

**TAIYEN BIOTECH CO., LTD.**  
**PARENT COMPANY ONLY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023**  
**WITH**  
**REPORT OF INDEPENDENT AUDITORS**

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

## **Independent Auditors' Report Translated from Chinese**

To TAIYEN BIOTECH CO., LTD.

### **Opinion**

We have audited the accompanying parent company only balance sheets of TAIYEN BIOTECH CO., LTD. (the "Company") as of 31 December 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2024 and 2023, and its financial performance and cash flows for the years ended 31 December 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **1. Disclosure of investment property fair value**

As of 31 December 2024, the Company's net investment property measured at cost amounted to NT\$1,221,190 thousand, and constituted 16% of total assets of the parent company, which was material to the financial statements. Considering the evaluation process on the fair value of the investment property made by management is complicated, and related assumptions are based on the evaluation report provided by external specialists and affected by expected future market or economy, we therefore determined this a key audit matter.

Our audit procedures of key assumption used in disclosure of investment property included, but not limited to, understanding the evaluation report made by the external specialists offered by the Company, and the assumptions and assessment method used, especially the rent and land price of the investment property, which we compared to open market information to analyze the reasonability. We also enlisted internal specialists to assist in evaluating the reasonability of the assumption and assessment method made by external specialists used by the Company.

We also assessed the adequacy of disclosures of investment property. Please refer to Notes V and VI.9 to the Company's parent company only financial statements.

## 2. Valuation for slow-moving inventories

As of 31 December 2024, the Company's net inventories amounted to NT\$425,626 thousand, and constituted 5% of total assets. Considering that the assessment of slow-moving inventories should take into consideration product validity period and changes in market, therefore involving significant judgement of management, and that the amount of inventory write-downs was significant to the Company, we determined this as a key audit matter.

Our audit procedures included, but not limited to, testing the effectiveness of internal control on inventories established by management; evaluating the appropriateness of management's accounting policies regarding slow-moving and obsolete inventory, including sample testing the accuracy of inventory aging interval and reviewing the consumption of raw material and sales of finished goods; and evaluating the reasonableness of the policy of slow-moving inventories and the circumstances in which loss of slow-moving inventories should be individually booked.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes V and VI.6 to the Company's parent company only financial statements.

## **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yao, Shih-Chieh

Lee, Fang-Wen

Ernst & Young, Taiwan  
7 March 2025

Notice to Readers

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

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

ASSETS	Notes	31 Dec. 2024	31 Dec. 2023	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 Dec. 2024	31 Dec. 2023
Current assets				Current liabilities			
Cash and cash equivalents	IV/VL.1	\$1,442,809	\$1,299,930	Current contract liabilities	IV/VL.14	\$33,603	\$33,802
Current financial assets at fair value through profit or loss	IV/VL.2	346,317	390,613	Notes payable		106,318	96,970
Notes receivable, net	IV/VL.4、15	1,862	2,656	Trade payable		77,825	53,853
Trade receivables, net	IV/VL.5、15	148,991	158,753	Others payable		297,678	278,152
Inventories, net	IV/VL.6	425,626	394,568	Current tax liabilities	IV/VL.20	43,356	66,293
Other current assets		44,387	87,357	Lease liabilities, current	IV/VL.16	5,400	5,450
Total current assets		2,409,992	2,333,877	Other current liabilities		60,639	55,220
				Total current liabilities		624,819	589,740
Non-current assets				Non-current liabilities			
Non-current financial assets at amortized cost	IV/VL.3/VIII	40,971	33,960	Deferred tax liabilities	IV/VL.20	39,441	34,381
Investments accounted for using equity method	IV/VL.7	32,129	136,577	Lease liabilities, non-current	IV/VL.16	24,203	24,374
Property, plant and equipment	IV/VL.8	3,902,002	3,766,689	Long-term deferred revenue	IV/VL.11	294,323	307,188
Right-of-use assets	IV/VL.16	29,655	30,382	Net defined benefit liability, non-current	IV/VL.12	37,681	94,038
Investment properties	IV/VL.9、16	1,221,190	1,234,062	Guarantee deposits		109,591	103,719
Intangible assets		9,697	3,888	Other non-current liabilities, others		1,547	1,222
Deferred tax assets	IV/VL.20	61,036	77,070	Total non-current liabilities		506,786	564,922
Refundable deposits		35,988	5,263	Total liabilities		1,131,605	1,154,662
Other non-current assets	IV/VL.10	53,034	24,133	Equity			
Total non-current assets		5,385,702	5,312,024	Common stock	IV/VL.13	2,000,000	2,000,000
				Capital surplus	IV/VL.13	2,501,830	2,501,782
				Retained earnings	IV/VL.13		
				Legal reserve		1,419,146	1,392,111
				Special reserve		45,420	45,420
				Unappropriated earnings		700,324	555,306
				Subtotal		2,164,890	1,992,837
				Other equity		(2,631)	(3,380)
				Total equity		6,664,089	6,491,239
Total assets		\$7,795,694	\$7,645,901	Total liabilities and equity		\$7,795,694	\$7,645,901

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2024 and 2023

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

ITEMS	NOTES	2024.1.1~ 2024.12.31	2023.1.1~ 2023.12.31
Operating revenues	IV/VI.14/VII	\$3,143,638	\$3,171,759
Operating costs	IV/VI.6、10、12、17	(1,846,020)	(1,844,877)
Gross profits		1,297,618	1,326,882
Operating expenses	IV/VI.10、12、15、16、17		
Sales and marketing expenses		(573,786)	(565,888)
General and administrative expenses	VII	(186,124)	(173,559)
Research and development expenses		(52,825)	(58,401)
Subtotal		(812,735)	(797,848)
Operating incomes		484,883	529,034
Non-operating incomes and expenses			
Other incomes	IV/VI.18	128,761	111,759
Other gains and losses	IV/VI.10、18	(22,779)	(63,547)
Financial costs	IV/VI.18	(732)	(699)
Share of profit of associates and joint ventures accounted for using equity method	IV/VI.7	(105,197)	(164,583)
Subtotal		53	(117,070)
Income from continuing operations before income tax		484,936	411,964
Income tax expenses	IV/VI.20	(113,412)	(111,578)
Net incomes		371,524	300,386
Other comprehensive incomes (losses)	IV/VI.19		
Not to be reclassified to profits or losses in subsequent periods			
Remeasurements of the defined benefit plans		50,662	(37,549)
Income tax related to items that will not be reclassified subsequently		(10,133)	7,510
To be reclassified to profits or losses in subsequent periods			
Exchange differences resulting from translating the financial statements of foreign operations		749	(386)
Total other comprehensive income, net of tax		41,278	(30,425)
Total comprehensive income		<u>\$412,802</u>	<u>\$269,961</u>
Earnings per share (NTD)	VI.21		
Earnings per share-basic		<u>\$1.86</u>	<u>\$1.50</u>
Earnings per share-diluted		<u>\$1.85</u>	<u>\$1.50</u>

English Translation of Financial Statements Originally Issued in Chinese  
 TAIYEN BIOTECH CO.,LTD.  
 PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
 For the years ended 31 December 2024 and 2023  
 (Expressed in thousands of New Taiwan Dollars)

ITEMS	Common stock	Capital surplus	Retained earnings			Other equity	Total equity
			Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	
Balance as of 1 January 2023	\$2,000,000	\$2,501,718	\$1,346,026	\$45,420	\$631,044	\$(2,994)	\$6,521,214
Appropriation and distribution of 2022 retained earnings							
Legal reserve	-	-	46,085	-	(46,085)	-	-
Cash dividends	-	-	-	-	(300,000)	-	(300,000)
Other changes in additional paid-in capital	-	64	-	-	-	-	64
Net income for the year ended 31 December 2023	-	-	-	-	300,386	-	300,386
Other comprehensive income (loss) for the year ended 31 December 2023	-	-	-	-	(30,039)	(386)	(30,425)
Total comprehensive income	-	-	-	-	270,347	(386)	269,961
Balance as of 31 December 2023	<u>\$2,000,000</u>	<u>\$2,501,782</u>	<u>\$1,392,111</u>	<u>\$45,420</u>	<u>\$555,306</u>	<u>\$(3,380)</u>	<u>\$6,491,239</u>
Balance as of 1 January 2024	\$2,000,000	\$2,501,782	\$1,392,111	\$45,420	\$555,306	\$(3,380)	\$6,491,239
Appropriation and distribution of 2023 retained earnings							
Legal reserve	-	-	27,035	-	(27,035)	-	-
Cash dividends	-	-	-	-	(240,000)	-	(240,000)
Other changes in additional paid-in capital	-	48	-	-	-	-	48
Net income for the year ended 31 December 2024	-	-	-	-	371,524	-	371,524
Other comprehensive income (loss) for the year ended 31 December 2024	-	-	-	-	40,529	749	41,278
Total comprehensive income	-	-	-	-	412,053	749	412,802
Balance as of 31 December 2024	<u>\$2,000,000</u>	<u>\$2,501,830</u>	<u>\$1,419,146</u>	<u>\$45,420</u>	<u>\$700,324</u>	<u>\$(2,631)</u>	<u>\$6,664,089</u>



