

**TAIYEN BIOTECH CO., LTD.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED 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 consolidated balance sheets of TAIYEN BIOTECH CO., LTD. and its subsidiaries (hereinafter referred to as “the Group”) as of 31 December 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2024 and 2023, and their consolidated 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 and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (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 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 1. Disclosure of investment property fair value

As of 31 December 2024, the Group's net investment property at cost amounted to NT\$1,221,190 thousand, and constituted 15% of total consolidated assets, 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 by external specialists offered by the Group, 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 Group.

We also assessed the adequacy of disclosures of the investment property. Please refer to Notes V and VI (8) to the Group's consolidated financial statements.

### 2. Valuation for slow-moving inventories

As of 31 December 2024, the Group's net inventories amounted to NT\$427,321 thousand, and constituted 5% of total consolidated 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 Group, 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 Group's consolidated financial statements.

### 3. Assessment of Contingent Liabilities

One of the Group's subsidiary, TAIYEN GREEN ENERGY CO., LTD is involved in multiple litigations related to the solar power plant projects. The assessments of potential litigation compensation depend on the evaluation of existing evidence by internal and external legal counsel, as well as management's claims regarding the relevant lawsuits, which involved significant subjective judgment by the management. Therefore, we determined this a key audit matter.

Our audit procedures included, but were not limited to, reviewing documentation related to the assessments of contingent liabilities, minutes of board meetings and the meetings of the management and those who are charged with governance, and correspondences between the Group and counterparties or retained legal counsel to understand the claims regarding contingent liabilities. We also interviewed the Group's management, internal legal personnel, and retained legal counsel, and obtained written legal opinions from the Group's retained lawyers on certain related cases to confirm the consistency and reasonableness of these estimates and judgments. These procedures were performed to evaluate whether the Group's estimation and timing of recognition of contingent liabilities were appropriate.

We also considered the appropriateness of the disclosures of contingent liabilities. Please refer to Notes V and IX to the Group's consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated 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.

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company for the years ended 31 December 2024 and 2023.

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. AND SUBSIDIARIES  
 CONSOLIDATED 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	\$1,551,310	\$1,444,734	Short-term borrowings	IV/VL.10	\$98,000	\$100,000
Current financial assets at fair value through profit or loss	IV/VL.2	346,317	390,613	Current contract liabilities	IV/VL.15	109,763	98,034
Current financial assets at amortized cost	IV/VL.3、16/VIII	40,305	4,235	Notes payable		106,342	97,018
Current contract assets	IV/VL.15、16	342,850	393,380	Trade payables		313,166	287,484
Notes receivable, net	IV/VL.4、16	1,862	2,679	Others payable		347,556	311,397
Trade receivable, net	IV/VL.5、16	153,584	267,172	Current tax liabilities	IV/VL.21	43,356	66,293
Inventories, net	IV/VL.6	427,321	394,735	Lease liabilities, current	IV/VL.17	8,764	7,261
Other current assets		63,874	128,701	Long-term borrowings, current portion	IV/VL.11/VIII	66,947	15,313
Total current assets		2,927,423	3,026,249	Other current liabilities		71,256	118,226
				Total current liabilities		1,165,150	1,101,026
Non-current assets				Non-current liabilities			
Non-Current financial assets at amortized cost	IV/VL.3、16/VIII	40,971	33,960	Long-term borrowings, non-current portion	IV/VL.11/VIII	5,556	72,503
Property, plant and equipment	IV/VL.7	3,988,175	3,872,461	Deferred tax liabilities	IV/VL.21	39,441	34,381
Right-of-use assets	IV/VL.17	34,747	32,912	Lease liabilities, non-current	IV/VL.17	25,932	25,093
Investment properties	IV/VL.8、17	1,221,190	1,234,062	Long-term deferred revenue	IV/VL.12	297,721	307,188
Intangible assets		11,706	6,414	Net defined benefit liability, non-current	IV/VL.13	37,681	94,038
Deferred tax assets	IV/VL.21	63,646	81,899	Guarantee deposits		136,528	131,453
Prepayments for equipment		1,743	1,832	Other non-current liabilities, others		5,547	5,222
Refundable deposits		38,538	5,821	Total non-current liabilities		548,406	669,878
Other non-current assets	IV/VL.9	53,034	24,133	Total liabilities		1,713,556	1,770,904
Total non-current assets		5,453,750	5,293,494				
				Equity attributable to the parent company			
				Common stock	IV/VL.14	2,000,000	2,000,000
				Capital surplus	IV/VL.14	2,501,830	2,501,782
				Retained earnings	IV/VL.14		
				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)
				Non-controlling interests	VI.14	3,528	57,600
				Total equity		6,667,617	6,548,839
				Total liabilities and equity		\$8,381,173	\$8,319,743
Total assets		\$8,381,173	\$8,319,743				

