lease at the contract inception date.

The Group as lessee

Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value underlying assets and short-term leases to which the recognition exemption applies, where lease payments are recognized as expenses on a straight-line basis over the lease term.

The right-of-use asset is measured initially at cost (consisting of the original measurement amount of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the re-measurement of the lease liability is adjusted. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease either to the end of the useful life or the end of the lease term, whichever occurs first.

Lease liabilities are measured initially at the present value of lease payments (primarily fixed payments). Lease payments are discounted using the interest rate implied by the lease if it is readily recognizable. If the rate is not readily identifiable, the lessee's incremental borrowing rate is used.

Subsequently, the lease liabilities are measured at amortized cost basis using the effective interest method and interest expense is allocated over the lease term. If the lease

term, the expected payment amount under the guarantee of residual value, the evaluation of the purchase option of the underlying assets or the index or rate used to determine the lease payment changes, which leads to a future lease payment change, the Group remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining re-measurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(XIII) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that meet the criteria are included as part of the cost of the asset until substantially all of the activities necessary to bring the asset to its intended use or sale condition have been completed.

Investment income earned on the temporary investment from specific borrowings pending the occurrence of qualifying capital expenditures is deducted from the qualifying borrowing costs for capitalization.

Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XIV) Employee benefits

1. Short-term employee benefits

Short-term employee benefit-related liabilities are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

Payments to the defined contribution pension plan is an expense that recognizes the amount of pension benefits to be contributed during the employees' service period.

The defined benefit cost (including service cost, net interest and re-measurement) of the defined benefit pension plan is actuarially determined using the projected unit benefit method. Service costs (including current service cost and previous service cost and settlement profit and loss) and the net interest on net defined benefit liabilities (assets) are recognized as employee benefit expenses when they occur, when the plan is revised or curtailed and when liquidation occurs. Re-measurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income as incurred and included in retained earnings, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the appropriation deficit (surplus) of the defined benefit pension plan. The net defined benefit asset must not exceed the present value of the refund of appropriation from the plan or of the reduction of future appropriation.

3. Severance benefits

The Group recognizes a severance benefit liability when it can no longer withdraw its offer of severance benefits, or recognizes the associated restructuring costs, whichever is earlier.

(XV) Income tax

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

1. Current tax payable

The Group determines the current income (loss) in accordance with the regulations of each income tax filing jurisdiction and calculates the income tax payable (recoverable) accordingly.

Income tax on undistributed earnings calculated in accordance with the ROC Income Tax Act is recognized in the year when the shareholders resolve to retain the earnings.

Adjustments to prior years' income tax payable are to be included in the current period's income tax.

2. Deferred tax

Deferred income tax is computed on temporary differences between the carrying amounts of assets and liabilities and the tax basis of taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized for temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset. Deferred income tax assets that have not been recognized are reviewed at each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences of the manner in which the Group expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Income tax of the current period and deferred income tax

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

V. Sources of Uncertainty to Significant Accounting Judgments, Estimates, and Assumptions

In adopting accounting policies, the Group's management is required to make judgments, estimates and assumptions that are based on historical experience and other relevant factors when relevant information is not readily available from other sources. Actual results may differ from estimates.

Key Sources of Estimation Uncertainty

(I) Estimated impairment of financial assets

The provision for impairment of account receivables is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates. For details of the key assumptions and inputs used, see Note 10. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

(II) Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

VI.	<u>Cash and cash equivalents</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Cash on hand and working capital	\$ 140	\$ 140
	Checking accounts and demand deposits	92,107	83,534
	Cash equivalents		
	Commercial paper	<u>269,971</u>	<u>280,957</u>
		<u>\$ 362,218</u>	<u>\$ 364,631</u>
VII.	<u>Financial instruments at fair value through profit or loss</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Financial assets - current</u>		
	Derivative instruments		
	(not specified for hedging)		
	- FX forward contracts	<u>\$ 243</u>	<u>\$ -</u>
	<u>Financial liabilities - current</u>		
	Derivative instruments		
	(not specified for hedging)		
	- FX forward contracts	<u>\$ -</u>	<u>\$ 1,280</u>

The FX forward contracts on the balance sheet date that are not subject to hedge accounting and have not yet matured are as follows:

	<u>Currency</u>	<u>Maturity period</u>	<u>Contract amount (NTD thousand)</u>
<u>December 31, 2024</u>			
Purchase of FX forward contract	NTD to USD	November 14, 2024 ~ February 5, 2025	NTD11,622/USD359
Purchase of FX forward contract	NTD to USD	December 11, 2024 ~ March 4, 2025	NTD16,891/USD522
Purchase of FX forward contract	NTD to USD	December 27, 2024 ~ March 25, 2025	NTD15,386/USD472
Purchase of FX forward contract	NTD to USD	November 25, 2024 ~ February 19, 2025	NTD1,118/USD35
Purchase of FX forward contract	NTD to USD	December 17, 2024 ~ March 14, 2025	NTD1,118/USD35
<u>December 31, 2023</u>			
Purchase of FX forward contract	NTD to USD	November 3, 2023 ~ February 23, 2024	NTD18,089/USD564
Purchase of FX forward contract	NTD to USD	December 7, 2023 ~ March 29, 2024	NTD15,135/USD482
Purchase of FX forward contract	NTD to USD	December 8, 2023 ~ February 29, 2024	NTD1,156/USD37
Purchase of FX forward contract	NTD to USD	December 27, 2023 ~ March 21, 2024	NTD1,113/USD36

The purpose of the engagement in FX forward contracts by the Group in 2024 and 2023 was to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations. The FX forward contracts held by the Group do not meet the effective hedging conditions, so hedge accounting is not applicable.

VIII. Financial assets measured at amortized costs

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Domestic investment		
Corporate bonds (a)	\$ 10,019	\$ -
Time deposits with original maturity over 3 months (b)	<u>99,000</u>	<u>99,000</u>
	<u>\$ 109,019</u>	<u>\$ 99,000</u>

a. In November 2024, the Group bought 5-year green bonds issued by Taiwan Semiconductor Manufacturing Company Limited at face value of \$10,019 thousand with maturity value of \$10,039 thousand, an effective interest rate of 1.2% and a maturity date of January 6, 2025.

b. As of December 31, 2024 and December 31, 2023, the interest rate range of time deposits with original maturity over 3 months is 1.7% and 1.575% per annum.

Refer to Note 9 for information relating to the credit risk management and impairment of investments in financial assets measured at amortized cost.

The Group has no pledge of financial assets measured at amortized cost.

IX. Credit risk management of debt instrument investment

The debt instruments invested by the Group are financial assets measured at amortized cost:

December 31, 2024

	<u>At amortized cost</u>
Total book value	\$ 109,019
Loss provision	<u>-</u>
Amortized cost	<u>\$ 109,019</u>

December 31, 2023

	<u>At amortized cost</u>
Total book value	\$ 99,000
Loss provision	<u>-</u>
Amortized cost	<u>\$ 99,000</u>

The credit risk of bank deposits and other financial instruments is measured and monitored by the financial departments of the Group. As the trading counterparties and performing parties of the Group are all banks with good credit ratings and financial institutions or corporate organizations of investment grade or above, there is no major doubt of default, so there is no major credit risk.