English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

ITEMS	2024.1.1~ 2024.12.31	2023.1.1~ 2023.12.31	ITEMS	2024.1.1~ 2024.12.31	2023.1.1~ 2023.12.31
Cash flows from operating activities:			Cash flows from investing activities		
Net income before tax	\$484,936	\$411,964	Acquisition of financial assets at amortised cost	(7,971)	-
Adjustments for:			Disposal of financial assets at amortised cost	960	-
Income and expense adjustments:			Acquisition of financial assets at fair value through profit or loss	(50,000)	(30,000)
Depreciation	193,010	174,558	Proceeds from disposal of financial assets at fair value through profit or loss	107,150	-
Amortization	12,386	10,658	Acquisition of property, plant and equipment	(320,492)	(320,764)
Net (losses) gains on financial assets at fair value through profit or loss	(12,854)	(7,434)	Increase in refundable deposits	(30,725)	-
Interest expense	732	699	Decrease in refundable deposits	-	212
Interest revenue	(37,487)	(35,519)	Acquisition of intangible assets	-	(1,432)
Losses and (gains) of associates for using the equity method	105,197	164,583	Interest received	38,049	34,498
Losses on disposal of property, plant and equipment	1,046	1,268	Net cash used in investing activities	(263,029)	(317,486)
Losses on disaster	6,439	4,134			
Changes in operating assets and liabilities:			Cash flows from financing activities		
Notes receivable, net	794	(650)	Increase in guarantee deposits	5,872	18,439
Trade receivables, net	9,762	8,860	Cash payments for the principle portion of the lease liabilities	(6,864)	(6,436)
Inventories	(78,499)	(7,330)	Cash dividends	(240,000)	(300,000)
Other current assets	42,408	(60,544)	Other changes in capital surplus	48	64
Contract liabilities	(199)	(12,719)	Net cash used in financing activities	(240,944)	(287,933)
Notes payable	16,667	(39,377)			
Accounts payable	23,972	(23,396)	Net increase (decrease) in cash and cash equivalents	142,879	(93,763)
Others payable	17,478	15,982	Cash and cash equivalents at the beginning of year	1,299,930	1,393,693
Other current liabilities	5,419	9,165	Cash and cash equivalents at the end of year	\$1,442,809	\$1,299,930
Net defined benefit liabilities	(5,695)	(5,898)			
Other non-current liabilities	(12,540)	(12,629)			
Cash generated from operations	772,972	596,375			
Interest paid	(732)	(699)			
Income tax paid	(125,388)	(84,020)			
Net cash provided by operating activities	646,852	511,656			

English Translation of Financial Statements Originally Issued in Chinese  
TAIYEN BIOTECH CO., LTD.  
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS  
For the Years Ended 31 December 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

**I. HISTORY AND ORGANIZATION**

1. Taiyen Biotech Co., Ltd. (the “Company”), formerly known as China Salt Company, was reorganized into a state-owned salt factory of Taiwan in 1951 and restructured into the main salt factory of Taiwan in 1952, which was under the charge of the Ministry of Economic Affairs. In 1995, the main salt factory was restructured and renamed as Taiyen Biotech Co., Ltd. As of 31 December 2024 and 2023, the Ministry of Economic Affairs held 38.88% ownership of Taiyen Biotech Co., Ltd. The Company’s registered office and the main business location is at No.297, Sec. 1, Chien-Kang Rd., South District, Tainan, Republic of China (R.O.C.).
2. The Company became a listed company on the Taiwan Stock Exchange on 18 November 2003.
3. Current main business item:
  - (1) Production, sales, import and export of the following products, by-products and their derivatives:
    - A. Various salt products
    - B. Various seawater chemical products
    - C. Bath salt, bath salt milk, salt soap, algae soap, and shampoo
    - D. Beverage and drinking water
    - E. Toothpaste, salt mouthwash, and contact lenses maintenance liquid
    - F. Salt for washing vegetable, fruits and others
    - G. Food and food additives
    - H. Pharmaceuticals
    - I. Cosmetics manufacturing
    - J. Environmental medicine manufacturing
  - (2) Sales, import and export of daily necessities and cosmetic products
  - (3) Supply, introduction and management consulting of domestic and foreign industrial salt technology

**II. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements of the Company for the years ended 31 December 2024 and 2023 were authorized for issue by the Board of Directors on 7 March 2025.

### III. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

1. Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by the Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2024. The application of these new standards and amendments had no material impact on the Company.

2. Standards or interpretations issued, revised or amended, by the International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Company.

3. Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations, it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

#### IV. SUMMARY OF MATERIAL ACCOUNTING POLICIES

1. Statement of compliance

The Company’s parent company only financial statements for the years ended 31 December 2024 and 2023 have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

2. Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

### 3. Foreign currency transactions

The Company's parent company only financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

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

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

### 4. Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:



- (1) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (2) when the retained interest after the partial disposal of an interest in a joint arrangement or partial disposal of an interest in an associate that includes a foreign operation is financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

## 5. Current and non-current distinction

An asset is classified as current when:

- (1) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (2) The Company holds the asset primarily for the purpose of trading
- (3) The Company expects to realize the asset within twelve months after the reporting period
- (4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (1) The Company expects to settle the liability in its normal operating cycle
- (2) The Company holds the liability primarily for the purpose of trading
- (3) The liability is due to be settled within twelve months after the reporting period
- (4) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

## 6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 7. Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities

### (1) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Company's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

#### Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

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

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
  - (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposing of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

#### Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

#### (2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- B. the time value of money; and
- C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

The loss allowance is measures as follows:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note XII for further details on credit risk.

### (3) Derecognition of financial assets

A financial asset is derecognized when:

- A. The rights to receive cash flows from the asset have expired.
- B. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- C. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

### (4) Financial liabilities and equity

#### Classification between liabilities or equity

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

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

### Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

#### Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

#### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### (5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

## 8. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (1) In the principal market for the asset or liability, or
- (2) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## 9. Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a weighted average basis

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

## 10. Investments accounted for using the equity method

The Company's investment in subsidiaries is presented based on Article 21 of the Securities Issuer's Financial Report Preparation Standards, expressed as "investments using the equity method" and made necessary evaluation adjustments to enable individual financial reporting of the current period's profit and loss and other comprehensive gains and losses. The current profit and loss and other comprehensive gains and losses in the financial report prepared on a consolidated basis are the same as the share of the owners of the parent company, and the owner's equity of the individual financial report is the same as the equity of the owners of the parent company in the financial report prepared on a consolidated basis. These adjustments are mainly due to the consideration of the treatment of the consolidated financial statements of the investment subsidiary in accordance with IFRS 10 "Consolidated Financial Statements" and the differences in the application of IFRS at different levels of reporting entities, and debits or credits to "investment account for using the equity method", "share of profits and losses of subsidiaries, affiliates and joint ventures using the equity method" or "share of other comprehensive profits and losses of subsidiaries, affiliates and joint ventures using the equity method".

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.



When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates *and* Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

- (1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

## 11. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Land improvements	3~40 years
Buildings	2~65 years
Machinery and equipment	2~50 years
Transportation equipment	2~20 years
Other equipment	2~30 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 12. Investment properties

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Land improvements	3~35 years
Buildings	9~55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers properties to or from investment properties according to the actual use of the properties.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

### 13. Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- (1) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (2) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

#### Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (1) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (3) amounts expected to be payable by the lessee under residual value guarantees;
- (4) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (5) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date, less any lease incentives received;
- (3) any initial direct costs incurred by the lessee; and
- (4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

#### Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

#### 14. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

#### Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (2 to 10 years).

### 15. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

## 16. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

## 17. Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods, rendering of services and sale of solar power. The accounting policies are explained as follow:

### Sale of goods

The Company manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers (i.e. when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods). The main products of the Company are various salt products, drinking water, skincare products, etc., and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 90 to 150 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

#### Sale of solar power

The Company recognizes revenue based on the actual amount of electricity sold and the rate charged, starting from the date on which it obtains the equipment registration letter from the Energy Administration. The revenue from electricity sales is calculated monthly from the date when Taiwan Power Company installed the meter at the premises of the Company as agreed.

### 18. Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (1) the date of the plan amendment or curtailment, and
- (2) the date that the Company recognizes restructuring-related costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.



## 19. Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

### Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (1) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (1) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

- (2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

## V. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### 1. Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

#### Operating lease commitment – Company as the lessor

The Company has entered commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

## 2. Estimation and assumptions

The key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (1) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example the discounted cash flow model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note XII for more details.

### (2) Net realizable value of inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note VI for more details.

### (3) Fair value of investment properties

When the fair value of investment properties cannot be quoted in the active market, the fair value is measured via the fair value model, including income approach – discounted cash flow method, or market approach. The changes of appraisal parameters used in the assessments might vary the fair value of investment properties. Please refer to Note VI for more details.

### (4) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note VI.

(5) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

For more details of the principal assumptions used to measure the cost of post-employment benefit and the pension obligation, please refer to Note VI.

(6) Revenue recognition-sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, estimates are made on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note VI for more details.

(7) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

## VI. CONTENTS OF SIGNIFICANT ACCOUNTS

### 1. Cash and cash equivalents

	As at	
	31 Dec. 2024	31 Dec. 2023
Cash on hand	\$1,044	\$1,058
Saving account	477,114	353,728
Cash equivalents		
Time deposits with maturities within 12 months	964,651	945,144
Total	<u>\$1,442,809</u>	<u>\$1,299,930</u>

Cash and cash equivalents were not pledged.

### 2. Financial assets at fair value through profit or loss

	As at	
	31 Dec. 2024	31 Dec. 2023
Mandatorily measured at fair value through profit or loss:		
Funds	<u>\$346,317</u>	<u>\$390,613</u>
Current	<u>\$346,317</u>	<u>\$390,613</u>

Financial assets at fair value through profit or loss were not pledged.

### 3. Financial assets measured at amortized cost

	As at	
	31 Dec. 2024	31 Dec. 2023
Time deposits	\$40,971	\$33,960
Non-current	\$40,971	\$33,960

Please refer to Note VI (15) for more details on loss allowance and Note VIII for more details on financial assets measured at amortized cost under pledge and Note XII for more details on credit risk.