English Translation of Financial Statements Originally Issued in Chinese  
 TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES  
 CONSOLIDATED 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	NOTE	2024.1.1~ 2024.12.31	2023.1.1~ 2023.12.31
Operating revenues	IV/VI.15/VII	\$3,238,152	\$3,408,811
Operating costs	IV/VI.6、9、13、18	(1,917,244)	(2,151,333)
Gross profits		1,320,908	1,257,478
Operating expenses	IV/VI.9、13、16、17、18		
Sales and marketing expenses		(605,276)	(589,498)
General and administrative expenses	VII	(230,116)	(212,485)
Research and development expenses		(54,707)	(60,495)
Expected credit losses (gains)		(76,270)	(81,572)
Subtotal		(966,369)	(944,050)
Operating incomes		354,539	313,428
Non-operating incomes and expenses			
Other incomes	IV/VI.19	127,953	113,038
Other gains and losses	IV/VI.9、19	(43,122)	(94,001)
Financial costs	IV/VI.19	(6,338)	(3,349)
Subtotal		78,493	15,688
Income from continuing operations before income tax		433,032	329,116
Income tax expense	IV/VI.21	(115,580)	(111,820)
Net incomes		317,452	217,296
Other comprehensive incomes (losses)	IV/VI.20		
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		\$358,730	\$186,871
Net income attributable to:			
Stockholders of the parent		\$371,524	\$300,386
Non-controlling interests		\$(54,072)	\$(83,090)
Comprehensive income attributable to:			
Stockholder of the parent		\$412,802	\$269,961
Non-controlling interests		\$(54,072)	\$(83,090)
Earnings per share (NTD)	VI.22		
Earnings per share-basic		\$1.86	\$1.50
Earnings per share-diluted		\$1.85	\$1.50



English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

ITEMS	Equity attributable to the parent company							Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity	Total equity attributable to owners of parent		
			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	\$140,690	\$6,661,904
Appropriation and distribution of 2022 retained earnings									
Legal reserve	-	-	46,085	-	(46,085)	-	-	-	-
Cash dividends	-	-	-	-	(300,000)	-	(300,000)	-	(300,000)
Other changes in additional paid-in capital	-	64	-	-	-	-	64	-	64
Net income for the year ended 31 December 2023	-	-	-	-	300,386	-	300,386	(83,090)	217,296
Other comprehensive income (loss) for the year ended 31 December 2023	-	-	-	-	(30,039)	(386)	(30,425)	-	(30,425)
Total comprehensive income	-	-	-	-	270,347	(386)	269,961	(83,090)	186,871
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>	<u>\$57,600</u>	<u>\$6,548,839</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	\$57,600	\$6,548,839
Appropriation and distribution of 2023 retained earnings									
Legal reserve	-	-	27,035	-	(27,035)	-	-	-	-
Cash dividends	-	-	-	-	(240,000)	-	(240,000)	-	(240,000)
Other changes in additional paid-in capital	-	48	-	-	-	-	48	-	48
Net income for the year ended 31 December 2024	-	-	-	-	371,524	-	371,524	(54,072)	317,452
Other comprehensive income (loss) for the year ended 31 December 2024	-	-	-	-	40,529	749	41,278	-	41,278
Total comprehensive income	-	-	-	-	412,053	749	412,802	(54,072)	358,730
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>	<u>\$3,528</u>	<u>\$6,667,617</u>

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES

CONSOLIDATED 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	\$433,032	\$329,116	Acquisition of financial assets at amortized cost	(44,041)	-
Adjustments for:			Proceeds from disposal of financial assets at amortized cost	960	709
Income and expense adjustments:			Acquisition of financial assets at fair value through profit or loss	(50,000)	(30,000)
Depreciation	205,690	186,897	Proceeds from disposal of financial assets at fair value through profit or loss	107,150	-
Amortization	12,903	11,162	Acquisition of property, plant and equipment	(307,610)	(339,818)
Expected credit losses	76,270	81,572	Proceeds from disposal of property, plant and equipment	5	-
Net (losses) gains on financial assets or liabilities at fair value through profit or loss	(12,854)	(7,434)	Increase in refundable deposits	(32,717)	-
Interest expense	6,338	3,349	Decrease in refundable deposits	-	216
Interest revenue	(37,928)	(35,929)	Acquisition of intangible assets	-	(3,483)
Losses on disposal of property, plant and equipment	1,044	1,279	Increase in prepayments for equipment	-	(1,832)
Losses on disaster	6,439	4,134	Interest received	38,490	34,908
Changes in operating assets and liabilities:			Net cash (used in) investing activities	(287,763)	(339,300)
Contract assets	50,530	79,378	Cash flows from financing activities		
Notes receivable, net	817	(673)	Increase in short-term loans	350,000	290,000
Trade receivables, net	29,305	(165,213)	Decrease in short-term loans	(352,000)	(210,000)
Inventories	(80,027)	(2,898)	Borrowing of long-term debt	-	20,000
Other current assets	72,311	13,428	Repayments of long-term debt	(15,313)	(9,757)
Contract liabilities	11,729	(4,196)	Increase in guarantee deposits	5,075	22,919
Notes payable	16,643	(39,329)	Cash payments for the principle portion of the lease liabilities	(10,336)	(10,070)
Accounts payable	25,682	21,348	Cash dividends	(240,000)	(300,000)
Others payable	35,239	21,537	Interest paid	(3,999)	(2,374)
Other current liabilities	(46,970)	62,305	Other changes in capital surplus	48	64
Net defined benefit liabilities	(5,695)	(5,898)	Net cash (used in) financing activities	(266,525)	(199,218)
Other non-current liabilities	(12,707)	(8,629)	Effect of exchange rate changes on cash and cash equivalents	748	(385)
Cash generated from operations	787,791	545,306	Net increase (decrease) in cash and cash equivalents	106,576	(84,364)
Interest paid	(2,305)	(921)	Cash and cash equivalents at the beginning of year	1,444,734	1,529,098
Income tax paid	(125,370)	(89,846)	Cash and cash equivalents at the end of year	\$1,551,310	\$1,444,734
Net cash provided by operating activities	660,116	454,539			

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO., LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED 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, imports and exports 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 consolidated financial statements of the Company and subsidiaries (hereinafter referred to as “the Group”) 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 Group 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 Group.

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 Group 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 Group.

3. Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have not been endorsed by FSC, and not yet adopted by the Group 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
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 Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group 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 Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

#### IV. SUMMARY OF MATERIAL ACCOUNTING POLICIES

##### 1. Statement of compliance

The consolidated financial statements of the Group for the years ended 31 December 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations"), IFRS, IAS, IFRIC and SIC which endorsed by FSC (TIFRSs).

##### 2. Basis of preparation

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

##### 3. Basis of consolidation

###### Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (1) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (2) exposure, or rights, to variable returns from its involvement with the investee, and
- (3) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (1) the contractual arrangement with the other vote holders of the investee
- (2) rights arising from other contractual arrangements
- (3) the Group's voting rights and potential voting rights



The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- (1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (2) derecognizes the carrying amount of any non-controlling interest;
- (3) recognizes the fair value of the consideration received;
- (4) recognizes the fair value of any investment retained;
- (5) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- (6) recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			31 Dec. 2024	31 Dec. 2023
The Company	Taiyen Biotech (Samoa) Co., Ltd. (Taiyen Samoa)	Reinvestment business	100%	100%
The Company	Taiyen Green Energy Co., Ltd. (Taiyen Green Energy)	Energy related business	66.75%	66.75%
Taiyen Samoa	Taiyen Biotech Co., Limited (Taiyen Hong Kong)	Reinvestment business	100%	100%
Taiyen Hong Kong	Taiyen (Xiamen) Import&Export Co., Ltd.(Taiyen (Xiamen))	Commodity trading, import and export business	100%	100%

#### 4. Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group 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 Group 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.

#### 5. 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:

- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) 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.

## 6. Current and non-current distinction

An asset is classified as current when:

- (1) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- (2) The Group holds the asset primarily for the purpose of trading.
- (3) The Group 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 Group expects to settle the liability in its normal operating cycle.
- (2) The Group 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 Group 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.

## 7. 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.

## 8. Financial instruments

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

Financial assets and financial liabilities 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 Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group 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 Group'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 receivable, 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 Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group 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 Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
  - (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group 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 Group 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 disposal 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 Group 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 Group 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 Group 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 receivable or contract assets arising from transactions within the scope of IFRS 15, the Group 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 Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group 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 Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- C. The Group 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 Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

#### 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.

#### 9. 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 Group.

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 Group 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.

## 10. 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.

## 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 Group 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 Group'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 group 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 Group transfers properties to or from investment properties according to the actual use of the properties.

The Group 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 Group 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 Group 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 Group 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 Group 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 Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

#### Group as a lessee

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

At the commencement date, the Group 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 Group 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 Group 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 Group measures the lease liability on an amortized 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 Group 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 Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group 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 Group 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 Group accounted for as short-term leases or leases of low-value assets, the Group 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 Group 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.

### Group as a lessor

At inception of a contract, the Group 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 Group 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 Group allocates the consideration in the contract applying IFRS 15.

The Group 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 Group 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 Group 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 groups 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 Group 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 Group 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 Group 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.

When the unavoidable cost of meeting the obligations under the contract exceeds the expected receivable economic benefits from the contract, the provision of onerous contract should be recognized.

#### 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.

#### Provision for Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

### 17. Revenue recognition

The Group'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 follows:

#### Sale of goods

The Group 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 Group 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 Group 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 Group 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 Group's sale of goods is from 90 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivable. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Beside, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

#### Rendering of services

The Group provides solar engineering design, application services and professional integration services. Throughout the process of providing labor services, the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, meets the criteria which satisfies a performance obligation and recognizes revenue over time.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

When the outcome of the construction contract could not be reasonably estimated, cost recovery method would be applied. Revenue could only be recognized to the same amount of costs incurred.

When the situation changes, the estimation of revenue, costs and stage of completion should be revised. During the period that the management was informed, the changes should be reflected on the income.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

#### Construction Contract

The Group mostly provides solar energy construction services. As the Group provides the services over the contract period, the customers simultaneously receive control of the asset.



Hence, the related revenue is recognized by the percentage of completion method over the contract period.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

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The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

#### Sale of solar power

The Group 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 Group as agreed.

### 18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 19. Post-employment benefits

All regular employees of the Company and its domestic subsidiaries 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 and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries 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. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

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:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group 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.

## 20. Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

## 21. 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 Group 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 Group's consolidated 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 Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### Operating lease commitment-Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group 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.

#### Revenue recognition from service contracts and construction contracts

The Group recognizes revenue from service contracts and construction contracts by using the input method to measure the percentage of completion. The percentage of completion is estimated based on the proportion of contract costs incurred to the estimated total contract costs to determine the percentage of completion of the contract.

The estimates of total costs and contract items which are determined by management based on the nature of different projects, expected contract amount, duration, implementation methods of project, etc., which may affect the calculation of the percentage of completion.

### 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

When 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 will 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 Group 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 rate discount 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 Group 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 above-mentioned sales returns and allowance, 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) Trade receivables–estimation of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note VI for more details.

(8) Provision

The Group estimates provision for onerous contracts based on historical experience and other known factors.

The Group regularly assesses the likelihood and related legal costs of obligations arising from legal lawsuits, and when the present obligation is probable and the amount can be reasonably estimated, the Group recognizes provision for the legal matters.

## (9) 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 Group 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 Group 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	\$1,101	\$1,122
Saving account	585,558	498,468
Cash equivalents		
Time deposits with maturities within 12 months	964,651	945,144
Total	<u>\$1,551,310</u>	<u>\$1,444,734</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	\$43,390	\$36,379
Saving accounts — reimbursement account	-	1,816
Restricted deposit	37,886	-
Total	<u>\$81,276</u>	<u>\$38,195</u>
Current	\$40,305	\$4,235
Non-current	40,971	33,960
Total	<u>\$81,276</u>	<u>\$38,195</u>

Please refer to Note VI(16) 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	\$2,679
Less: loss allowance	-	-
Total	<u>\$1,862</u>	<u>\$2,679</u>

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment . Please refer to Note VI(16) for more details on loss allowance and Note XII for details on credit risk.