The current credit risk rating mechanism of the Group and the total book value of debt instrument investment of each credit rating are as follows:

Credit rating	Definition	Recognition basis of expected credit loss	Expected credit loss rate	Total book amount on December 31, 2024	Total book amount on December 31, 2023
Normal	The debtor's credit risk is low, and the debtor is fully capable of paying off the contractual cash flow.	12-month expected credit loss	0%	<u>\$ 109,019</u>	<u>\$ 99,000</u>

X. Notes receivable, accounts receivable and collection

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable</u>		
At amortized cost		
Arising from business	<u>\$ 32,451</u>	<u>\$ 38,620</u>
<u>Accounts receivable</u>		
At amortized cost		
Arising from business	\$ 112,329	\$ 109,959
Less: Loss allowance	(<u>2,219</u>)	(<u>2,498</u>)
	<u>\$ 110,110</u>	<u>\$ 107,461</u>

(I) Accounts receivable

The average credit period of the Group for commodity sales is 90 days, and the accounts receivable are not subject to interest. The policy adopted by the Group is to only conduct transactions with objects rated at or above the investment grade, and obtain sufficient guarantees when necessary to mitigate the risk of financial losses due to default. The Group will use other publicly available financial information and historical transaction records to rate its major customers. The Group continuously monitors the credit risk and the credit rating of the counterparty, and manages the credit risk through the annual review and approval of the counterparty's credit limit.

In order to mitigate the credit risk, the management of the Group assigned specialists to be responsible for the credit line decision, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the Group will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been provided with appropriate impairment losses.

The Group recognizes the loss provision of accounts receivable based on the expected credit loss during the existence period. The expected credit loss during the duration is calculated using the preparation matrix, which takes into account customers' past default records and current financial situation, the industrial economic situation, the GDP forecast and the unemployment rate. Because the historical experience of credit loss of the Group shows that there is no significant difference between the loss types of different customer groups, the preparation matrix does not further distinguish customer groups, and only sets the expected credit loss rate based on the number of days of accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect the recoverable amount, for example, the counterparty to the transaction is in liquidation or the debt has been established for more than 365 days, the Group will directly write off the relevant accounts receivable, but will continue the recovery activities. The amount recovered due to the recovery is recognized in profit or loss.

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

December 31, 2024

	Account established for 1 to 90 days	Account established for 91 to 180 days	Account established for 181 to 365 days	Account established for over 365 days	Total
Total book value	\$ 101,831	\$ 8,382	\$ -	\$ 2,116	\$ 112,329
Loss allowance (lifetime ECLs)	(<u>50</u>)	(<u>53</u>)	-	(<u>2,116</u>)	(<u>2,219</u>)
Amortized cost	<u>\$ 101,781</u>	<u>\$ 8,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,110</u>

December 31, 2023

	Account established for 1 to 90 days	Account established for 91 to 180 days	Account established for 181 to 365 days	Account established for over 365 days	Total
Total book value	\$ 97,699	\$ 10,144	\$ -	\$ 2,116	\$ 109,959
Loss allowance (lifetime ECLs)	(<u>277</u>)	(<u>105</u>)	-	(<u>2,116</u>)	(<u>2,498</u>)
Amortized cost	<u>\$ 97,422</u>	<u>\$ 10,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,461</u>

The provision for losses of accounts receivable is calculated according to the expected credit loss rate of each age range, and the expected credit loss rate for the years ended December 31, 2024 and December 31, 2023 is 0.33% ~ 100% and 0.17% ~ 100%, respectively.

Changes in loss provision on accounts receivable:

	2024	2023
Beginning balance	\$ 2,498	\$ 493
Add: Provision for impairment loss for the current year	-	2,005
Less: Reversal of impairment loss for the current year	(279)	-
Ending balance	<u>\$ 2,219</u>	<u>\$ 2,498</u>

(II) Collections (listed under other non-current assets)

Information on the change in provision for bad debts from collections is as follows:

	2024	2023
Beginning balance	\$ 24,019	\$ 24,619
Less: Reversal of impairment loss	(600)	(600)
Ending balance	<u>\$ 23,419</u>	<u>\$ 24,019</u>

As of December 31, 2024 and December 31, 2023, the amount of loss provision included individual impaired accounts receivable in significant financial difficulties, amounting to NTD23,419 thousand and NTD24,019 thousand, respectively, which had been transferred to collections (listed under other non-current assets). The Group does not hold any collateral for these receivable balances.

XI. Inventory

	December 31, 2024	December 31, 2023
Raw materials	\$ 106,462	\$ 118,963
Work-in-progress	1,162	55
Finished goods	103,533	98,964
Goods	-	167
Inventory in transit	15,473	-
	<u>\$ 226,630</u>	<u>\$ 218,149</u>

The nature of cost of goods sold is as follows:

	2024	2023
Cost of inventory sold	\$ 675,979	\$ 684,572
Inventory write-downs (reversed)	1,359	(16,785)
	<u>\$ 677,338</u>	<u>\$ 667,787</u>

- a. Inventory write-downs were reversed as a result of inventory selling.
- b. There are no inventories set pledged as collateral for bank borrowings.

XII. Subsidiary

Subsidiaries included in consolidated financial statements

The entities of the consolidated financial report are as follows:

Name of the investor	Investee	Main Business	% of Ownership	
			December 31, 2024	December 31, 2023
Yong Shun Chemical Co., Ltd.	Sun Yang Global Co., Ltd.	The manufacturing and sales of synthetic resins, plastics, coatings, paints, industrial additives, other chemical materials and other plastic products, and the procurement of raw materials for self use and the import and export of finished products related to the business referred to above.	100%	100%

The financial statements of Sun Yang Global Co., Ltd. are prepared in accordance with the company's financial statements audited by a CPA for the same period.

XIII. Property, plant, and equipment

	Land	Building	Machinery equipment	Transportation equipment	Office equipment	Leased improvements	Other equipment	Total
<u>Cost</u>								
Balance on January 1, 2024	\$ 276,190	\$ 170,213	\$ 514,271	\$ 14,922	\$ 13,084	\$ 7,545	\$ 60,851	\$ 1,057,076
Increase	-	8,535	911	270	95	333	4,044	14,188
Disposals	-	(467)	(73,269)	-	(852)	-	(13,506)	(88,094)
Reclassification	-	-	115	-	-	-	-	115
Balance on December 31, 2024	<u>\$ 276,190</u>	<u>\$ 178,281</u>	<u>\$ 442,028</u>	<u>\$ 15,192</u>	<u>\$ 12,327</u>	<u>\$ 7,878</u>	<u>\$ 51,389</u>	<u>\$ 983,285</u>
<u>Cumulative depreciation</u>								
Balance on January 1, 2024	\$ -	\$ 115,500	\$ 488,609	\$ 12,096	\$ 10,155	\$ 5,555	\$ 55,618	\$ 687,533
Depreciation expenses	-	4,059	6,494	502	801	909	2,054	14,819
Disposals	-	(467)	(73,269)	-	(825)	-	(13,506)	(88,067)
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 119,092</u>	<u>\$ 421,834</u>	<u>\$ 12,598</u>	<u>\$ 10,131</u>	<u>\$ 6,464</u>	<u>\$ 44,166</u>	<u>\$ 614,285</u>
Net on December 31, 2024	<u>\$ 276,190</u>	<u>\$ 59,189</u>	<u>\$ 20,194</u>	<u>\$ 2,594</u>	<u>\$ 2,196</u>	<u>\$ 1,414</u>	<u>\$ 7,223</u>	<u>\$ 369,000</u>
<u>Cost</u>								
Balance on January 1, 2023	\$ 276,190	\$ 148,696	\$ 518,255	\$ 14,702	\$ 12,884	\$ 6,739	\$ 62,293	\$ 1,039,759
Increase	-	21,517	8,029	900	918	806	1,356	33,526
Disposals	-	-	(13,856)	(680)	(718)	-	(2,798)	(18,052)
Reclassification	-	-	1,843	-	-	-	-	1,843
Balance on December 31, 2023	<u>\$ 276,190</u>	<u>\$ 170,213</u>	<u>\$ 514,271</u>	<u>\$ 14,922</u>	<u>\$ 13,084</u>	<u>\$ 7,545</u>	<u>\$ 60,851</u>	<u>\$ 1,057,076</u>
<u>Cumulative depreciation</u>								
Balance on January 1, 2023	\$ -	\$ 111,855	\$ 496,391	\$ 12,365	\$ 9,863	\$ 4,709	\$ 56,847	\$ 692,030
Depreciation expenses	-	3,645	6,074	411	1,010	846	1,569	13,555
Disposals	-	-	(13,856)	(680)	(718)	-	(2,798)	(18,052)
Balance on December 31, 2023	<u>\$ -</u>	<u>\$ 115,500</u>	<u>\$ 488,609</u>	<u>\$ 12,096</u>	<u>\$ 10,155</u>	<u>\$ 5,555</u>	<u>\$ 55,618</u>	<u>\$ 687,533</u>
Net on December 31, 2023	<u>\$ 276,190</u>	<u>\$ 54,713</u>	<u>\$ 25,662</u>	<u>\$ 2,826</u>	<u>\$ 2,929</u>	<u>\$ 1,990</u>	<u>\$ 5,233</u>	<u>\$ 369,543</u>