### 4. Notes receivable

	As at	
	31 Dec. 2024	31 Dec. 2023
Notes receivable arising from operating activities	\$1,862	\$2,656
Less: loss allowance	-	-
Total	\$1,862	\$2,656

Notes receivable were not pledged.

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note VI (15) for more details on loss allowance and Note XII for details on credit risk.

### 5. Trade receivables and Trade receivables-related parties

	As at	
	31 Dec. 2024	31 Dec. 2023
Trade receivables	\$148,999	\$158,516
Less: loss allowance	(132)	(132)
Subtotal	148,867	158,384
Trade receivables-from related parties	124	369
Less: loss allowance	-	-
Subtotal	124	369
Total	\$148,991	\$158,753

Trade receivables were not pledged.

Trade receivables are generally on 90-150 day terms. The total carrying amount as of 31 December 2024 and 2023 were NT\$149,123 thousand and NT\$158,885 thousand, respectively.

Please refer to Note VI (15) for more details on loss allowance of trade receivables for the years ended 31 December 2024 and 2023 and Note XII for more details on credit risk management.

## 6. Inventories

	As at	
	31 Dec. 2024	31 Dec. 2023
Raw materials	\$26,990	\$28,932
Supplies and parts	94,038	91,460
Work in progress	36,220	19,711
Finished goods	184,736	186,828
Merchandise	83,642	67,637
Total	<u>\$425,626</u>	<u>\$394,568</u>

The cost of inventories recognized in expenses amounts to NT\$1,846,020 thousand and NT\$1,844,877 thousand for the years ended 31 December 2024 and 2023, including the write-down of inventory of NT\$2,366 thousand and NT\$5,563 thousand for the year ended 31 December 2024 and 2023.

No inventories were pledged.

## 7. Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	As at			
	31 Dec. 2024		31 Dec. 2023	
	Amount	Percentage of ownership	Amount	Percentage of ownership
<u>Investments in subsidiaries</u>				
Taiyen Biotech (Samoa) Co., Ltd.	\$25,046	100%	\$20,943	100%
Taiyen Green Energy Co., Ltd.	<u>7,083</u>	66.75%	<u>115,634</u>	66.75%
Total	<u>\$32,129</u>		<u>\$136,577</u>	

Investments in subsidiaries are shown as 'Investments accounted for using the equity method' in standalone financial statement with necessary fair value adjustments.

## 8. Property, plant and equipment

	As at	
	31 Dec. 2024	31 Dec. 2023
Owner occupied property, plant and equipment	<u>\$3,902,002</u>	<u>\$3,766,689</u>

	Land	Land improvements	Buildings	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost:								
As at 1 Jan. 2024	\$1,816,038	\$196,376	\$1,423,001	\$2,746,724	\$27,800	\$110,292	\$618,053	\$6,938,284
Additions	-	-	678	1,572	36	(12)	304,120	306,394
Disposals	-	(1,771)	(3,125)	(86,049)	(669)	(3,658)	-	(95,272)
Transfers	-	4,372	143,816	665,171	2,987	9,112	(825,458)	-
Other changes	-	-	(281)	(6,266)	-	-	9,874	3,327
As at 31 Dec. 2024	<u>\$1,816,038</u>	<u>\$198,977</u>	<u>\$1,564,089</u>	<u>\$3,321,152</u>	<u>\$30,154</u>	<u>\$115,734</u>	<u>\$106,589</u>	<u>\$7,152,733</u>
As at 1 Jan. 2023	\$1,816,038	\$193,061	\$1,353,436	\$2,703,449	\$27,792	\$105,984	\$442,957	\$6,642,717
Additions	-	-	289	826	30	252	322,790	324,187
Disposals	-	(364)	(864)	(57,449)	(541)	(2,144)	-	(61,362)
Transfers	-	3,679	43,753	93,615	519	6,128	(147,694)	-
Other changes	-	-	26,387	6,283	-	72	-	32,742
As at 31 Dec. 2023	<u>\$1,816,038</u>	<u>\$196,376</u>	<u>\$1,423,001</u>	<u>\$2,746,724</u>	<u>\$27,800</u>	<u>\$110,292</u>	<u>\$618,053</u>	<u>\$6,938,284</u>
Depreciation and impairment:								
As at 1 Jan. 2024	\$5,356	\$168,816	\$871,528	\$2,008,691	\$21,925	\$95,279	\$-	\$3,171,595
Depreciation	-	6,468	49,018	109,148	1,899	6,235	-	172,768
Disposals	-	(1,758)	(2,610)	(85,531)	(669)	(3,658)	-	(94,226)
Transfers	-	-	-	-	-	-	-	-
Other changes	-	-	(134)	728	-	-	-	594
As at 31 Dec. 2024	<u>\$5,356</u>	<u>\$173,526</u>	<u>\$917,802</u>	<u>\$2,033,036</u>	<u>\$23,155</u>	<u>\$97,856</u>	<u>\$-</u>	<u>\$3,250,731</u>
As at 1 Jan. 2023	\$5,356	\$162,624	\$814,937	\$1,967,909	\$20,337	\$91,270	\$-	\$3,062,433
Depreciation	-	6,556	43,508	96,975	2,129	6,149	-	155,317
Disposals	-	(364)	(647)	(56,193)	(541)	(2,140)	-	(59,885)
Transfers	-	-	-	-	-	-	-	-
Other changes	-	-	13,730	-	-	-	-	13,730
As at 31 Dec. 2023	<u>\$5,356</u>	<u>\$168,816</u>	<u>\$871,528</u>	<u>\$2,008,691</u>	<u>\$21,925</u>	<u>\$95,279</u>	<u>\$-</u>	<u>\$3,171,595</u>
Net carrying amount as at:								
31 Dec. 2024	<u>\$1,810,682</u>	<u>\$25,451</u>	<u>\$646,287</u>	<u>\$1,288,116</u>	<u>\$6,999</u>	<u>\$17,878</u>	<u>\$106,589</u>	<u>\$3,902,002</u>
31 Dec. 2023	<u>\$1,810,682</u>	<u>\$27,560</u>	<u>\$551,473</u>	<u>\$738,033</u>	<u>\$5,875</u>	<u>\$15,013</u>	<u>\$618,053</u>	<u>\$3,766,689</u>

Property, plant and equipment were not pledged.



## 9. Investment properties

	Land		Buildings	Total
	Land	Improvements		
Cost:				
As at 1 Jan. 2024	\$941,735	\$3,196	\$443,141	\$1,388,072
Disposals	-	-	-	-
Other changes	-	-	-	-
As at 31 Dec. 2024	\$941,735	\$3,196	\$443,141	\$1,388,072
As at 1 Jan. 2023	\$941,735	\$5,663	\$467,061	\$1,414,459
Disposals	-	-	-	-
Other changes	-	(2,467)	(23,920)	(26,387)
As at 31 Dec. 2023	\$941,735	\$3,196	\$443,141	\$1,388,072
Depreciation and impairment:				
As at 1 Jan. 2024	\$5,715	\$2,571	\$145,724	\$154,010
Depreciation	-	84	12,788	12,872
Disposals	-	-	-	-
Other changes	-	-	-	-
As at 31 Dec. 2024	\$5,715	\$2,655	\$158,512	\$166,882
As at 1 Jan. 2023	\$5,715	\$4,939	\$144,056	\$154,710
Depreciation	-	99	12,931	13,030
Disposals	-	-	-	-
Other changes	-	(2,467)	(11,263)	(13,730)
As at 31 Dec. 2023	\$5,715	\$2,571	\$145,724	\$154,010
Net carrying amount as at:				
31 Dec. 2024	\$936,020	\$541	\$284,629	\$1,221,190
31 Dec. 2023	\$936,020	\$625	\$297,417	\$1,234,062

	For the years ended 31 December	
	2024	2023
Rental income from investment property	\$34,939	\$33,687
Less: Direct operating expenses from investment property generating rental income	(25,745)	(24,097)
Direct operating expenses from investment property not generating rental income	-	(145)
Total	\$9,194	\$9,445

No investment properties were pledged.

As at 31 December 2024 and 2023, the fair value of investment properties held by the Company amounted to NT\$4,922,369 thousand and NT\$4,081,258 thousand. The above-mentioned fair value was assessed by independent external valuation professionals and was classified at level 3.

Fair value has been determined under the support of market evidence. Leased plants and lands in the signed lease contract, should be assessed using the income approach. Construction lands should be comprehensively assessed using the land development analysis approach of the comparison method and the cost approach, among which farming and grazing lands are subject to development restrictions therefore can only be assessed using the comparison method. Buildings should be assessed using the cost method, below are the parameters mainly used:

Income approach: An approach that the subject property which apply an appropriate capitalization rate on the date of value opinion to capitalize the average objective annual net operating income in the future into an indication of value.

	As at	
	31 Dec. 2024	31 Dec. 2023
Average income capitalization rate	-	1.19%-1.34%

Comparison method: A method based on the value of the comparable properties is through comparison, analysis, adjustment and other means to estimate the value of the subject property in comparison.

	As at	
	31 Dec. 2024	31 Dec. 2023
Condition adjustment percentage	100%	100%
Date adjustment percentage	100%-110%	100%-104%
Local factor adjustment percentage	100%	85%-103%
Individual factor adjustment percentage	90%-111%	86%-105%

Cost approach: An approach to estimate the value of the subject property, by deducting the accrued depreciation or other item due to be subtracted from the reproduction or replacement cost, based on the date of value opinion.