### 5. Trade receivables

	As at	
	31 Dec. 2024	31 Dec. 2023
Trade receivables	\$311,558	\$340,863
Less: loss allowance	(157,974)	(73,691)
Total	<u>\$153,584</u>	<u>\$267,172</u>

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\$311,558 thousand and NT\$340,863 thousand, respectively.

Please refer to Note VI(16) 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	85,337	67,804
Total	<u>\$427,321</u>	<u>\$394,735</u>

The cost of inventories recognized in expenses amounts to NT\$1,840,436 thousand and NT\$1,840,406 thousand for the years ended 31 December 2024 and 2023, including the write-down of inventories of NT\$2,366 thousand and NT\$4,768 thousand for the years ended 31 December 2024 and 2023.

No inventories were pledged.

#### 7. Property, plant and equipment

	As at	
	31 Dec. 2024	31 Dec. 2023
Owner occupied property, plant and equipment	<u>\$3,988,175</u>	<u>\$3,872,461</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	\$1,423,404	\$2,851,983	\$27,940	\$124,525	\$632,491	\$7,072,757
Additions	-	-	678	2,442	36	662	288,621	292,439
Disposals	-	(1,771)	(3,125)	(86,049)	(729)	(4,243)	-	(95,917)
Transfers	-	4,372	143,816	584,135	2,987	9,112	(744,422)	-
Exchange differences	-	-	-	-	-	17	-	17
Other changes	-	-	3,717	(6,266)	-	-	9,874	7,325
As at 31 Dec. 2024	<u>\$1,816,038</u>	<u>\$198,977</u>	<u>\$1,568,490</u>	<u>\$3,346,245</u>	<u>\$30,234</u>	<u>\$130,073</u>	<u>\$186,564</u>	<u>\$7,276,621</u>
As at 1 Jan. 2023	\$1,816,038	\$193,061	\$1,353,839	\$2,808,636	\$27,932	\$117,415	\$440,464	\$6,757,385
Additions	-	-	289	1,191	30	3,064	339,721	344,295
Disposals	-	(364)	(864)	(57,742)	(541)	(2,144)	-	(61,655)
Transfers	-	3,679	43,753	93,615	519	6,128	(147,694)	-
Exchange differences	-	-	-	-	-	(10)	-	(10)
Other changes	-	-	26,387	6,283	-	72	-	32,742
As at 31 Dec. 2023	<u>\$1,816,038</u>	<u>\$196,376</u>	<u>\$1,423,404</u>	<u>\$2,851,983</u>	<u>\$27,940</u>	<u>\$124,525</u>	<u>\$632,491</u>	<u>\$7,072,757</u>
Depreciation and impairment:								
As at 1 Jan. 2024	\$5,356	\$168,816	\$871,568	\$2,029,552	\$22,065	\$102,939	\$-	\$3,200,296
Depreciation	-	6,468	49,206	115,192	1,899	9,210	-	181,975
Disposals	-	(1,758)	(2,610)	(85,531)	(729)	(4,240)	-	(94,868)
Transfers	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	16	-	16
Other changes	-	-	299	728	-	-	-	1,027
As at 31 Dec. 2024	<u>\$5,356</u>	<u>\$173,526</u>	<u>\$918,463</u>	<u>\$2,059,941</u>	<u>\$23,235</u>	<u>\$107,925</u>	<u>\$-</u>	<u>\$3,288,446</u>
As at 1 Jan. 2023	\$5,356	\$162,624	\$814,957	\$1,983,049	\$20,436	\$96,299	\$-	\$3,082,721
Depreciation	-	6,556	43,528	102,978	2,170	8,789	-	164,021
Disposals	-	(364)	(647)	(56,475)	(541)	(2,140)	-	(60,167)
Transfers	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	(9)	-	(9)
Other changes	-	-	13,730	-	-	-	-	13,730
As at 31 Dec. 2023	<u>\$5,356</u>	<u>\$168,816</u>	<u>\$871,568</u>	<u>\$2,029,552</u>	<u>\$22,065</u>	<u>\$102,939</u>	<u>\$-</u>	<u>\$3,200,296</u>
Net carrying amount as at:								
As at 31 Dec. 2024	<u>\$1,810,682</u>	<u>\$25,451</u>	<u>\$650,027</u>	<u>\$1,286,304</u>	<u>\$6,999</u>	<u>\$22,148</u>	<u>\$186,564</u>	<u>\$3,988,175</u>
As at 31 Dec. 2023	<u>\$1,810,682</u>	<u>\$27,560</u>	<u>\$551,836</u>	<u>\$822,431</u>	<u>\$5,875</u>	<u>\$21,586</u>	<u>\$632,491</u>	<u>\$3,872,461</u>

Please refer to Note VIII for more details on property, plant and equipment under pledge.

## 8. Investment properties

	Land	Land improvements	Buildings	Total
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	\$34,201	\$32,518
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	\$8,456	\$8,276

No investment properties were pledged.

As of 31 December 2024 and 2023, the fair value of investment properties held by the Group amounted to NT\$4,922,369 thousand and NT\$4,081,258 thousand, respectively. 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 years	0-25.4 years

## 9. 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 Group 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 Group'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 Group'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, respectively.