The Group's property, plant and equipment listed on December 31, 2024 and December 31, 2023 have been evaluated and there was no indication of impairment.

There was no interest capitalization on the property, plant and equipment of the Group in 2024 and 2023.

Depreciation expense is accrued on a straight-line basis for the following years of service:

Building	
Main building	20 to 50 years
Decoration work, etc.	3 to 10 years
Machinery equipment	3 to 16 years
Transportation equipment	3 to 7 years
Office equipment	3 to 6 years
Leased improvements	1 to 15 years
Other equipment	2 to 10 years

Please refer to Note 29 for the amount of property, plant and equipment pledged as loan collateral.

XIV. Lease arrangements

(I) Right-of-use assets

Right-of-use assets amounts	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Buildings	<u>\$ 18,741</u>	<u>\$ 26,684</u>
	<u>2024</u>	<u>2023</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 7,943</u>	<u>\$ 7,943</u>

(II)	Lease liabilities		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Lease liabilities amounts		
	Current	\$ <u>7,082</u>	\$ <u>6,964</u>
	Non-current	\$ <u>10,179</u>	\$ <u>17,261</u>

The range of discount rate for lease liabilities are as follows:

		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Buildings	1.484%~1.997%	1.484%~1.997%

(III)	Other lease agreements		
		<u>2024</u>	<u>2023</u>
	Short term lease expense	\$ <u>628</u>	\$ <u>631</u>
	Total cash outflow from lease	(\$ <u>7,956</u>)	(\$ <u>7,959</u>)

The Group chooses to apply the recognition exemption to the leases of houses and buildings that meet the short-term lease criteria, and does not recognize the relevant right-of-use assets and lease liabilities for such leases.

(IV)	Provision for liabilities		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Cost of decommissioning, remediation and restoration	\$ <u>4,627</u>	\$ <u>4,627</u>

Provision for decommissioning, remediation, and restoration costs is based on historical experience and management's judgment of the likely demolition and relocation costs estimated. Such estimates may vary with the use of property, plant, and equipment.

XV.	<u>Other assets</u>		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Current</u>		
	Other receivables		
	Interest receivable	\$ 73	\$ 67
	Business tax refund receivable	476	457
	Other	10	35
	Provisional payment	<u>1,268</u>	<u>436</u>
		\$ <u>1,827</u>	\$ <u>995</u>
	<u>Non-current</u>		
	Collection	\$ 23,419	\$ 24,019
	Less: Provision for bad debts	(<u>23,419</u>)	(<u>24,019</u>)
		\$ <u>-</u>	\$ <u>-</u>

XVI.	<u>Borrowings</u>		
(I)	Short-term borrowing		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Unsecured loans</u>		
	- Credit loans	\$ <u>52,000</u>	\$ <u>43,000</u>

The interest rates of bank revolving loans as of December 31, 2024 and December 31, 2023 were 2.22%~2.325% and 2.20%~2.56%, respectively.

(II)	Short-term notes payable		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Bank acceptances	\$ <u>44,338</u>	\$ <u>32,130</u>

Outstanding short-term notes payable were as follows:
December 31, 2024

<u>Guarantee/acceptance institution</u>	<u>Book value</u>	<u>Original currency amount (USD)</u>	<u>Name of collateral</u>	<u>Book value of collateral</u>
<u>Bank acceptances</u>				
Hua Nan Bank	\$ 11,763	\$ 359	None	\$ -
Mega International Commercial Bank	17,102	522	None	-
Taiwan Cooperative Bank	15,473	472	None	-
	<u>\$ 44,338</u>	<u>\$ 1,353</u>		<u>\$ -</u>

December 31, 2023

<u>Guarantee/acceptance institution</u>	<u>Book value</u>	<u>Original currency amount (USD)</u>	<u>Name of collateral</u>	<u>Book value of collateral</u>
<u>Bank acceptances</u>				
Hua Nan Bank	<u>\$ 32,130</u>	<u>\$ 1,046</u>	None	<u>\$ -</u>

XVII. Notes and accounts payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes payable</u>		
Arising from business	<u>\$ 3,976</u>	<u>\$ 5,618</u>
<u>Accounts payable</u>		
Arising from business	<u>\$ 24,386</u>	<u>\$ 22,631</u>

Accounts payable are paid at the agreed time in the contract. The Group has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit period.

XVIII. Other liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
<u>Other payables</u>		
Directors' remuneration payable	\$ 243	\$ 646
Employees' remuneration payable	161	428
Salary and bonus payable	18,946	18,618
Equipment payables	4,599	1,995
Other	10,777	7,884
	<u>\$ 34,726</u>	<u>\$ 29,571</u>

XIX. Retirement benefit plans

(I) Defined contribution plans

The pension system of the "Labor Pension Act" applicable to the Company and Sun Yang Global Co., Ltd. of the Group is a definite retirement plan managed by the government. 6% of the employee's monthly salary is appropriated to employees' individual account at the Bureau of Labor Insurance.

(II) Defined benefit plans

The pension system of the Group in accordance with the country's "Labor Standards Act" is a government-administered defined-benefit retirement plan. The employee's pension is calculated based on the length of service and the average salary for the six months before the approved retirement date. The Group allocates 10% of the total monthly salary of the employees to the pension, and hands it over to the Labor Retirement Reserve Supervision Committee to deposit it into the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if it is estimated that the balance of the special account is not sufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be provided in one go by the end of March of the next year. The special account is entrusted to the Bureau of Labor Fund of the Ministry of Labor for management, and the Group has no right to influence the investment management strategy.

The amounts of defined benefit plans included in the consolidated balance sheet are shown below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 48,475	\$ 60,434
Fair value of plan assets	(<u>54,834</u>)	(<u>54,221</u>)
Net defined benefit (assets) liabilities	(<u>\$ 6,359</u>)	<u>\$ 6,213</u>

Changes in net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities (assets)</u>
Balance on January 1, 2024	<u>\$ 60,434</u>	(<u>\$ 54,221</u>)	<u>\$ 6,213</u>
Service cost			
Service costs for the current period	232	-	232
Interest expense (revenue)	<u>651</u>	(<u>592</u>)	<u>59</u>
Recognized as loss (profit)	<u>883</u>	(<u>592</u>)	<u>291</u>
Re-measurement			
Compensation for planned assets (excluding the amount included in net interest)	-	(5,046)	(5,046)
Actuarial (gain) loss			
Changes in financial assumptions			
Adjustment based on past experience	(1,193)	-	(1,193)
Recognized in other comprehensive income	(<u>4,766</u>)	<u>-</u>	(<u>4,766</u>)
Employer contribution	(<u>5,959</u>)	(<u>5,046</u>)	(<u>11,005</u>)
Benefit paid	<u>-</u>	(<u>1,858</u>)	(<u>1,858</u>)
Balance on December 31, 2024	(<u>6,883</u>)	<u>6,883</u>	<u>-</u>