	As at	
	31 Dec. 2024	31 Dec. 2023
Residual price rate	0%-10%	0.9%-10%
Residual service life	1.83-24.42年	0-25.4 years

## 10. Other non-current assets

	As at	
	31 Dec. 2024	31 Dec. 2023
Tourism assets	\$2,413	\$3,854
Other non-current assets - other	50,621	20,279
Total	<u>\$53,034</u>	<u>\$24,133</u>

Tourism assets is mainly the Salt Mountain in Cigu. In order to operate in the tourism and travel industry, and preserve the salt history of Taiwan, the salt mountains were recognized as the tourism assets in 2009 and amortized in twenty years based on its future economic benefits.

Other assets are mainly purchased and recognized as materials by the Company and transferred to other assets according to their nature, amortized in three to five years based on their future economic benefits.

The amortization costs of the Company's tourism assets in 2024 and 2023 amounted to NT\$716 thousand and NT\$771 thousand respectively, booked under non-operating income and expenses – other gain and loss.

The amortization costs of the Company's other assets recognized in operating costs and expenses amounted to NT\$9,105 thousand and NT\$7,981 thousand for the years ended 31 December 2024 and 2023, respectively.

## 11. Deferred revenue

	As at	
	31 Dec. 2024	31 Dec. 2023
Deferred revenue	<u>\$294,323</u>	<u>\$307,188</u>

NOTE1: The Company signed a real estate lease contract with Quanhua Investment Co., Ltd. on 19 April 2012 in order to activate the land asset (the lease period was from 25 April 2012 to 24 April 2047, a total of 35 years.) Five parcels of land located in Emei Section 750, 750-1, 751, 752, and Yancheng Section 781 at Taoyuan City were leased to Quanhua Investment Co., Ltd., with the lessee being the builder of the buildings for the Company (the proprietor and the applicant for the first registration of the ownership of the building are both the Company). After the construction was completed, the new building and the underlying property of the lease will be operated by Quanhua Investment Co., Ltd., and Quanhua Investment Co., Ltd. should pay rent and royalties. The construction cost of the new building totaled NT\$400,000 thousand (tax included). According to the regulations, it should be regarded as the rental income of the Company and amortized using the residual years after the completion and actual operation. The unamortized amount as of 31 December 2024 was NT\$270,515 thousand (tax included).

NOTE2: The Company and the Tainan Technology Industrial Park Service Center of the Industrial Development Bureau, Ministry of Economic Affairs signed a land lease agreement for the Biotechnology Plant No.1 and the R&D Center. During the lease period, the Company applied to purchase the leased land of the Biotechnology Plant No.1 under the land leasing regulations of the Tainan Technology Industrial Park. The leased land was acquired at the original price when the lease was approved and the contract was signed, the rent paid during the lease period can be used to offset the payment without interest. Since April 2016, the rent paid has been recognized in deferred income and amortized using the residual service life of Biotechnology Plant No.1. As of 31 December 2024 the unamortized amount was NT\$23,808 thousand.

## 12. Post-employment benefits

### Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2024 and 2023 were NT\$15,397 thousand and NT\$15,109 thousand, respectively.

### Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% ~ 15% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$14,476 thousand to its defined benefit plan during the 12 months beginning after 31 December 2024.

The defined benefit obligations were expected to mature in 2033 as of 31 December 2024 and 2023, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2024	2023
Current period service costs	\$7,576	\$8,038
Net interest on the net defined benefit liabilities	1,204	979
Total	<u>\$8,780</u>	<u>\$9,017</u>

Reconciliations of liability (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	As at		
	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Defined benefit obligation	\$312,299	\$340,624	\$305,434
Plan assets at fair value	<u>(274,618)</u>	<u>(246,586)</u>	<u>(243,047)</u>
Net defined benefit liabilities	<u>\$37,681</u>	<u>\$94,038</u>	<u>\$62,387</u>

Reconciliations of liabilities of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (assets)
As at 1 January 2023	\$305,434	\$(243,047)	\$62,387
Current period service costs	8,038	-	8,038
Interest expense (income)	4,795	(3,816)	979
Subtotal	318,267	(246,863)	71,404
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	252	-	252
Actuarial gains and losses arising from changes in financial assumptions	9,958	-	9,958
Experience adjustments	27,748	-	27,748
Remeasurements of the defined benefit assets	-	(409)	(409)
Subtotal	37,958	(409)	37,549
Payments from the plan	(15,601)	15,601	-
Contributions by employer	-	(14,915)	(14,915)
As at 31 December 2023	\$340,624	\$(246,586)	\$94,038
Current period service costs	7,576	-	7,576
Interest expenses (income)	4,360	(3,156)	1,204
Subtotal	352,560	(249,742)	102,818
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(7,122)	-	(7,122)
Experience adjustments	(21,994)	-	(21,994)
Remeasurements of the defined benefit assets	-	(21,546)	(21,546)
Subtotal	(29,116)	(21,546)	(50,662)
Payments from the plan	(11,145)	11,145	-
Contributions by employer	-	(14,475)	(14,475)
As at 31 December 2024	\$312,299	\$(274,618)	\$37,681

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As at	
	31 Dec. 2024	31 Dec. 2023
Discount Rate	1.52%	1.28%
Expected rate of salary increases	3.00%	3.00%

A sensitivity analysis for significant assumption as at 31 December 2024 and 2023 is, as shown below:

	Effect on the defined benefit obligation			
	For the years ended 31 December			
	2024		2023	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	-	14,117	-	16,941
Discount rate decrease by 0.5%	15,105	-	18,196	-
Future salary increase by 0.5%	14,806	-	17,791	-
Future salary decrease by 0.5%	-	13,986	-	16,746

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

### 13. Equities

#### (1) Common stock

As of 31 December 2024 and 2023 the Company's authorized common stock both amounted to NT\$8,000,000 thousand. The outstanding common stocks were both NT\$2,000,000 thousand, divided into 200,000 thousand shares and at NT\$10 par value. Each share has one voting right and a right to receive dividends.

## (2) Capital surplus

	As at	
	31 Dec. 2024	31 Dec. 2023
Additional paid-in capital	\$2,477,486	\$2,477,486
Donated assets received	8,775	8,775
Changes in ownership interests in subsidiaries	15,317	15,317
Other	252	204
Total	<u>\$2,501,830</u>	<u>\$2,501,782</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

## (3) Retained earnings and dividend policies

The Company's Articles of Incorporation provide that the current net income, after deducting the previous years' losses, shall appropriate 10% as legal reserve and special reserve according to the company laws and other regulations of R.O.C. If there is still more than the accumulated undistributed income in the previous year, the board of directors shall propose an income distribution proposal. The distribution of dividends to shareholders can be combined with all or part of the accumulated undistributed surplus, of which the cash portion should not be less than 50%.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.



According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On 31 March 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

As of 31 December 2024 and 2023, the Company adopted the IFRS for the first time that the special reserve amounts were both NT\$45,420 thousand.

Details of the 2024 and 2023 earnings distribution and dividends per share as approved and resolved at the board of directors’ meeting and shareholders’ meeting held on 7 March 2025 and 21 June 2024, respectively, are as follows:

	For the years ended 31 December			
	Appropriation of earnings		Cash dividends per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$41,205	\$27,035		
Cash dividends	260,000	240,000	\$1.3	\$1.2

Please refer to Note VI (17) for details on employees’ compensation and remuneration to directors.

#### 14. Operating revenue

	For the years ended 31 December	
	2024	2023
Revenue from contracts with customers		
Sale of goods	\$3,131,756	\$3,168,852
Electricity sales revenue	11,882	2,907
	<u>\$3,143,638</u>	<u>\$3,171,759</u>

Analysis of revenue from contracts with customers for the years ended 31 December 2024 and 2023 are as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2024:

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Other dept.	Total
Sales of goods	<u>\$2,607,543</u>	<u>\$470,568</u>	<u>\$65,527</u>	<u>\$3,143,638</u>
Timing of revenue recognition:				
At a point in time	<u>\$2,607,543</u>	<u>\$470,568</u>	<u>\$65,527</u>	<u>\$3,143,638</u>

For the year ended 31 December 2023:

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Other dept.	Total
Sales of goods	<u>\$2,636,482</u>	<u>\$474,589</u>	<u>\$60,688</u>	<u>\$3,171,759</u>
Timing of revenue recognition:				
At a point in time	<u>\$2,636,482</u>	<u>\$474,589</u>	<u>\$60,688</u>	<u>\$3,171,759</u>

(2) Contract balances

A. Contract liabilities - current

	As at		
	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Sales of goods	<u>\$33,603</u>	<u>\$33,802</u>	<u>\$46,521</u>

The significant changes in the Company's balances of contract liabilities for the years ended 31 December 2024 and 2023 are as follows:

	For the years ended 31 December	
	2024	2023
The opening balance transferred to revenue	\$(29,339)	\$(41,938)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	29,140	29,219

15. Expected credit losses / (gains)

	For the years ended 31 December	
	2024	2023
Operating expense- Expected credit losses / (gains)		
Notes receivable	\$-	\$-
Trade receivables	-	-
Total	<u>\$-</u>	<u>\$-</u>

Please refer to Note XII for more details on credit risk.

The credit risk for measured at amortized cost is assessed as low. Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. As the Company transacts with are financial institutions with good credit, no allowance for losses has been provided for the years ended 31 December 2024 and 2023.

The Company measures the loss allowance of its trade receivables (including notes receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at 31 December 2024 and 2023 is as follow:

The Company considers the trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix with 0.08%. The details are as follows:

As at 31 December 2024

	Not yet due	Overdue			Total
	(Note)	<=90 days	90-180 days	>=180 days	
Gross carrying amount	\$150,985	\$-	\$-	\$-	\$150,985
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					<u>\$150,853</u>

Note: The Company's notes receivable were not overdue.

As at 31 December 2023

	Not yet due	Overdue			Total
	(Note)	<=90 days	90-180 days	>=180 days	
Gross carrying amount	\$161,308	\$233	\$-	\$-	\$161,541
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					<u>\$169,409</u>

Note: The Company's notes receivable were not overdue.