## 10. Short-term borrowings (Note)

	Interest Rates (%)	As at	
		31 Dec. 2024	31 Dec. 2023
Unsecured bank loans	1.95%~2.575%	<u>\$98,000</u>	<u>\$100,000</u>

The Group's unused short-term lines of credits amount to NT\$0 thousand and NT\$278,153 thousand as at 31 December 2024 and 2023, respectively.

(Note) Taiyen Green Energy engaged in borrowing to replenish capital.

## 11. Long-term borrowings (Note)

Details of long-term loans as at 31 December 2024 and 2023 are as follows:

Lenders	As at 31 Dec. 2024	Interest Rate	Maturity date and terms of repayment
Taishin International Bank – secured bank loan	\$44,507	2.84%	From 16 June 2020 to 16 June 2035, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT\$357 thousand. The remaining principal and interest shall be paid in full by the last installment.(Note 1)
Taishin International Bank – secured bank loan	2,803	2.84%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT\$19 thousand. The remaining principal and interest shall be paid in full by the last installment. (Note 1)
Taishin International Bank – secured bank loan	9,637	2.84%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT\$66 thousand. The remaining principal and interest shall be paid in full by the last installment. (Note 1)
First Commercial Bank – secured bank loan	3,334	2.175%	From 20 December 2022 to 20 December 2025, with interest payable monthly from the start date. Principal is repaid in 36 monthly installments in the amount of NT\$278 thousand. The remaining principal and interest shall be paid in full by the last installment.
First Commercial Bank – secured bank loan	12,222	2.175%	From 20 October 2023 to 20 October 2026, with interest payable monthly from the start date. Principal is repaid in 36 monthly installments in the amount of NT\$556 thousand. The remaining principal and interest shall be paid in full by the last installment.
Subtotal	72,503		
Less: current portion	(66,947)		
Total	\$5,556		

Lenders	As at 31 Dec. 2023	Interest Rate	Maturity date and terms of repayment
Taishin International Bank – secured bank loan	\$48,794	1.57%	From 16 June 2020 to 16 June 2035, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT\$357 thousand. The remaining principal and interest shall be paid in full by the last installment.
Taishin International Bank – secured bank loan	3,034	1.57%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT\$19 thousand. The remaining principal and interest shall be paid in full by the last installment.
Taishin International Bank – secured bank loan	10,432	1.57%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT\$66 thousand. The remaining principal and interest shall be paid in full by the last installment.
First Commercial Bank – secured bank loan	6,667	2.05%	From 20 December 2022 to 20 December 2025, with interest payable monthly from the start date. Principal is repaid in 36 monthly installments in the amount of NT\$278 thousand. The remaining principal and interest shall be paid in full by the last installment.
First Commercial Bank – secured bank loan	18,889	1.90%~ 2.05%	From 20 October 2023 to 20 October 2026, with interest payable monthly from the start date. Principal is repaid in 36 monthly installments in the amount of NT\$556 thousand. The remaining principal and interest shall be paid in full by the last installment.
Subtotal	87,816		
Less: current portion	(15,313)		
Total	<u>\$72,503</u>		

(Note) Taiyen Green Energy engaged in borrowing to replenish capital.

(Note 1) Taiyen Green Energy obtained bank loans from financial institutions in June 2020 and March 2022. On 31 December 2024, a supplemental contract was signed to amend the maturity date to 31 March 2025. The aforementioned loans must be repaid in full before the new maturity date.

Please refer to Note VIII for assets pledged as collateral with aforementioned long-term borrowings.



## 12. Deferred revenue

	As at	
	31 Dec. 2024	31 Dec. 2023
Deferred revenue	\$297,721	\$307,188

Note 1: The Group 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 Group (the proprietor and the applicant for the first registration of the ownership of the building are both the Group). 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 Group 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).

Note 2: The Group 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 Group 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.

Note 3: The Company's subsidiary, Taiyen Green Energy, had jointly participated in the "Smart Fishery-Photovoltaic Symbiosis Industry Solution Refinement Project" organized by the Institute for Information Industry in prior years with JIN CHENG ENERGY CO., LTD. (hereinafter referred to as Jin Cheng Energy) to establish a "Smart Fishery-Photovoltaic Symbiosis Demonstration Base." After the project concluded, both parties entered into an agreement whereby Jin Cheng Energy transferred the ownership of the demonstration base to Taiyen Green Energy at no cost, while Jin Cheng Energy obtained a 20-year roof usage right free of charge. Taiyen Green Energy recognized the fair value of the building as deferred income, which is being amortized over its remaining useful life. As of 31 December 2024, the unamortized amount is NT\$3,398 thousand.

### 13. Post-employment benefits

#### Defined contribution plan

The Group adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Group will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Group 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\$17,446 thousand and NT\$17,773 thousand, respectively.

#### Defined benefits plan

The Group 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 Group 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 Group and subsidiaries 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 Group 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 a 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 Group 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 Group 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 both 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 periods 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	(274,618)	(246,586)	(243,047)
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	<u>318,267</u>	<u>(246,863)</u>	<u>71,404</u>
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	<u>37,958</u>	<u>(409)</u>	<u>37,549</u>
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	<u>352,560</u>	<u>(249,742)</u>	<u>102,818</u>

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (assets)
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	<u>\$312,299</u>	<u>\$(274,618)</u>	<u>\$37,681</u>

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.

#### 14. Equity

##### (1) Common stock

As of 31 December 2024 and 2023 the Group's authorized common stock both amounted to NT\$8,000,000 thousand. The outstanding common stock 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. The Company's Articles of Incorporation further provide that no more than 90% of the dividends to shareholders, if any, could be paid in the form of share dividends. Accordingly, at least 10% of the dividends must be paid in the form of cash.