(continued on the next page)

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance on January 1, 2023	\$ 66,019	(\$ 55,553)	\$ 10,466
Service cost			
Service costs for the current period	407	-	407
Interest expense (revenue)	908	(777)	131
Recognized as loss (profit)	1,315	(777)	538
Re-measurement			
Compensation for planned assets (excluding the amount included in net interest)	-	(415)	(415)
Actuarial loss (gain)			
Changes in financial assumptions	938	-	938
Adjustment based on past experience	(3,380)	-	(3,380)
Recognized in other comprehensive income	(2,442)	(415)	(2,857)
Employer contribution	-	(1,934)	(1,934)
Benefit paid	(4,458)	4,458	-
Balance on December 31, 2023	\$ 60,434	(\$ 54,221)	\$ 6,213

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

	2024	2023
Operating costs	\$ 194	\$ 338
Operating expenses	97	200
	<u>\$ 291</u>	<u>\$ 538</u>

The Group is exposed to the following risks as a result of the “Labor Standards Act” pension system:

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor invests labor pension funds in domestic (foreign) equity and debt securities and bank deposits through self-operation and entrusted management, but the Group’s distributable amount of the plans’ assets is the income calculated at not lower than the 2-year fixed deposit interest rate of the local bank.
2. Interest rate risk: The decrease in interest rates of government/corporate bonds will increase the present value of the defined benefit obligation, but the return on the debt investment of the planned assets will also increase; the impact of the two on the net defined benefit liabilities is partially offset.
3. Salary risk: For the calculation of the present value of defined benefit obligations, reference is made to the future salaries of the members of the plans. Therefore, increases in plan members’ salaries will result in an increase in the present value of the defined benefit obligation.

The present value of the Group’s defined benefit obligation was actuarially determined by a qualified actuary with the following significant assumptions as of the measurement date.

	December 31, 2024	December 31, 2023
Discount rate	1.500%	1.125%
Expected rate of salary increase	2.250%	2.250%

If there are reasonable possible changes in significant actuarial assumptions, the amount by which the present value of the defined benefit obligation would increase (decrease), with all other assumptions held constant, is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
0.25% increase	(\$ 767)	(\$ 938)
0.25% decrease	<u>\$ 790</u>	<u>\$ 965</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 771</u>	<u>\$ 940</u>
0.25% decrease	(<u>\$ 753</u>)	(<u>\$ 918</u>)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation, because the actuarial assumptions may be correlated and changes in only one assumption are not probable.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Amount expected to be appropriated within 1 year	<u>\$ 1,800</u>	<u>\$ 1,920</u>
Average period of defined benefit obligation to maturity	6.5 years	6.3 years

XX. Equity

(I) Common share capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized ordinary shares (in thousands)	<u>61,056</u>	<u>61,056</u>
Authorized capital	<u>\$ 610,560</u>	<u>\$ 610,560</u>
Issued and paid ordinary shares (in thousands)	<u>61,056</u>	<u>61,056</u>
Issued capital	<u>\$ 610,560</u>	<u>\$ 610,560</u>

The par value of each issued common share is NTD10; each share has one voting right and the right to receive dividends.

(II) Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>May be used to offset a deficit, distributed cash dividend or transferred to shares (1)</u>		
Treasury stock trading	\$ 52,541	\$ 52,541
Donated assets	<u>768</u>	<u>768</u>
	<u>\$ 53,309</u>	<u>\$ 53,309</u>

- 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).

(III) Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. Please refer to Note 22(7) employees' remuneration and

directors' remuneration for the distribution policy of employees' remuneration and directors' remuneration stipulated in the Articles of Association.

The company adopts a fixed and residual dividend policy for sustainable operation, sustainable growth and long-term financial planning based on the overall environment and the characteristics of the industrial development. Shareholders' dividends are distributed annually from the distributable surplus. The cash dividends are maintained between 10% and 90%, but may be adjusted according to changes in the internal and external business environment.

Distribution of earnings to the legal reserve shall be made until the reserve equals the Company's paid-in capital. Legal reserves may be used to offset the deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company sets aside and reverses special reserves in accordance with the requirements of the letters referenced Jin-Guan-Cheng-Fa No. 1010012865 and Jin-Guan-Cheng-Fa No. 1010047490, and "Questions and Answers on the Applicability of Appropriation of Special Reserves After Adoption of International Financial Reporting Standards (IFRSs)".

The Company's general shareholders' meeting on June 14, 2024 and June 19, 2023 respectively passed resolutions on the following earnings distribution schemes for 2023 and 2022:

	2023	2022
Legal reserve	\$ 2,067	\$ -
Cash dividends	\$ 30,528	\$ 30,528
Cash dividends per share (NTD)	\$ 0.50	\$ 0.50

The Company's board meeting on March 10, 2025 proposed the following earnings distribution of 2024:

	2024
Legal reserve	\$ 1,462
Cash dividends	\$ 30,528
Cash dividends per share (NTD)	\$ 0.50

The earnings distribution scheme for 2024 is pending the resolution of the general shareholders' meeting expected to be held in June 2025.

XXI. Revenue

	2024	2023
Revenues from sale of merchandise	\$ 763,392	\$ 768,731

(I) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable (Note 10)	\$ 32,451	\$ 38,620	\$ 35,616
Accounts receivable (Note 10)	\$ 110,110	\$ 107,461	\$ 115,246
Contractual liabilities			
Goods sold	\$ 2,194	\$ 917	\$ 9,262

(II) Breakdown of revenue from contracts with customers

Please refer to Note 33 for the breakdown of revenue.

XXII. Net profit for the year

(I) Interest income

	2024	2023
Cash in banks	\$ 2,014	\$ 1,741
Financial assets measured at amortized costs	3,300	2,690
	\$ 5,314	\$ 4,431

(II)	Other income		
		2024	2023
	Other	<u>\$ 233</u>	<u>\$ 95</u>
(III)	Other gains and losses		
		2024	2023
	Gain on disposal of property, plant, and equipment	\$ 192	\$ 40
	Net foreign currency exchange benefits	847	1,989
	Net profit (loss) of financial assets and liabilities at fair value through profit or loss	1,523	(936)
	Other	<u>(374)</u>	<u>(2)</u>
		<u>\$ 2,188</u>	<u>\$ 1,091</u>
(IV)	Finance costs		
		2024	2023
	Interest on bank loans	\$ 1,180	\$ 978
	Interest on lease liabilities	<u>364</u>	<u>482</u>
		<u>\$ 1,544</u>	<u>\$ 1,460</u>
(V)	Depreciation and amortization		
		2024	2023
	An analysis of depreciation by function		
	Operating costs	\$ 21,237	\$ 19,747
	Operating expenses	<u>1,525</u>	<u>1,751</u>
		<u>\$ 22,762</u>	<u>\$ 21,498</u>
	An analysis of amortization by function		
	Operating expenses	<u>\$ 332</u>	<u>\$ 93</u>
(VI)	Employee benefits expense		
		2024	2023
	Short-term employee benefits		
	Salary expense	\$ 94,346	\$ 95,999
	Employee insurance expense	9,414	9,661
	Post-employment benefits (Note 19)		
	Defined contribution plans	3,635	3,591
	Defined benefit plans	291	538
	Severance benefits	205	-
	Other employee benefits	<u>6,024</u>	<u>5,368</u>
	Total employee benefits expense	<u>\$ 113,915</u>	<u>\$ 115,157</u>
	An analysis by function		
	Operating costs	\$ 70,176	\$ 71,229
	Operating expenses	<u>43,739</u>	<u>43,928</u>
		<u>\$ 113,915</u>	<u>\$ 115,157</u>

(VII) Employees' and directors' remuneration

In accordance with the Articles of Association, the Company appropriates 1% to 3% of the balance as the employees' remuneration, and no more than 4% as the directors' remuneration. The resolutions on the employees' and directors' remuneration for 2024 and 2023 by the board meetings on March 10, 2025 and March 11, 2024, respectively, are as follows:

Ratio

	<u>2024</u>	<u>2023</u>
Employees' remuneration	1.69%	1.69%
Directors' remuneration	2.55%	2.55%

Amount

	<u>2024</u>		<u>2023</u>	
	<u>Cash</u>	<u>Stocks</u>	<u>Cash</u>	<u>Stocks</u>
Employees' remuneration	\$ 161	\$ -	\$ 428	\$ -
Directors' remuneration	243	-	646	-

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

There is no difference between the actual distribution amount of employees' and directors' remuneration in 2023 and 2022 and the amount recognized in the consolidated financial statements in 2023 and 2022.