The movement in the provision for impairment of notes receivable and trade receivables for the years ended 31 December 2024 and 2023 is as follows:

	Notes receivable	Trade receivables
Balance as at 1 Jan. 2024	\$-	\$132
Addition / (reversal) for the current period	-	-
Write off	-	-
Balance as at 31 Dec. 2024	<u>\$-</u>	<u>\$132</u>
Balance as at 1 Jan. 2023	\$-	\$132
Addition / (reversal) for the current period	-	-
Write off	-	-
Balance as at 31 Dec. 2023	<u>\$-</u>	<u>\$132</u>

## 16. Leases

### (1) Company as a lessee

The Company leases various properties, including real estate such as land and buildings, transportation equipment, and other equipment. The lease terms range from 1 to 20 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

## A. Amounts recognized in the balance sheet

### (a) Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	31 Dec. 2024	31 Dec. 2023
Land	\$23,036	\$24,163
Buildings	556	1,669
Transportation equipment	5,861	4,270
Other equipment	202	280
Total	<u>\$29,655</u>	<u>\$30,382</u>

For the years ended 31 December 2024 and 2023, the Company's additions to right-of-use assets amounted to NT\$6,643 thousand and NT\$3,146 thousand, respectively.

### (b) Lease liabilities

	As at	
	31 Dec. 2024	31 Dec. 2023
Lease liabilities	<u>\$29,603</u>	<u>\$29,824</u>
Current	\$5,400	\$5,450
Non-current	<u>24,203</u>	<u>24,374</u>
Total	<u>\$29,603</u>	<u>\$29,824</u>

Please refer to Note VI (18) for the interest on lease liabilities recognized for the years ended 31 December 2024 and 2023 and refer to Note XII (5) Liquidity Risk Management for the maturity analysis for lease liabilities as at 31 December 2024 and 2023.

## B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2024	2023
Land	\$1,969	\$1,964
Buildings	1,113	1,113
Transportation equipment	4,210	3,053
Other equipment	<u>78</u>	<u>81</u>
Total	<u>\$7,370</u>	<u>\$6,211</u>

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2024	2023
The expenses relating to short-term leases	\$2,068	\$1,643

D. Cash outflow relating to leasing activities

For the years ended 31 December 2024 and 2023, the Company's total cash outflows for leases amounted to NT\$9,619 thousand and NT\$8,737 thousand, respectively.

(2) Company as a lessor

Please refer to Note VI(9) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended 31 December	
	2024	2023
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$34,939	\$33,687

Please refer to Note VI (9) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at 31 December 2024 and 2023 are as follow:

	As at	
	31 Dec. 2024	31 Dec. 2023
Not later than one year	\$28,428	\$28,011
Later than one year but not later than two years	27,067	25,353
Later than two years but not later than three years	27,652	25,685
Later than three years but not later than four years	26,023	25,981
Later than four years but not later than five years	27,663	25,981
Later than five years	391,668	418,435
Total	\$528,501	\$549,446

17. Employee benefits, depreciation, and amortization expenses by function are summarized as follows:

	For the years ended 31 December					
	2024			2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$187,287	\$304,000	\$491,287	\$191,935	\$295,664	\$487,599
Labor and health insurance	17,903	23,739	41,642	17,759	23,880	41,639
Pension	12,441	11,736	24,177	12,382	11,744	24,126
Director's remuneration	-	9,104	9,104	-	8,682	8,682
Other employee benefits expense	9,837	11,940	21,777	9,124	10,970	20,094
Depreciation	138,194	54,816	193,010	123,367	51,191	174,558
Amortization	7,866	4,520	12,386	6,684	3,974	10,658

The number of employees of the Company were 483 and 485 for the years ended 31 December 2024 and 2023, respectively, of which 8 and 7 were directors who were not concurrently employees.

Companies whose stocks have been listed on the stock exchange or OTC trading center should also disclose the following information:

- (1) The average employee benefit expense this year amounted to NT\$1,219 thousand ((Total amount of employee benefits expense of the year – total amount of the director's remuneration) / (the number of employees in the year – the number of directors who are not concurrently employees))

The average employee benefit expense in the previous year amounted to NT\$1,200 thousand ((Total amount of employee benefits expense in the previous year – total amount of the director's remuneration) / (the number of employees in the previous year – the number of directors who are not concurrently employees))

- (2) The average employee salary was NT\$1,034 thousand this year (the total salary expense of the year / (the number of employees in the year- the number of directors who are not concurrently employees))

The average employee salary was NT\$1,020 thousand in the previous year (the total salary expense in the previous year / (the number of employees in the previous year– the number of directors who are not concurrently employees))

- (3) The adjustment of the average of the salary expenses increased by 1%. ((The average amount of the salary expense of the year – the average amount of the salary expense in the previous year) / the average amount of the salary expense in the previous year)

- (4) The supervisor's remuneration this year was NT\$0, and the supervisor's remuneration last year was NT\$0. The Company has set up an audit committee to replace the supervisory system, therefore, the amount was NT\$0.
- (5) The Company's salary and remuneration policy (including directors, managers and employees):

According to the Articles of Incorporation, 2.25~3.75% of profit of the current year is distributable as employees' compensation and no higher than 1.5% of profit of the current year is distributable as remuneration to directors, excluding independent directors.

The director's remuneration of the Company is directly related to the company's operating performance during the year. The director's remuneration is high when the company's operating performance is good. The director's remuneration will be submitted to the remuneration committee for review to avoid future risks.

The Company's managers and employees' overall salary and remuneration package mainly includes basic salary, bonus, employee remuneration and other benefits. With respect to the standard of remuneration payment, the basic salary is based on the market salary level of the position held by the employee and the Company's policy; the bonus and employee remuneration are directly linked to the Company's operating performance during the current year, and the welfare complies with the laws and regulations, taking into account the employee's needs to design the measures that all employees can share.

Information on the board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit level, the Company estimated the employees' compensation and remuneration to directors for year ended 31 December 2024 to be 3.75% of profit of the year and 1.5% of profit of the year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended 31 December 2024 amount to NT\$19,193 thousand and NT\$7,677 thousand, respectively. A resolution was passed at the Board of Directors meeting held on 7 March 2025 to distribute employees' compensation and remuneration to directors of 2024. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended 31 December 2024.

Based on the profit level, the Company estimated the employees' compensation and remuneration to directors for year ended 31 December 2023 to be 3.75% of profit of the year and 1.5% of profit of the year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended 31 December 2023 amount to NT\$16,305 thousand and NT\$6,522 thousand, respectively. A resolution was passed at the Board of Directors meeting held on 11 March 2024 to distribute employees' compensation and remuneration to directors of 2023 in cash at rates of 3.22% and 1.29%, amounting to NT\$14,000 thousand and NT\$5,609 thousand, respectively. Differences between the estimated amount and the actual distribution amount of the employee compensation and remuneration to directors for the year ended 31 December 2023 were NT\$2,305 thousand and NT\$913 thousand, respectively, which were recognized in profit or loss of the subsequent year in 2024.



## 18. Non-operating income and expenses

### (1) Other income

	For the years ended 31 December	
	2024	2023
Rental income	\$34,939	\$33,687
Interest income		
Financial assets measured at amortized cost	37,487	35,519
Others	56,335	42,553
Total	<u>\$128,761</u>	<u>\$111,759</u>

Other income is mainly tourism income and parking fees of Cigu Salt Mountain.

### (2) Other gains and losses

	For the years ended 31 December	
	2024	2023
(Losses) on disposal of property, plant and equipment	\$(1,046)	\$(1,268)
Foreign exchange gains (losses), net	38,527	(5,713)
Gains on financial assets at fair value through profit or loss	12,854	7,434
(Losses) on disaster	(6,439)	(4,134)
Other expenses	(66,675)	(59,866)
Total	<u>\$(22,779)</u>	<u>\$(63,547)</u>

Other expenses are mainly depreciation expenses of Cigu Salt Mountain's property, plant and equipment, maintenance expenses, outsourcing cost, bank handling fees and currency remittance commissions.

### (3) Finance costs

	For the years ended 31 December	
	2024	2023
Interest on lease liabilities	\$(687)	\$(658)
Other interest expenses	(45)	(41)
Total	<u>\$(732)</u>	<u>\$(699)</u>

## 19. Components of other comprehensive income

For the year ended 31 December 2024:

	Arising during the period	Reclassification adjustments during the period	Income tax relating to components of other comprehensive income	Other Comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	\$50,662	\$-	\$(10,133)	\$40,529
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of foreign operations	749	-	-	749
Total other comprehensive income (loss)	<u>\$51,411</u>	<u>\$-</u>	<u>\$(10,133)</u>	<u>\$41,278</u>

For the year ended 31 December 2023:

	Arising during the period	Reclassification adjustments during the period	Income tax relating to components of other comprehensive income	Other Comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	\$(37,549)	\$-	\$7,510	\$(30,039)
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of foreign operations	(386)	-	-	(386)
Total other comprehensive (loss) income	<u>\$(37,935)</u>	<u>\$-</u>	<u>\$7,510</u>	<u>\$(30,425)</u>

## 20. Income tax

The major components of income tax expense for the years ended 31 December 2024 and 2023 are as follows:

### Income tax expense recognized in profit or loss

	<u>For the years ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Current income tax expense:		
Current income tax charge	\$104,814	\$116,162
Adjustments in respect of current income tax of prior periods	(2,363)	(2,265)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	10,961	(2,319)
Total income tax expense	<u>\$113,412</u>	<u>\$111,578</u>