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 reserve 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 amounted to 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 (18) for details on employees' compensation and remuneration to directors.

(4) Non-controlling interests

	For the years ended 31 December	
	2024	2023
Beginning balance	\$57,600	\$140,690
Profit (loss) attributable to non-controlling interests	(54,072)	(83,090)
Ending balance	\$3,528	\$57,600

15. Operating revenue

	For the years ended 31 December	
	2024	2023
Revenue from contracts with customers		
Sale of goods	\$3,131,813	\$3,168,668
Revenue arising from rendering of services	57,425	144,776
Construction contract revenue	25,247	79,933
Electricity sales revenue	23,667	15,434
Total	\$3,238,152	\$3,408,811

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	Construction and services	Other Dept.	Total
Sales of goods	\$2,607,543	\$470,568	\$-	\$53,702	\$3,131,813
Rendering of services	-	-	57,425	-	57,425
Construction revenue	-	-	25,247	-	25,247
Electricity sales revenue	-	-	11,785	11,882	23,667
Total	<u>\$2,607,543</u>	<u>\$470,568</u>	<u>\$94,457</u>	<u>\$65,584</u>	<u>\$3,238,152</u>

Timing of  
revenue  
recognition:

At a point in time	\$2,607,543	\$470,568	\$11,785	\$65,584	\$3,155,480
Over time	-	-	82,672	-	82,672
Total	<u>\$2,607,543</u>	<u>\$470,568</u>	<u>\$94,457</u>	<u>\$65,584</u>	<u>\$3,238,152</u>

For the year ended 31 December 2023:

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Construction and services	Other Dept.	Total
Sales of goods	\$2,636,482	\$474,589	\$-	\$57,597	\$3,168,668
Rendering of services	-	-	144,776	-	144,776
Construction revenue	-	-	79,934	-	79,934
Electricity sales revenue	-	-	12,526	2,907	15,433
Total	<u>\$2,636,482</u>	<u>\$474,589</u>	<u>\$237,236</u>	<u>\$60,504</u>	<u>\$3,408,811</u>

Timing of  
revenue  
recognition:

At a point in time	\$2,636,482	\$474,589	\$12,526	\$60,504	\$3,184,101
Over time	-	-	224,710	-	224,710
Total	<u>\$2,636,482</u>	<u>\$474,589</u>	<u>\$237,236</u>	<u>\$60,504</u>	<u>\$3,408,811</u>



(2) Contract balances

A. Contract assets – current

	As at		
	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Rendering of services	\$342,850	\$393,380	\$472,758

The significant changes in the Group's balances of contract assets 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 trade receivable	\$(63,593)	\$(166,712)
Change in the measure of progress	33,125	105,763
Impairment	(20,062)	(18,429)

B. Contract liabilities - current

	For the years ended 31 December		
	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Sales of goods	\$33,603	\$34,139	\$46,787
Rendering of services	76,160	63,895	55,443
Total	\$109,763	\$98,034	\$102,230

The significant changes in the Group'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	\$(62,462)	\$(103,522)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	74,191	99,326

(3) Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$458,460 thousand and NT\$1,024,012 thousand as at 31 December 2024 and 2023, respectively. Revenue was recognized using the degree of completion of performance obligations.

16. Expected credit losses / (gains)

	For the years ended 31 December	
	2024	2023
Operating expense- Expected credit losses/gains		
Contract assets	\$-	\$-
Notes receivable	-	-
Trade receivables	84,283	73,559
Other receivables	(8,013)	8,013
Total	<u>\$76,270</u>	<u>\$81,572</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 Group 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 Group measures the loss allowance of its contract assets, trade receivables (including note receivables and trade receivables) and other receivables at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of 31 December 2024 and 2023 is as follow:

- (1) As of 31 December 2024 and 2023 the total book value of contract asset was NT\$401,778 thousand and NT\$430,468 thousand, respectively; and the amount of loss allowance measured by the expected credit loss rate of 0% was NT\$0 thousand.
- (2) The Group considers the trade receivables by the counterparties' credit rating, by geographical region and by industry sector, and the Group individually assesses and provides for losses for the counterparties with overdue receivables. As of 31 December 2024 and 2023, the individually assessed amounts were NT\$161,161 thousand and NT\$179,883 thousand, respectively, and the loss allowances amounted to NT\$157,842 thousand and NT\$73,559 thousand. The other loss allowance is measured by using a provision matrix with a rate of 0.08%. The details are as follows:

As at 31 December 2024

	Not yet due (Note)	Overdue			Total
		<=90 days	90-180 days	>=180 days	
Gross carrying amount	\$152,259	\$-	\$-	\$-	\$152,259
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					<u>\$152,127</u>

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

As at 31 December 2023

	Not yet due	Overdue			
	(Note)	<=90 days	90-180 days	>=180 days	Total
Gross carrying amount	\$163,578	\$81	\$-	\$-	\$163,659
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					<u>\$163,527</u>

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

(3) The Group individually assesses and provides for losses for the counterparties with overdue other receivables. As of 31 December 2024 and 2023, the individually assessed amounts were NT\$0 thousand and NT\$23,283 thousand, respectively, and the loss allowance amounted to NT\$0 thousand and NT\$8,013 thousand, respectively.