For information on the employees' and directors' remuneration in accordance with the resolutions of the board meeting of the Company in 2024 and 2023, please visit the "MOPS" of the Taiwan Stock Exchange.

XXIII. Income tax

(I) The main components of income tax expenses recognized in profit/loss

	<u>2024</u>	<u>2023</u>
Current tax payable		
Generated in the current period	\$ 4,242	\$ 113
R&D expenditures offset in the current year	(1,272)	(34)
Income tax on undistributed earnings	(36)	379
Adjustments of prior years	<u>2,934</u>	<u>458</u>
Deferred tax	<u>3,730</u>	<u>4,926</u>
Generated in the current period	<u>\$ 6,664</u>	<u>\$ 5,384</u>
Income tax expenses recognized in profit or loss	<u>\$ 5,384</u>	<u>(\$ 4,164)</u>

A reconciliation of accounting income to current income tax expense is as follows:

	<u>2024</u>	<u>2023</u>		
Net profit before tax	\$ <u>12,478</u>	\$ <u>23,762</u>		
Income tax on net profit before tax				
at the statutory tax rate	(\$ 2,232)	\$ 4,304		
Nondeductible expenses in				
determining taxable income	75	514		
Tax-exempt income	2,728	-		
Unrecognized deductible				
temporary differences	-	130		
Unrecognized loss carryforwards	7,401	91		
R&D expenditures offset in the				
current year	(1,272)	(34)		
Adjustments to income tax				
expenses of prior years	(<u>36</u>)	<u>379</u>		
Income tax expenses recognized				
in profit or loss	\$ <u>6,664</u>	\$ <u>5,384</u>		
 (II) Income tax recognized in other comprehensive income				
	<u>2024</u>	<u>2023</u>		
<u>Deferred tax</u>				
Generated in the current period				
- Remeasurement of defined				
benefit obligation	\$ <u>2,201</u>	\$ <u>571</u>		
Income tax recognized in other				
comprehensive income	\$ <u>2,201</u>	\$ <u>571</u>		
 (III) Income tax assets and liabilities of the current period				
	<u>December 31, 2024</u>	<u>December 31, 2023</u>		
Current tax assets				
Income tax receivable	\$ <u>123</u>	\$ <u>8,494</u>		
Income tax liabilities of the period				
Income tax payable	\$ <u>2,475</u>	\$ <u>-</u>		
 (IV) Deferred income tax assets and liabilities				
Changes in deferred income tax assets and liabilities:				
<u>2024</u>				
	<u>Beginning balance</u>	<u>Recognized as loss (profit)</u>	<u>Recognized in other comprehensive income</u>	<u>Ending balance</u>
<u>Deferred income tax assets</u>				
Temporary difference				
Financial liabilities at fair value				
through profit or loss	\$ 256	(\$ 256)	\$ -	\$ -
Provision for bad debts	4,959	(203)	-	4,756
Write-down of inventories	3,114	272	-	3,386
Impairment loss	136	(47)	-	89
Unrealized gross sales profit of				
inventory in transit	514	(422)	-	92
Unrealized gross profit of goods				
sold to subsidiaries	16	68	-	84
Unrealized exchange loss	42	15	-	57
Financial assets measured at cost	7,591	-	-	7,591
Defined-benefit retirement plan	2,117	(313)	-	1,804
Others	371	185	-	556
Loss deduction	12,580	(<u>3,747</u>)	-	<u>8,833</u>
	\$ <u>31,696</u>	(\$ <u>4,448</u>)	\$ <u>-</u>	\$ <u>27,248</u>

	Beginning balance	Recognized as loss (profit)	Recognized in other comprehensive income	Ending balance
<u>Deferred income tax liabilities</u>				
Temporary difference				
Property, plant, and equipment	\$ -	\$ 49	\$ -	\$ 49
Unrealized gross sales profit of inventory in transit	45,365	-	-	45,365
Defined-benefit retirement plan	625	(540)	-	85
Unrealized exchange gains	874	-	2,201	3,075
	<u>230</u>	<u>(227)</u>	<u>-</u>	<u>3</u>
	<u>\$ 47,094</u>	<u>(\$ 718)</u>	<u>\$ 2,201</u>	<u>\$ 48,577</u>

2023

	Beginning balance	Recognized as loss (profit)	Recognized in other comprehensive income	Ending balance
<u>Deferred income tax assets</u>				
Temporary difference				
Financial liabilities at fair value through profit or loss	\$ 69	\$ 187	\$ -	\$ 256
Provision for bad debts	4,617	342	-	4,959
Write-down of inventories	6,471	(3,357)	-	3,114
Impairment loss	136	-	-	136
Unrealized gross sales profit of inventory in transit	421	93	-	514
Unrealized gross profit of goods sold to subsidiaries	1	15	-	16
Unrealized exchange loss	102	(60)	-	42
Financial assets measured at cost	7,591	-	-	7,591
Defined-benefit retirement plan	2,396	(279)	-	2,117
Others	186	185	-	371
Loss deduction	14,108	(1,528)	-	12,580
	<u>\$ 36,098</u>	<u>(\$ 4,402)</u>	<u>\$ -</u>	<u>\$ 31,696</u>
<u>Deferred income tax liabilities</u>				
Temporary difference				
Property, plant, and equipment	\$ 45,365	\$ -	\$ -	\$ 45,365
Unrealized gross sales profit of inventory in transit	331	294	-	625
Defined-benefit retirement plan	303	-	571	874
Unrealized exchange gains	-	230	-	230
	<u>\$ 45,999</u>	<u>\$ 524</u>	<u>\$ 571</u>	<u>\$ 47,094</u>

(V) Unused loss deduction amount and unused investment offsetting amounts not recognized in deferred income tax assets in the consolidated balance sheet

	December 31, 2024	December 31, 2023
Loss deduction		
Due in 2024	\$ -	\$ 12,990
Due in 2025	19,671	-
Due in 2027	23,330	-
Due in 2029	-	5,539
Due in 2033	-	456
	<u>\$ 43,001</u>	<u>\$ 18,985</u>
Investment offsets		
R&D expenditures	<u>\$ 626</u>	<u>\$ -</u>

(VI) Information on the unused loss deduction of the Group

As of December 31, 2024, the relevant information on loss deduction is as follows:

Undeducted balance	Last deduction year
\$ 19,671	2025
23,330	2027
19,899	2028
5,539	2029
456	2033
<u>18,271</u>	2034
<u>\$ 87,166</u>	

(VII) Income tax assessments

The Company's profit-seeking enterprise income tax declaration has been approved by the tax collection authority up to and including 2022.

The profit-seeking enterprise income tax declaration of Sun Yang Global Co., Ltd. under the Group has been approved by the tax collection authority up to and including 2022.