### Income tax relating to components of other comprehensive income

	<u>For the years ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Deferred tax expense:		
Remeasurements of defined benefit plans	\$10,133	\$(7,510)
Income tax relating to components of other comprehensive income	<u>\$10,133</u>	<u>\$(7,510)</u>

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	<u>For the years ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Accounting profit before tax from continuing operations	<u>\$484,936</u>	<u>\$411,964</u>
Tax at the domestic rates applicable to profits in the country concerned	\$96,987	\$82,393
Tax effect of revenues exempt from taxation	19,139	31,874
Tax effect of expenses not deductible for tax purposes	249	20
Tax effect of deferred tax assets/liabilities	(600)	(444)
Adjustments in respect of current income tax of prior periods	(2,363)	(2,265)
Total income tax expenses recognized in profit or loss	<u>\$113,412</u>	<u>\$111,578</u>

Deferred tax assets (liabilities) related to the following:

For the year ended 31 December 2024

	Beginning balance as at 1 Jan. 2024	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as at 31 Dec. 2024
Temporary differences				
Unrealized allowance for inventory valuation losses	\$8,556	\$473	\$-	\$9,029
Unrealized exchange losses (gains)	6,192	(11,369)	-	(5,177)
Unrealized sales returns and allowance	7,421	966	-	8,387
Unallocated fixed manufacturing overhead	1,760	310	-	2,070
Land appreciation tax preparation	(33,339)	-	-	(33,339)
Unrealized impairment loss	4,694	(55)	-	4,639
Compensated absence	3,483	165	-	3,648
Deferred income	564	(163)	-	401
Net defined benefit liability, non-current	18,847	(1,139)	(10,133)	7,575
Others	24,511	(149)	-	24,362
Deferred tax income (expense)		<u>\$(10,961)</u>	<u>\$(10,133)</u>	
Net deferred tax assets/(liabilities)	<u>\$42,689</u>			<u>\$21,595</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$77,070</u>			<u>\$61,036</u>
Deferred tax liabilities	<u>\$(34,381)</u>			<u>\$(39,441)</u>

For the year ended 31 December 2023

	Beginning balance as at 1 Jan. 2023	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as at 31 Dec. 2023
Temporary differences				
Unrealized allowance for inventory valuation losses	\$7,443	\$1,113	\$-	\$8,556
Unrealized exchange losses (gains)	5,037	1,155	-	6,192
Unrealized sales returns and allowance	6,607	814	-	7,421
Unallocated fixed manufacturing overhead	1,515	245	-	1,760
Land appreciation tax preparation	(33,339)	-	-	(33,339)
Unrealized impairment loss	4,759	(65)	-	4,694
Compensated absence	3,328	155	-	3,483
Deferred income	333	231	-	564
Net defined benefit liability, non-current	12,517	(1,180)	7,510	18,847
Others	24,660	(149)	-	24,511
Deferred tax income (expense)		<u>\$2,319</u>	<u>\$7,510</u>	
Net deferred tax assets/(liabilities)	<u>\$32,860</u>			<u>\$42,689</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$67,092</u>			<u>\$77,070</u>
Deferred tax liabilities	<u>\$(34,232)</u>			<u>\$(34,381)</u>

### The assessment of income tax returns

As of 31 December 2024, the assessment of income tax returns of the Company is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assess and approved up to 2022

#### 21. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible bonds payable) by the weighted average number of ordinary shares outstanding during the years plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>For the years ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands NT\$)	<u>\$371,524</u>	<u>\$300,386</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>200,000</u>	<u>200,000</u>
Basic earnings per share (NT\$)	<u>\$1.86</u>	<u>\$1.50</u>
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands NT\$)	<u>\$371,524</u>	<u>\$300,386</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>200,000</u>	<u>200,000</u>
Effect of dilution:		
Employee compensation — stock (in thousands)	<u>591</u>	<u>477</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>200,591</u>	<u>200,477</u>
Diluted earnings per share (NT\$)	<u>\$1.85</u>	<u>\$1.50</u>

There have been no other transactions involving shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

## VII. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

### Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Taiyen (Xiamen) Import & Export Co., Ltd. (Taiyen (Xiamen))	Sub-subsidiary of the company
Taiyen Green Energy Co., Ltd. (Taiyen Green Energy)	Subsidiary of the company

### Significant transactions with the related parties

#### 1. Sales

	<u>For the years ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Taiyen (Xiamen)	\$421	\$564
Taiyen Green Energy	14	85
Total	<u>\$435</u>	<u>\$649</u>

The prices of the above sales transactions are subject to the agreed conditions.

#### 2. Purchases

	<u>For the years ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Taiyen (Xiamen)	<u>\$18,296</u>	<u>\$19,559</u>

The prices and payment conditions are the same between associates' industries and non-related parties.

#### 3. Engineering commission

- The Company entrusted the change of land adjustment to Taiyen Green Energy, and the Company has paid NT\$18,095 thousand and NT\$12,381 thousand (accounted as construction in progress) for the years ended 31 December 2024 and 2023. Additionally, the Company collected performance deposit of NT\$2,000 thousand for this transaction.
- The Company entrusted the "Construction Project of Ground - Mounted Photovoltaic Systems Located at Huashan Section, Luzhu" to Taiyen Green Energy. The Company has paid NT\$81,036 thousand (accounted as machinery and equipment) as of 31 December 2024. Additionally, the Company collected deposit of NT\$5,000 thousand for this project (accounted as guarantee deposits).

#### 4. Key management personnel compensation

	For the years ended 31 December	
	2024	2023
Short-term employee benefits	\$14,517	\$17,840
Post-employment benefits	167	238
Total	\$14,684	\$18,078

#### VIII. ASSETS PLEDGED AS COLLATERAL

The following table lists asset of the Company pledged as collateral:

Item	Carrying amount		Purpose of pledge
	31 Dec. 2024	31 Dec. 2023	
Financial assets measured at amortized costs	\$33,971	\$33,960	Guarantee Deposits
Financial assets measured at amortized costs	7,000	-	The guarantee for the provisional attachment
	<u>\$40,971</u>	<u>\$33,960</u>	

#### IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

1. The Company signed a contract with a salt company and a shipping company in Australia on 3 February 2023 to purchase and import industrial sun-dried salt and agreed on the related transportation terms. The contract period was 2 year (From 1 March 2023 to 28 February 2025). According to this contract, the Group can acquire a fixed amount of sun-dried salt for industrial and food processing purposes in accordance with the agreed price each year. The annual purchase amount (including transportation costs) is about NT\$300 million. After the contract expires, the Group will reopen the bid.
2. The Company signed a natural gas sales contract for industrial fuel use with CPC Corporation, Taiwan (hereinafter referred to as CPC) on 18 March 2022. The contract period is 3 years (From 18 March 2022 to 30 June 2025). According to this contract, the Company agrees to purchase 800 thousand cubic meters of gas from CPC in accordance with the CPC natural gas price list each month, and the Company will base its use on this amount evenly.
3. The Company signed a property purchase contract with Far Eastern New Century Co., Ltd. (hereinafter referred to as FENC) on 24 October 2024. The Company purchased PET bottles from FENC for approximately \$210 million. According to this contract, after the Company signs the contract, the contracted goods will be delivered to the designated place in batches according to the notice of Tung-Hsiao Fine Salt Factory to complete the transaction until the contract volume is reached.

4. As of 31 December 2024, the Company was involved in the following activities that were not shown in the financial statement:

Unused letters of credit (in thousands):

Currency	As of 31 Dec. 2024
USD	USD 1,670

5. As of 31 December 2024, the Company still has major contracts as follows:

Project	Contract amount	Amount paid	Unpaid amount
New construction of toothpaste GMP plant	\$80,500	\$62,153	\$18,347

6. The former management of Taiyen Green Energy made decisions that contravened the board directors' instructions during their tenure and harmed the Company's interests. To safeguard the Company's rights and interests, the Company has initiated various legal actions in accordance with the law. On 22 October 2024, prosecutors searched and investigated the Company. The Company has fully cooperated with the investigation to assist in clarifying the facts of the case.

#### X. LOSS DUE TO MAJOR DISASTERS

None.

#### XI. SIGNIFICANT SUBSEQUENT EVENTS

The Company's former president, Chen Shi-Hui, retired on 28 February 2025.

#### XII. OTHER

##### 1. Categories of financial instruments

##### Financial assets

	As at	
	31 Dec. 2024	31 Dec. 2023
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	\$346,317	\$390,613
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,441,765	1,298,872
Financial assets measured at amortized cost	40,971	33,960
Notes receivable	1,862	2,656
Trade receivables	148,991	158,753
Other receivables (accounted as other current assets)	6,111	8,082
Refundable deposits	35,988	5,263
Subtotal	1,675,688	1,507,586
Total	\$2,022,005	\$1,898,199



## Financial liabilities

	As at	
	31 Dec. 2024	31 Dec. 2023
Financial liabilities at amortized cost:		
Trade and other payables	\$481,821	\$428,975
Guarantee deposits	109,591	103,719
Lease liabilities	29,603	29,824
Total	<u>\$621,015</u>	<u>\$562,518</u>

### 2. Financial risk management objectives and policies

The Company's principal risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

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

### 3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency risk, interest rate risk, and other price risk (such as equity risks).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

#### Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly affected by USD, AUD and CNY. The information of the sensitivity analysis is as follows:

- (1) When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2024 and 2023 decreases/increases by NT\$5,758 thousand and NT\$4,801 thousand, respectively.
- (2) When NTD strengthens/weakens against AUD by 1%, the profit for the years ended 31 December 2024 and 2023 decreases/increases by NT\$588 thousand and NT\$588 thousand, respectively.
- (3) When NTD strengthens/weakens against CNY by 1%, the profit for the years ended 31 December 2024 and 2023 decreases/increases by NT\$7 thousand and NT\$2,884 thousand, respectively.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company mainly invests in financial assets with fixed interest rates, therefore the interest rate risk has no significant impact on the company.