The movements in the provision for impairment of contract assets, notes receivable, trade receivables and other receivables for the years ended 31 December 2024 and 2023 are as follows:

	Contract assets	Notes receivable	Trade receivables	Other receivables
Balance as at 1 Jan. 2024	\$-	\$-	\$73,691	\$8,013
Addition/(reversal) for the current period	-	-	84,283	(8,013)
Write off	-	-	-	-
Balance as at 31 Dec. 2024	<u>\$-</u>	<u>\$-</u>	<u>\$157,974</u>	<u>\$-</u>
Balance as at 1 Jan. 2023	\$-	\$-	\$132	\$-
Addition/(reversal) for the current period	-	-	73,559	8,013
Write off	-	-	-	-
Balance as at 31 Dec. 2023	<u>\$-</u>	<u>\$-</u>	<u>\$73,691</u>	<u>\$8,013</u>

## 17. Leases

### (1) Group as a lessee

The Group 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 Group'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	4,346	2,814
Transportation equipment	7,163	5,655
Other equipment	202	280
Total	<u>\$34,747</u>	<u>\$32,912</u>

For the years ended 31 December 2024 and 2023, the Group's additions to right-of-use assets amounted to NT\$12,678 thousand and NT\$4,560 thousand, respectively.

### (b) Lease liabilities

	As at	
	31 Dec. 2024	31 Dec. 2023
Lease liabilities	<u>\$34,696</u>	<u>\$32,354</u>
Current	\$8,764	\$7,261
Non-current	25,932	25,093
Total	<u>\$34,696</u>	<u>\$32,354</u>

Please refer to Note VI(19) 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 of 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	3,753	3,749
Transportation equipment	5,043	4,052
Other equipment	78	81
Total	<u>\$10,843</u>	<u>\$9,846</u>

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2024	2023
The expenses relating to short-term leases	\$2,464	\$2,448

D. Cash outflow relating to leasing activities

For the years ended 31 December 2024 and 2023, the Group's total cash outflows for leases amounted to NT\$13,562 thousand and NT\$13,257 thousand, respectively.

(2) Group as a lessor

Please refer to Note VI(8) for details on the Group'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	\$34,368	\$32,578

Please refer to Note VI(8) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Group, 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	\$28,009	\$27,189
Later than one year but not later than two years	26,648	24,934
Later than two years but not later than three years	27,233	25,266
Later than three years but not later than four years	25,604	25,562
Later than four years but not later than five years	27,244	25,562
Later than five years	387,095	413,443
Total	\$521,833	\$541,956

18. Employee benefit, 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	\$199,913	\$339,154	\$539,067	\$212,829	\$331,757	\$544,586
Labor and health insurance	19,341	26,321	45,662	19,945	26,753	46,698
Pension	13,197	13,029	26,226	13,593	13,197	26,790
Other employee benefits expense	10,608	13,619	24,227	10,214	12,789	23,003
Depreciation	145,209	60,481	205,690	131,164	55,733	186,897
Amortization	8,028	4,875	12,903	6,869	4,293	11,162

According to Article 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.

#### 19. Non-operating income and expenses

##### (1) Other income

	For the years ended 31 December	
	2024	2023
Rental income	\$34,368	\$32,578
Interest income		
Financial assets measured at amortized cost	37,928	35,929
Others	55,657	44,531
Total	\$127,953	\$113,038

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	\$(1,044)	\$(1,279)
Foreign exchange gains (losses), net	38,544	(5,667)
Gains on financial assets at fair value through profit or loss	12,854	7,434
(Losses) on disaster	(6,439)	(4,134)
(Losses) on indemnities (Note 1)	(18,984)	(19,878)
Other expenses (Note 2)	(68,053)	(70,477)
Total	<u>\$(43,122)</u>	<u>\$(94,001)</u>

Note 1: Taiyen Green Energy accrued the estimated compensation loss based on the arbitration result in the year 2024.

Taiyen Green Energy accrued the negotiated compensation to the landowners and cultivators for the damages caused by the construction of the power plant, with the payment being completed by 31 December 2023.

Note 2: 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 borrowings from bank	\$(4,033)	\$(2,428)
Interest on lease liabilities	(762)	(739)
Other interest expenses	(1,543)	(182)
Total	<u>\$(6,338)</u>	<u>\$(3,349)</u>



## 20. 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	<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 income	<u>\$(37,935)</u>	<u>\$-</u>	<u>\$7,510</u>	<u>\$(30,425)</u>

## 21. 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

	For the years ended 31 December	
	2024	2023
Current income tax expense:		
Current income tax charge	\$104,814	\$116,162
Adjustments in respect of current income tax of prior periods	(2,414)	(2,226)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	13,180	(2,116)
Total income tax expense	<u>\$115,580</u>	<u>\$111,820</u>

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

	For the years ended 31 December	
	2024	2023
Deferred tax expense (income):		
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:

	For the years ended 31 December	
	2024	2023
Accounting profit before tax from continuing operations	<u>\$433,032</u>	<u>\$329,116</u>
Tax at the domestic rates applicable to profits in the country concerned	\$64,823	\$32,998
Tax effect of revenues exempt from taxation	19,139	31,874
Tax effect of expenses not deductible for tax purposes	249	61
Tax effect of deferred tax assets/liabilities	33,783	49,113
Corporate income surtax on undistributed retained earnings	-	-
Adjustments in respect of current income tax of prior periods	(2,414)	(2,226)
Total income tax expense recognized in profit or loss	<u>\$115,580</u>	<u>\$111,820</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	8,389	(1,619)	-	6,770
Onerous contract loss	761	(525)	-	236
Compensated absence	3,696	115	-	3,811
Deferred income	564	(163)	-	401
Net defined benefit liability, non- current	18,847	(1,139)	(10,133)	7,575
Employee welfare committee established	160	(80)	-	80
Others	24,511	(149)	-	24,362
Deferred tax income (expenses)		<u>\$(13,180)</u>	<u>\$(10,133)</u>	
Net deferred tax assets /(liabilities)	<u>\$47,518</u>			<u>\$24,205</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$81,899</u>			<u>\$63,646</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	8,454	(65)	-	8,389
Onerous contract loss	815	(54)	-	761
Compensated absence	3,610	86	-	3,696
Deferred income	333	231	-	564
Net defined benefit liability, non- current	12,517	(1,180)	7,510	18,847
Employee welfare committee established	240	(80)	-	160
Others	24,660	(149)	-	24,511
Deferred tax income (expenses)		<u>\$2,116</u>	<u>\$7,510</u>	
Net deferred tax assets /(liabilities)	<u>\$37,892</u>			<u>\$47,518</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$72,124</u>			<u>\$81,899</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 Group is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary - Taiyen Green Energy	Assessed and approved up to 2022