XXIV. Earnings per share

	2024	Unit: NTD Per Share 2023
Basic earnings per share	<u>\$ 0.10</u>	<u>\$ 0.30</u>
Diluted earnings per share	<u>\$ 0.10</u>	<u>\$ 0.30</u>

The earnings and the weighted average number of common shares issued for the calculation of earnings per share are as follows:

Net profit for the year

	2024	2023
Net profit used to calculate basic earnings per share	<u>\$ 5,814</u>	<u>\$ 18,378</u>
Net profit used to calculate diluted earnings per share	<u>\$ 5,814</u>	<u>\$ 18,378</u>

Number of shares

	2024	Unit: Thousand Shares 2023
Weighted average number of ordinary shares in the computation of basic earnings per share	61,056	61,056
Effect of potentially dilutive ordinary shares:		
Employees' remuneration	<u>16</u>	<u>26</u>
Weighted average number of ordinary shares in the computation of diluted earnings per share	<u>61,072</u>	<u>61,082</u>

If the Group has the option to pay employees' remuneration in shares or cash, the calculation of diluted earnings per share is based on the assumption that the employees' remuneration will be issued in shares, and the weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential common shares are diluted. Such a dilutive effect of the potential shares is included in the employees' compensation of diluted earnings per share until the shareholders resolve the number of ordinary shares to be distributed to employees at their meeting in the following year.

XXV. Cash flow information

(I) Non-cash transactions

1. On December 31, 2024, the Group acquired property, plant and equipment with a total fair value of NTD14,188 thousand. The total amount of equipment payable in other payables increased by NTD2,604 thousand, and the cash paid for the purchase of property, plant and equipment totaled NTD11,584 thousand (please refer to Notes 13 and 18).
2. On December 31, 2023, the Group acquired property, plant and equipment with a total fair value of NTD33,526 thousand. The total amount of equipment payable in other payables decreased by NTD414 thousand, and the cash paid for the purchase of property, plant and equipment totaled NTD33,940 thousand (please refer to Notes 13 and 18).

(II) Changes in liabilities from financial activities

2024

	January 1, 2024	Cash flow	New lease	Non-cash variables	
				Interest expense	December 31, 2024
Short-term borrowing	\$ 43,000	\$ 9,000	\$ -	\$ -	\$ 52,000
Short-term notes payable	32,130	12,208	-	-	44,338
Lease liabilities	<u>24,225</u>	<u>(7,328)</u>	<u>-</u>	<u>364</u>	<u>17,261</u>
	<u>\$ 99,355</u>	<u>\$ 13,880</u>	<u>\$ -</u>	<u>\$ 364</u>	<u>\$ 113,599</u>

2023

	January 1, 2023	Cash flow	New lease	Non-cash variables	
				Interest expense	December 31, 2023
Short-term borrowing	\$ 34,000	\$ 9,000	\$ -	\$ -	\$ 43,000
Short-term notes payable	12,714	19,416	-	-	32,130
Lease liabilities	<u>31,071</u>	<u>(7,328)</u>	<u>-</u>	<u>482</u>	<u>24,225</u>
	<u>\$ 77,785</u>	<u>\$ 21,088</u>	<u>\$ -</u>	<u>\$ 482</u>	<u>\$ 99,355</u>

XXVI. Capital management

The Group conducts capital management to ensure that it can maximize shareholder returns by optimizing debt and equity balances on the premises of continuing operation.

The Group adopts a prudent risk management strategy and conducts regular reviews, and makes an overall plan based on business development strategies and operational needs to determine the appropriate capital structure for the Group.

XXVII. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

The management of the Group considers that as the maturity date of the carrying amount of financial assets and financial liabilities not measured at fair value is near, or that the future payment price is equivalent to the carrying amount, the carrying amount is close to its fair value.

(II) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	\$ -	\$ 243	\$ -	\$ 243

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 1,280	\$ -	\$ 1,280

There was no transfer between level 1 and level 2 fair value measurements in 2024 and 2023.

2. Evaluation technology and input value of level 2 fair value measurement

Types of financial instruments	Evaluation technology and input value
Derivative instrument - FX forward contract	Discounted cash flow method: The future cash flow is estimated at the observable forward exchange rate at the end of the period and the exchange rate set in the contract, and discounted respectively at a discount rate that can reflect the credit risk of each counterparty.

(III) Categories of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets measured at		
amortized cost		
Cash and cash equivalents	\$ 362,218	\$ 364,631
Financial assets measured at		
amortized costs - current		
Notes receivable	109,019	99,000
Accounts receivable	32,451	38,620
Other receivables	110,110	107,461
Refundable deposits	559	559
	2,022	2,022
Financial assets at fair value		
through profit or loss	243	-
<u>Financial liabilities</u>		
Measured at cost after		
amortization		
Short-term borrowing	52,000	43,000
Short-term notes payable	44,338	32,130
Notes payable	3,976	5,618
Accounts payable	24,386	22,631
Other payables	34,726	29,571
Financial liabilities at fair value		
through profit or loss	-	1,280

(IV) Financial risk management objective and policies

The financial instruments of the Group include equity investment, accounts receivable, accounts payable and loans. The Group is committed to ensuring sufficient and cost-effective working capital when necessary. The Group prudently manages the foreign currency exchange rate risk, interest rate risk, equity instrument price risk, credit risk and liquidity risk related to the operating activities, in order to reduce the potential adverse impact of market uncertainty on the Group's finance.

The important financial planning of the Group has been reviewed by the board meeting in accordance with relevant norms and internal control systems. In carrying out financial planning, the Finance Department of the Group strictly abides by the relevant financial operation procedures related to the overall financial risk management and the division of rights and responsibilities.

1. Market risk

The financial risk caused by the operating activities of the Group to itself are the foreign currency exchange rate change risk and the interest rate change risk. The Group uses various derivative financial instruments to manage the foreign currency exchange rate risk.

(1) Foreign currency risk

The Group engages in sales and purchase transactions denominated in foreign currencies, thus causing the Group to be exposed to foreign currency exchange rate changes. In order to avoid fluctuations in future cash flows due to changes in foreign currency exchange rates, the Group uses FX forward contracts to avoid foreign currency exchange rate risks. The Group also borrows short-term foreign currency loans to offset part of the foreign currency exchange rate risks arising from transaction conversion. The use of derivative financial instruments such as FX forward contracts can help the Group reduce but still cannot completely exclude the impact of foreign currency exchange rate changes.

Please refer to Note 31 for the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies of the Group on the balance sheet date.

Sensitivity analysis

The sensitivity analysis of the foreign currency exchange rate risk is mainly calculated for foreign currency monetary items at the end of the reporting period. When the New Taiwan dollar appreciates by 5% against foreign currencies, the Group's net profit before tax in 2024 and 2023 will increase by NTD1,519 thousand and NTD727 thousand, respectively; when the New Taiwan dollar depreciates by 5% against the foreign currency, the impact on the Group's net profit before tax in the years 2024 and 2023 will be a negative number of the same amount.

(2) Interest rate risk

Interest rate exposure occurs because individual entities of the Group borrow funds at both fixed and floating interest rates. The carrying amounts of the financial assets and financial liabilities of the Group exposed to interest rate exposure on the balance sheet date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value interest rate risk		
-Financial assets	\$ 378,990	\$ 379,957
-Financial liabilities	44,338	32,130
Cash flow interest rate risk		
-Financial assets	92,107	83,534
-Financial liabilities	52,000	43,000

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of derivative and non-derivative instruments on the balance sheet date. For floating rate liabilities, the analysis method assumes that all the amount of liabilities circulating on the balance sheet date is circulating during the reporting period. The rate of change used in reporting interest rates to the key management of the Group is an increase or decrease of one hundred basis points (1%) in interest rates, which also represents the management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increases by one hundred basis points (1%), with all other variables remaining unchanged, the Group's net profit before tax in 2024 and 2023 will increase by NTD401 thousand and NTD405 thousand, respectively, mainly because of the interest rate change position risk arising from the bank borrowings of the Group with floating interest rates.