#### 4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2024 and 2023, trade receivables from top ten customers represent 79% and 83% of the total trade receivables of the Company, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counterparties.

## 5. Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid securities and leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

### Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 Dec. 2024					
Trade and other payables	\$481,821	\$-	\$-	\$-	\$481,821
Lease liabilities (Note)	6,015	7,598	4,805	17,280	35,698
As at 31 Dec. 2023					
Trade and other payables	\$428,975	\$-	\$-	\$-	\$428,975
Lease liabilities (Note)	6,073	6,396	4,382	19,445	36,296

Note: Information about the maturities of lease liabilities is provided in the table below:

	Maturities				
	Less than 5 years	6 to 10 years	11 to 15 years	> 15 years	Total
As at 31 Dec. 2024	\$18,418	\$10,800	\$6,480	\$-	\$35,698
As at 31 Dec. 2023	16,851	10,805	8,640	-	36,296

## 6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2024:

	Leases liabilities
As at 1 Jan. 2024	\$29,824
Cash flows	(7,551)
Non-cash changes	7,330
As at 31 Dec 2024	<u>\$29,603</u>

Reconciliation of liabilities for the year ended 31 December 2023:

As at 1 Jan. 2023	\$33,114
Cash flows	(7,094)
Non-cash changes	3,804
As at 31 Dec 2023	<u>\$29,824</u>

## 7. Fair values of financial instruments

- (1) The methods and assumptions applied in determining the fair value of financial instruments:

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

- A. The carrying amount of cash and cash equivalents, trade receivables, trade payable and other current liabilities approximate their fair value due to their short maturities.
- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- D. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

- (2) Fair value of financial instruments measured at amortized cost

The Company's book value of financial assets and liabilities measured by amortized cost reasonably approximated their fair value.

### (3) Fair value measurement hierarchy for financial instruments

Please refer to Note XII(8) for fair value measurement hierarchy for financial instruments of the Company.

## 8. Fair value measurement hierarchy

### (1) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

Level 3 – Unobservable inputs for the asset or liability

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

### (2) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	\$346,317	\$-	\$-	\$346,317

As at 31 December 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	\$390,613	\$-	\$-	\$390,613

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

- (3) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at 31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	\$-	\$-	\$1,221,190	\$1,221,190
Financial assets measured at amortized cost				
Time deposits	-	40,971	-	40,971
Investments accounted for using equity method	-	-	32,129	32,129

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	\$-	\$-	\$1,234,062	\$1,234,062
Financial assets measured at amortized cost				
Time deposits	-	33,960	-	33,960
Investments accounted for using equity method	-	-	136,577	136,577

9. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at 31 December 2024		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$17,560	32.79	\$575,792
AUD	2,884	20.39	58,805
CNY	166	4.478	743

Financial assets	As at 31 December 2023		
	Foreign currencies	Foreign exchange rate	NTD
Monetary items:			
USD	\$15,632	30.71	\$480,059
AUD	2,801	20.98	58,765
CNY	66,649	4.327	288,390

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The Company has various functional currencies, no information about the foreign exchange gains or losses by a specific currency is available. For the years ended 31 December 2024 and 2023, the foreign exchange gains or losses on monetary financial assets and financial liabilities were to NT\$38,527 thousand and NT\$(5,713) thousand, respectively.

#### 10. Financial asset transfer information

Entirely derecognize transferred financial asset

Part of the Company's trade receivables has signed non-recourse transfer contracts with financial institutions. In addition to the transfer of the rights of these trade receivables to the cash flow contracts, the Company is also not required to bear the credit risk of the inability to recover these trade receivables according to the contract (except for commercial disputes), which met the conditions for derecognizing financial assets. Transaction-related information is as follows:

As at 31 Dec. 2024: None.

As at 31 Dec. 2023

Purchaser	Factoring amount	Advanced amount	Transfer to other receivables	Credit
Bank SinoPac	\$-	\$-	\$-	\$10,000

#### 11. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

### XIII. OTHER DISCLOSURE

1. The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

- (1) Financing provided to others for the year ended 31 December 2024: None.
- (2) Endorsement/Guarantee provided to others for the year ended 31 December 2024: None.
- (3) Securities held as of 31 December 2024 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 1.
- (4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2024: None.
- (5) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2024: None.
- (6) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the years ended 31 December 2024: None.
- (7) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock f for the years ended 31 December 2024: None.
- (8) Trade receivables of related party amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock f for the years ended 31 December 2024: None.
- (9) Financial instruments and derivative transactions: None.

2. Information on investees:

- (1) The investee the Company has significant influence or controller directly or indirectly: Please refer to Attachment 2.
- (2) If the Company has direct or indirect control over the investee, it must disclose the information of the invest engaged in the first to ninth transactions of the preceding paragraph: None.



3. Information on investment in mainland China:

- (1) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in mainland China: Please refer to Attachment 3.
- (2) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: None.

4. Information on major shareholders: Please refer to Attachment 4.

**XIV. OPERATING SEGMENT INFORMATION**

Please refer to the consolidated financial statements of TAIYEN BIOTECH CO., LTD. and subsidiaries for operating segment information.

## Attachment 1

Securities held as at 31 December 2024

Holding Company	Type and name of securities(note)	Relations with securities issuer	Account	As of 31 December, 2024				Note
				Number of shares or units	Amount	Holding ratio	Fair Value	
The Company	Money Market Fund – JIH SUN Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,094,435.14	\$32,402	-	\$32,402	
	Money Market Fund – Yuanta Wan Tai Money Market Fund	-	"	684,186.40	10,792	-	10,792	
	Money Market Fund – Yuanta De-Li Money Market Fund	-	"	615,695.30	10,469	-	10,469	
	Money Market Fund – Nomura Taiwan Money Market Fund	-	"	1,899,963.78	32,239	-	32,239	
	Money Market Fund – Shin Kong Chi-Shin Money Market Fund	-	"	1,969,750.74	31,757	-	31,757	
	Money Market Fund – Franklin Templeton Sinoam Money Market Fund	-	"	2,959,309.49	31,906	-	31,906	
	Money Market Fund – Cathay Taiwan Money Market Fund	-	"	2,432,059.50	31,465	-	31,465	
	Money Market Fund – Fubon Chi-Hsiang Money Market Fund	-	"	1,278,422.10	20,879	-	20,879	
	Money Market Fund – Union Money Market Fund	-	"	764,198.81	10,519	-	10,519	
	Money Market Fund – SinoPac TWD Money Market Fund	-	"	724,653.40	10,512	-	10,512	
	Bond Fund – PineBridge Global Multi-Strategy High Yield Bond Found A	-	"	2,079,726.62	32,127	-	32,127	
	Bond Fund – Nomura Fallen Angel Non-Investment Grade Bond Fund-Accumulate-TWD	-	"	1,042,905.12	11,020	-	11,020	
	Bond Fund – PGIM USD High Yield Bond Fund-A-TWD	-	"	2,977,238.95	31,937	-	31,937	
	Bond Fund – Eastspring Global Non-Investment Grade Bond Fund-A-TWD	-	"	749,372.40	10,558	-	10,558	
	Bond Fund – Allianz Global Investors All Seasons Harvest Fund of Bond Funds-A-TWD	-	"	1,548,586.90	20,741	-	20,741	
	Bond Fund – Allianz Global Investors All Seasons Harvest Fund of Bond Funds-A-USD	-	"	43,584.40	16,994	-	16,994	
					\$346,317		\$346,317	

Note: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items mentioned in IFRS No. 9 "Financial Instruments".

Attachment 2

The investee that the Company has significant influence or controller directly or indirectly

Name of investment company	Investee company name	Location	Main Business	Original investment amount		Held at the end of the period			Net income (loss) of investee company	Investment income (loss) (Note)
				31-Dec-24	31-Dec-23	Number of shares	Ratio	Amount		
The Company	Taiyen Green Energy	No. 360, Gaofa 2nd Rd., Guiren Dist., Tainan City	Energy-related business	\$235,616	\$235,616	24,741,970	66.75%	\$7,083	\$(163,028)	\$(108,821)
The Company	Taiyen Samoa	Novasage Chambers, PO Box 3018, Level 2 CCCS Building, Beach Road, Apia, Samoa	Reinvestment Business	49,541	49,541	1,600,000	100%	25,046	3,354	3,354
Taiyen Samoa	Taiyen Hong Kong	Room 2701, 27/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong	Reinvestment Business	49,541 (USD1,600 thousand)	49,541 (USD1,600 thousand)	1,600,000	100%	25,046	3,354	3,354

Note : Excluded from upstream transaction elimination of unrealized profits and losses between the company.

## Attachment 3

## Information on investments in mainland China

Name of investee company in mainland China	Main business	Total amount of Capital	Method of Investment (Note 1)	Outflow of investments from Taiwan at beginning of the period	Accumulated inflow and outflow of investments from Taiwan		Accumulated outflow of investments from Taiwan at the end of the period	Net income (loss) of investee company	Percentage of direct(indirect) ownership by the Company	Investment income (loss) (Note 2)	Carrying amount of investments at the end of the period (Note 2)	Cumulated inward remittance of earnings and limits on investment in mainland China	Note
					Outflow	Inflow							
Taiyen (Xiamen)	Operating various commodity sales and import and export business	USD1,600 thousand	2	USD1,600 thousand	-	-	USD1,600 thousand	\$3,354	100%	\$3,354	\$25,046	-	-

Accumulated outflow of investments in mainland China from Taiwan at the end of the period	The amount of investment approved by the Investment Commission, MOEA	According to the regulations of the Investment Commission, MOEA, about investments to mainland China
\$52,464 (USD1,600 thousand) (Note 3)	\$52,464 (USD1,600 thousand) (Note 3)	Equity\$6,664,089*60%=\$3,998,453 (Note 4)

Note 1: Method of investments are divided into the following three types; the table can be only noted with number:

- 1.Direct investment in mainland China.
- 2.Through the third region entity: Taiyen Samoa indirectly invested in Taiyen Xiamen via investment in Taiyen Hong Kong.
- 3.Other methods.

Note 2: The financial statements of the investee company has been audited by the independent auditors of EY.

Note 3: The amount of NTD in the table was calculated with the exchange rate of 32.79 at the end of December 2024.

Note 4: According to 97.8.22 "Licensing Measures for Engagement in the Mainland Area or Technology Cooperation", "Investment or Technology Cooperation Review Principles in the Mainland Area" Amendments, investors' upper limit ratio of the cumulative investment amount in Mainland Area is : 60% of the net value or net value of the merger, whichever is higher.

#### Attachment 4

#### Information on major shareholders

Name of major shareholder	Number of shares	Ratio
Ministry of Economic Affairs, R.O.C.	77,768,272	38.88%

Note 1: The shareholders information is mainly derived from the last business day of each quarter-end when shareholders hold more than 5% of the common shares and preferred shares that have been completed (including treasury shares) non-physical registration. As for there may be differences between recorded shares in the Company's financial report and actual shares completed and delivered shares to non-physical registration, this is due to different calculation basis.

Note 2: If the above-mentioned information is in the case of shareholders handing over shares to the trust, the individual account of the trustor who set up the trust account with the trustee should be disclosed. As for shareholders who declare insiders shareholding statement in accordance with the Securities and Exchange Act for holding more than 10% of the shares, it includes shares held personally and shares that are put into the trust and hold the right to exercise decision-making power over the trust property, etc. Please refer to the Market Observation Post System (MOPS) for more information on the insiders shareholding statement.

TAIYEN BIOTECH CO.,LTD.

1. Table of cash and cash equivalents

As at 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Subtotal	Total	Note
Cash		\$8	\$8	1.Exchange Rate of USD to NTD is 1:32.79
Petty Cash		1,036	1,036	
Subtotal			1,044	
Bank check deposits			32,091	2.Exchange Rate of AUD to NTD is 1:20.39
Bank demand deposits			428,418	
Bank foreign currency deposits	USD 432 thousand	14,155		3.Exchange Rate of CNY to NTD is 1:4.478
	AUD 84 thousand	1,705		
	CNY 166 thousand	745		
			16,605	
Subtotal			477,114	
Cash equivalents				
Time deposits with maturities within 12 months			363,000	
	USD 16,610 thousand	544,559		
	AUD 2,800 thousand	57,092		
			601,651	
			964,651	
Total			\$1,442,809	

TAIYEN BIOTECH CO.,LTD.

2. Table of trade receivables, net

As at 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Client	Name	Summary	Amount	Note
Company A			\$81,753	The amount of individual client in others does not exceed 5% of the account balance.
Company B			11,857	
Others			55,513	
Subtotal			149,123	
Less: loss allowance			(132)	
Total			\$148,991	

TAIYEN BIOTECH CO.,LTD.

3. Table of net inventories

As at 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Amount		Note
		Cost	Market price	
Raw materials		\$32,581	\$32,468	The market price is the net realizable value.
Supplies and parts		120,647	119,976	
Work in progress		37,660	37,028	
Finished goods		194,627	190,859	
Merchandise		85,255	85,219	
Total		470,770	\$465,550	
Less: allowance for inventory valuation losses		(45,144)		
Total		\$425,626		



TAIYEN BIOTECH CO.,LTD.

4. Statements of changes in investments accounted for using the equity method

For the year ended 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Investee Company	Amount at the beginning of the period		Increase				Decrease				Amount at the end of the period		Market price or net equity		Accrual basis	Situation of warranty or pledge provided	Note
	Number of shares (thousand)	Amount	Number of shares (thousand)		Amount		Number of shares (thousand)		Amount		Number of shares (thousand)	Amount	Unit price (NTD)	Total price	(Shareholding ratio)		
Taiyen Samoa	1,600	\$20,943	-		\$3,354	(Note1)	-		\$-		1,600	\$25,046		\$25,046	100%	None	
					749	(Note2)											
Taiyen Green Energy	24,742	115,634	-		270	(Note3)	-		(108,821)	(Note1)	24,742	7,083		12,896	66.75%	None	
Total		\$136,577			\$4,373				\$(108,821)			\$32,129					

Note1 : Net investment profit accounted for using equity method (including the upstream transaction elimination of unrealized profits and losses between the companies).

Note2 : Exchange differences resulting from translating the financial statements of foreign operations.

Note3 : Realized (Unrealized) gross profits due to sales from subsidiaries to the Company.

TAIYEN BIOTECH CO.,LTD.

5. Table of notes payable

As at 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Name of supplier	Summary	Amount	Note
Company C		\$21,093	The amount of individual client in others does not exceed 5% of the account balance.
Company D		18,166	
Company E		7,698	
Others		59,361	
Total		\$106,318	

TAIYEN BIOTECH CO.,LTD.

6. Table of accounts payable

As at 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Name of supplier	Summary	Amount	Note
Company F		\$19,767	The amount of individual client in others does not exceed 5% of the account balance.
Company G		5,217	
Company H		4,533	
Others		48,308	
Total		\$77,825	

TAIYEN BIOTECH CO.,LTD.

7. Table of others payable

As at 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Salaries payable	Gas expenses and delivery expenses.	\$130,828	The amount of others does not exceed 5% of the account balance.
Other expenses payable		102,878	
Provision of employee benefits		19,193	
Employee compensation payable		18,242	
Others		26,537	
Total		\$297,678	

TAIYEN BIOTECH CO.,LTD.

8. Table of net operating revenues

For the year ended 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Numbers	Amount	Note
Salt products	2,958,109 pcs	\$1,511,185	
Packaged drinking water	120,750,326 pcs	1,150,142	
Health products	783,362 pcs	164,682	
Cleaning products	2,693,417 pcs	180,397	
Beauty care products	460,901 pcs	133,293	
Merchandise	272,139 pcs	51,617	
Electricity sales revenue	2,678,426 kWh	11,882	
Others		2,910	
		3,206,108	
Less: sales returns and allowance		(62,470)	
Total		\$3,143,638	

TAIYEN BIOTECH CO.,LTD.  
9. Statement of operating costs  
For the year ended 31 December 2024  
(Expressed in thousands of New Taiwan Dollars)

Items	Amount	Note
Cost of goods sold of self-made product		
Direct material: beginning of year	\$34,251	
Add: raw material purchased	83,601	
Less: raw material, end of year	(32,581)	
transfer to other account title	(3,623)	
others	(11,309)	
Direct material used	70,339	
Indirect material		
Indirect material, beginning of year	116,076	
Add: indirect material purchased	672,575	
Less: indirect material, end of year	(120,647)	
transfer to other account title	(28,793)	
others	(53,382)	
Indirect material used	585,829	
Direct labor	73,363	
Manufacturing expenses	603,104	
Manufacturing cost	1,332,635	
Work in progress, beginning of year	20,545	
Add: transfer from merchandise	351,018	
transfer from finished goods	25,925	
Less: work in progress, end of year	(37,660)	
transfer to other account title	(432)	
others	(17,074)	
Manufacturing cost	1,674,957	
Finished goods, beginning of year	197,212	
Add: others	21,947	
Less: finished goods, end of year	(194,627)	
transfer to other account title	(15,570)	
transfer to work in progress	(25,925)	
others	(2,156)	
Cost of finished goods	1,655,838	
Cost of goods sold of merchandise		
Merchandise: beginning of year	69,262	
Add: merchandise purchased	466,725	
Less: merchandise, end of year	(85,255)	
transfer to other account title	(2,211)	
transfer to work in progress	(351,018)	
others	(5,681)	
Cost of goods sold of merchandise	91,822	
Cost of goods sold of finished goods and merchandise	1,747,660	
Add: underapplied fixed manufacturing overhead	88,202	
loss on scrap of inventories	6,541	
loss on inventory valuation	2,366	
others	2,778	
Less: gain on sales of scrap	(1,527)	
Total operating costs	\$1,846,020	

TAIYEN BIOTECH CO.,LTD.

10. Table of manufacturing expenses

For the year ended 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Amount	Note
Indirect labor expenses	\$155,158	The amount of other items in others does not exceed 5% of the account balance.
Water, electricity and gas expenses	60,671	
Processing fees	34,438	
Taxes	48,295	
Depreciation	138,194	
Outsourcing expenses	72,852	
Fuel expenses	74,428	
Other expenses	19,068	
Total	\$603,104	

TAIYEN BIOTECH CO.,LTD.

11. Table of operating expenses

For the year ended 31 December 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Sales and marketing expenses	General and administration expenses	Research and development expenses	Total	Note
Salary expenses	\$173,001	\$120,026	\$27,710	\$320,737	The amount of other items in others does not exceed 5% of the account balance.
Delivery expenses	111,544	248	27	111,819	
Advertisement expenses	136,573	600	54	137,227	
Insurance fees	12,895	9,914	2,088	24,897	
Depreciation	20,723	7,877	5,710	34,310	
Commission expenses	49,443	-	-	49,443	
Professional services fees	2,115	9,101	5,594	16,810	
Consumption expenses	-	-	2,668	2,668	
Other expenses	67,492	38,358	8,974	114,824	
Total	\$573,786	\$186,124	\$52,825	\$812,735	