(3) Other price risks

The Group has equity price exposure due to equity securities investments. The equity investments are not held for trading but are strategic investments; the Group does not actively trade these investments and the management manages risk by holding a portfolio of investments with different risks. In addition, the Group assigns a designated team to monitor price risks and assess when it is necessary to increase positions with hedged risks.

Sensitivity analysis

The following sensitivity analysis is based on equity price risk exposure on the balance sheet date. If the price of equity increases/decreases by 5%, the pre-tax profit in 2024 and 2023 will decrease/increase due to an increase/decrease in the fair value of financial assets (liabilities) measured at fair value through profit or loss by NTD12 thousand and NTD64 thousand, respectively.

The Group's sensitivity to equity securities investments have not changed significantly from the previous year.

2. Credit risk

Credit risk refers to the potential impact of the counterparty's failure to perform its contractual obligations on the Group's financial losses. As of the balance sheet date, the maximum credit risk exposure of the Group that may result in financial losses due to the counterparty's failure to perform its obligations is mainly from the book value of financial assets recognized in the consolidated balance sheet.

The receivables of the Group cover many customers, and most of the receivables do not have collaterals. The Group continuously evaluates the financial status of customers with accounts receivable to reduce the credit risk of accounts receivable, and reviews the recoverable amount of accounts receivable one by one on the balance sheet date to ensure appropriate impairment losses have been provided for uncollectable receivables.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to meet operating needs and mitigate the impact of cash flow fluctuations. The management of the Group supervises the use of banks' financing lines and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Group. As of December 31, 2024 and 2023, the unutilized short-term bank facilities of the Group were NTD937,264 thousand and NTD967,899 thousand, respectively.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the Group may be required to repay, and the undiscounted cash flows (including principal and estimated interest) of financial liabilities. Therefore, the bank loans which the Group may be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the banks' immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment dates.

December 31, 2024

	Effective interest rate (%)	Less than 1 Year	1 to 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term borrowing	2.28%	\$ 53,186	-	-	\$ 53,186
Short-term notes payable	-	44,338	-	-	44,338
Notes payable	-	3,976	-	-	3,976
Accounts payable	-	24,386	-	-	24,386
Other payables	-	34,726	-	-	34,726
Lease liabilities	1.484%~ 1.997%	7,328	10,337	-	17,665

Further information on the analysis of lease liabilities maturity is as follows:

	Less than 1 year	1 to 5 years	More than 5 years
Lease liabilities	<u>\$ 7,328</u>	<u>\$ 10,337</u>	<u>\$ -</u>

December 31, 2023

	Effective interest rate (%)	Less than 1 Year	1 to 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term borrowing	2.00%	\$ 43,860	-	-	\$ 43,860
Short-term notes payable	-	32,130	-	-	32,130
Notes payable	-	5,618	-	-	5,618
Accounts payable	-	22,631	-	-	22,631
Other payables	-	29,571	-	-	29,571
Lease liabilities	1.484%~ 1.997%	7,328	17,665	-	24,993

Further information on the analysis of lease liabilities maturity is as follows:

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 7,328</u>	<u>\$ 17,665</u>	<u>\$ -</u>

(2) Liquidity and interest rate risk table of derivative financial liabilities

Regarding the liquidity analysis of derivative financial instruments, it is prepared on the basis of undiscounted net contractual cash inflows and outflows for derivatives delivered on a net basis; for derivatives settled in the aggregate amount, it is prepared on the basis of total undiscounted cash inflows and outflows. When the amount payable or receivable is not fixed, the disclosed amount is determined based on the expected interest rate estimated by the yield curve on the balance sheet date.

December 31, 2024

	<u>Immediate repayment or in less than 1 month</u>	<u>1~3 months</u>	<u>3 months to 1 year</u>	<u>1~5 Years</u>	<u>More than 5 years</u>
<u>Aggregate amount settlement</u>					
FX forward contracts					
- Inflow	\$ -	\$ 46,376	\$ -	\$ -	\$ -
- Outflow	-	(46,133)	-	-	-
	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	<u>Immediate repayment or in less than 1 month</u>	<u>1~3 months</u>	<u>3 months to 1 year</u>	<u>1~5 Years</u>	<u>More than 5 years</u>
<u>Aggregate amount settlement</u>					
FX forward contracts					
- Inflow	\$ -	\$ 34,213	\$ -	\$ -	\$ -
- Outflow	-	(35,493)	-	-	-
	<u>\$ -</u>	<u>(\$ 1,280)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

XXVIII. Related party transactions

The transactions, account balances, gains and impairments between the Company and its subsidiaries (which are related parties of the Company) were written off in full at the time of consolidation, so they are not disclosed in this note.

Compensation of key management personnel

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 9,605	\$ 10,328
Post-employment benefits	<u>328</u>	<u>6,915</u>
	<u>\$ 9,933</u>	<u>\$ 17,243</u>

The remuneration of directors and other key management is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXIX. Pledged Assets

The following assets of the Group have been provided as collateral for bank loans:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, plant, and equipment		
Land	\$ 126,840	\$ 126,840
Building	<u>28,198</u>	<u>29,205</u>
	<u>\$ 155,038</u>	<u>\$ 156,045</u>

XXX. Significant contingent liabilities and unrecognized contract commitments

The Group has the following major commitments and contingencies on the balance sheet date:

- (I) As of December 31, 2024 and December 31, 2023, the amount of customs duty guarantee issued by the Group to banks for imported goods was NTD8,000 thousand.

(II) As of December 31, 2024 and December 31, 2023, the amount of unused letters of credit issued by the Group for imported raw materials was USD39 thousand and USD479 thousand.

(III) The guarantee notes payable issued by the Group for bank loans are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
USD	\$ 1,150	\$ 1,150
NTD	270,000	260,000

XXXI. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than the functional currencies of the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Book value</u>
<u>Foreign currency asset</u>			
<u>Monetary item</u>			
USD	\$ 267	32.785 (USD: NTD)	\$ 8,747
RMB	1,163	4.4780 (RMB: NTD)	<u>5,209</u>
			<u>\$ 13,956</u>
<u>Foreign currency liabilities</u>			
<u>Monetary item</u>			
USD	1,353	32.785 (USD: NTD)	<u>\$ 44,338</u>

December 31, 2023

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Book value</u>
<u>Foreign currency asset</u>			
<u>Monetary item</u>			
USD	\$ 359	30.705 (USD: NTD)	\$ 11,030
RMB	1,516	4.3270 (RMB: NTD)	<u>6,559</u>
			<u>\$ 17,589</u>
<u>Foreign currency liabilities</u>			
<u>Monetary item</u>			
USD	1,046	30.705 (USD: NTD)	<u>\$ 32,130</u>

The foreign currency exchange gain of the consolidated company in 2024 and 2023 were respectively NTD847 thousand and NTD1,989 thousand. Due to the variety of foreign currency transactions, it is not possible to disclose the exchange gain and loss by each major foreign currency category.

XXXII. Other Disclosures

(I) Information related to major transactions:

- Loans to others: None.
- Endorsements/guarantees for others: None.
- Securities held at period end: None.
- The cumulative amount of the same securities purchased or sold reaches NTD300 million or 20% of the paid-in capital: None.
- The amount of real estate acquired reaches NTD300 million or 20% of the paid-in capital: None.
- The amount of real estate disposed of reaches NTD300 million or 20% of the paid-in capital: None.
- The amount of goods purchased or sold with related parties reaches NTD100 million or 20% of the paid-in capital: None.

8. The amount of accounts receivable from related parties reaches NTD100 million or 20% of the paid-in capital: None.
 9. Engagement in derivative trading. (Note 7)
 10. Others: Business relationships and important transactions between parent and subsidiaries and among subsidiaries. (Table 1)
- (II) Information related to investees. (Table 2)
- (III) Mainland China investment information: None.
- (IV) Information of major shareholders: name, number of shares held and proportion of shareholders with 5% shareholding or more. (Table 3)

XXXIII. Segments Information

The Group focuses on each type of deliverable based on information used by the management (the chief operating decision makers) to allocate resources and measure departmental performance. The chief operating decision makers summarize and disclose by production unit. The reportable departments of the Group include the Resin Department and the Hot Melt Adhesive Department.

(I) Segment revenues and results

The revenue, operating results and department assets of the Group's continuing business units are analyzed as follows by each reportable department:

	2024			Total
	Resin Department	Hot Melt Adhesive Department	Adjustment and Write Off	
<u>Revenue and benefits</u>				
Revenue from external customers	\$ 628,248	\$ 135,144	\$ -	\$ 763,392
Interdepartmental revenue	<u>67,294</u>	<u>-</u>	<u>(67,294)</u>	<u>-</u>
Total income	<u>\$ 695,542</u>	<u>\$ 135,144</u>	<u>(\$ 67,294)</u>	<u>\$ 763,392</u>
Segment Profit	\$ 25,789	(\$ 19,532)	\$ 30	\$ 6,287
Interest income	5,279	35	-	5,314
Interest expenses	(69)	(1,475)	-	(1,544)
General revenue of the company				8,829
General expenses and losses of the company				(6,408)
Net profit before tax of continuing business unit				<u>\$ 12,478</u>

	2023			Total
	Resin Department	Hot Melt Adhesive Department	Adjustment and Write Off	
<u>Revenue and benefits</u>				
Revenue from external customers	\$ 550,282	\$ 218,449	\$ -	\$ 768,731
Interdepartmental revenue	<u>99,810</u>	<u>-</u>	<u>(99,810)</u>	<u>-</u>
Total income	<u>\$ 650,092</u>	<u>\$ 218,449</u>	<u>(\$ 99,810)</u>	<u>\$ 768,731</u>
Segment Profit	\$ 21,490	(\$ 1,906)	\$ 21	\$ 19,605
Interest income	4,373	58	-	4,431
Interest expenses	(41)	(1,419)	-	(1,460)
General revenue of the company				6,424
General expenses and losses of the company				(5,238)
Net loss before tax of continuing business unit				<u>\$ 23,762</u>

Departmental profit and loss refer to the profit earned by each department, excluding the rental income, interest income, profit and loss on disposal of property, plant and equipment, profit and loss on disposal of investment, foreign currency exchange gains and losses, gains and losses on financial assets (liabilities) measured at fair value through profit and loss, and interest expenses and income tax expenses that should be apportioned. This measurement amount is provided to the chief operational decision makers for allocating resources to departments and evaluating their performance.

(II) Total assets and liabilities of the department

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Segment assets</u>		
Resin Department	\$ 646,964	\$ 627,882
Hot Melt Adhesive Department	116,328	132,575
General assets	<u>509,916</u>	<u>511,452</u>
Total consolidated assets	<u>\$ 1,273,208</u>	<u>\$ 1,271,909</u>
<u>Departmental liabilities</u>		
Resin Department	\$ 97,530	\$ 84,206
Hot Melt Adhesive Department	9,653	11,312
General liabilities	<u>127,820</u>	<u>122,276</u>
Total consolidated liabilities	<u>\$ 235,003</u>	<u>\$ 217,794</u>

To monitor segment performance and allocate resources between segments:

1. All general company assets, except cash and cash equivalents, prepayments, investments, other financial assets, current and deferred income tax assets, are allocated to reportable departments; and
2. All liabilities of the company, except loans, advances received, other financial liabilities, remuneration payable to directors, current and deferred income tax liabilities and other general liabilities of the company, are allocated to reportable departments.

(III) Income from main products and services

The reportable departments of the Group are based on different products and services; refer to the revenue and operating results of the departments above for details.

(IV) Region information

The Group's revenue from continuing operations with external customers is as follows:

	<u>2024</u>	<u>2023</u>
Taiwan	\$ 630,013	\$ 608,920
Hong Kong	50,442	48,898
Other	<u>82,937</u>	<u>110,913</u>
	<u>\$ 763,392</u>	<u>\$ 768,731</u>

(V) Information of important customers

The customers of the Group accounting for more than 10% of the revenue of the current year are listed below:

	<u>2024</u>	<u>2023</u>
Customer A	\$ 121,793	\$ 111,548
Customer B	98,620	61,925
Customer C	<u>46,360</u>	<u>106,796</u>
	<u>\$ 266,773</u>	<u>\$ 280,269</u>

Yong Shun Chemical Co., Ltd. and Subsidiaries
Business relationship between parent and subsidiary companies and important transactions and amounts
2024

Table 1

Unit: NTD thousands

No. (Note 1)	Transaction Company	Counterparty	Relationship with Counterparty (Note 2)	Transactions			Ratio of Consolidated Revenue/ Assets (Note 3)	
				Account	Amount	Transaction Terms		
0	2024 Yong Shun Chemical Co., Ltd.	Sun Yang Global Co., Ltd.	1	Sale	\$ 67,294	No significant difference from ordinary customers	8.82%	
				Miscellaneous income	30		"	-
				Notes receivable	16,816		"	1.32%
				Accounts receivable	6,443		"	0.51%

Note 1: The types of business transactions are indicated by the following numbers shown in the No. column:

1. 0 - Parent company.

Note 2: The transaction flows were as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, for an asset or liability item, is the ending balance to the consolidated total assets; for a profit and loss item, it is the accumulated amount of the period to the total consolidated revenue.

Note 4: Transactions of related parties of each individual entity of the Group have been adjusted and written off.

Yong Shun Chemical Co., Ltd. and Subsidiaries
Information about the investee, the location, etc
2024

Table 2

Unit: NTD thousand; (share)

Name of the investor	Name of investee	Location	Main business activities	Original Investment Amount		Shares held as at end of the period			Net profit (loss) of the investee of current period	Investment gain/loss recognized in the current period	Remarks
				End of the current period	End of the previous year	Number of shares	Ratio (%)	Book value			
Yong Shun Chemical Co., Ltd.	Sun Yang Global Co., Ltd.	Taiwan	Subsidiary for manufacturing and sales of synthetic resins, plastics, coatings, paints and industrial additives	\$ 50,000	\$ 50,000	5,000,000	100%	\$ 46,266	(\$ 23,639)	(\$ 23,639)	Subsidiary

Note: For the investment gain/loss recognized by the companies in the consolidated financial statements by the equity method, the long-term equity investment recorded in the account of the investing company and the net equity value of the investee have been completely written off.

Yong Shun Chemical Co., Ltd.
Information on major shareholders
December 31, 2024

Table 3

Name of major shareholder	Shares	
	Shareholding	Percentage of shareholding
Lin, Tsyr-Huan	6,305,327	10.32%
Lin, Tsyr-Hung	4,469,367	7.32%
Lin, Tsyr-Hsi	4,457,788	7.30%
Lin, Cheng-Chien	4,205,821	6.88%
Tsai, Cheng-Fung	3,492,490	5.72%

Note 1: The information on major shareholders in this table is calculated by TDCC on the last business day at the end of the current quarter for shareholders who hold more than 5% of the ordinary shares and special shares that have been delivered by the Company without physical registration (including treasury shares). The share capital reported in the consolidated financial statements and the actual number of ordinary shares that have completed the dematerialized registration and delivery may be different due to differences in the basis of calculation.