## 22. 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.

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

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 Group 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>
CHERN FENG ENGINEERING TECH CO., LTD.(Note)	Substantive related party(before 20 June 2024)

Note: The subsidiary, Taiyen Green Energy was relieved of its director position following the member re-election of the board of directors at the shareholders' meeting on 20 June 2024.

### Significant transactions with related parties

#### 1. Trade payables- related party

	<u>As at</u>	
	<u>31 Dec. 2024</u>	<u>31 Dec. 2023</u>
Substantive related party	<u>\$-</u>	<u>\$42,901</u>

#### 2. Key management personnel compensation

	<u>For the years ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$19,222	\$21,459
Post-employment benefits	167	238
Total	<u>\$19,389</u>	<u>\$21,697</u>

## VIII. ASSETS PLEDGED AS COLLATERAL

The following table list asset of the Group pledged as collateral:

<u>Item</u>	<u>Carrying amount as at</u>		<u>Purpose of pledge</u>
	<u>31 Dec.2024</u>	<u>31 Dec.2023</u>	
Financial assets measured at amortized costs	\$36,390	\$36,379	Guarantee Deposits, Long-term borrowings
Financial assets measured at amortized costs	37,886	-	Current account subject to provisional attachment by the court
Financial assets measured at amortized costs	7,000	-	The guarantee for the provisional attachment
Property, plant and equipment-machinery and equipment	78,675	82,842	Long-term borrowings
Total	<u>\$159,951</u>	<u>\$119,221</u>	

## IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

1. The Group 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 is 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 Group 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 Group agrees to purchase 800 thousand cubic meters of gas from CPC in accordance with the CPC natural gas price list each month, and the Group will base its use on this amount evenly.
3. The Group signed a property purchase contract with Far Eastern New Century Co., Ltd. (hereinafter referred to as FENC) on 24 October 2024. The Group purchased PET bottles from FENC for approximately NT\$210 million. According to this contract, after the Group 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 Group was involved in the following activities that were not shown in the financial statements:

(1) Unused letters of credit :

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

- (2) The guaranteed notes issued by suppliers for the outsourcing services and construction, which were received by subsidiary - Taiyen Green Energy, amounted to NT\$127,807 thousand.
- (3) The performance bond issued by the subsidiary - Taiyen Green Energy for performance of contract services and construction amounted to NT\$736 thousand.

5. As of 31 December 2024, the Group 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. As of 31 December 2024, the "Chiayi Yizhu Fishing and Electricity Symbiosis Case EPC Turnkey Project" contracted by the subsidiary - Taiyen Green Energy had been inspected by the proprietor and Ministry of Economic Affairs, and the application for the change of an agricultural permit was submitted to the competent authority in accordance with the relevant regulations. Pursuant to the contract, if the project is delayed, Taiyen Green Energy shall pay liquidated damages; however, affected by factors such as the COVID-19 pandemic, force majeure events and delays occurred that were not attributable to Taiyen Green Energy, the company has applied for an extension of the construction period in accordance with the contract. The force majeure events included the government's transportation plan during lunar new year, the level 3 alert due to COVID-19, muddy conditions during the plum rain season or other weather conditions which made construction work impossible. Considering these various factors and based on negotiation between the two parties, Taiyen Green Energy believed that the possibility of paying penalties was low, and hence the contingent liability was not accrued. Additionally, for the additional construction payments related to this case, Taiyen Green Energy is still negotiating with the contractors. For the construction payments that are more likely to occur, they were accrued by Taiyen Green Energy.

Furthermore, regarding the "Engineering Design Service Contract for the Fishing and Electricity Symbiosis Site" related to this EPC turnkey project, Taiyen Green Energy has filed for mediation with the Chinese Arbitration Association, R.O.C., requesting the contract payment. However, the mediation was unsuccessful and the case has proceeded to arbitration. As of the financial reporting date, the case is still under arbitration proceedings.

7. EAK Consultants & Sustainability Technology CO., LTD. filed to the Chinese Arbitration Association, Taipei for mediation on 30 December 2022 regarding the dispute with Taiyen Green Energy over the "Construction Design Service Contract" and the changes made to the design. However, as the mediation was unsuccessful, the arbitration process was initiated. On 9 August 2024, the Chinese Arbitration Association rendered an arbitral award requiring Taiyen Green Energy to pay NT\$18,984 thousand, along with interest calculated at an annual rate of 5% from 14 June 2023 until the date of settlement. Taiyen Green Energy has recognized the related losses (recorded under other losses) in accordance with the aforementioned arbitral award. As Taiyen Green Energy disagreed with the arbitral award, it filed an action with the Tainan District Court of Taiwan to revoke the arbitral decision on 5 September 2024. As of the reporting date of the financial statements, the case is still under the first-instance litigation proceedings.



8. Lian Ting Construction Co., Ltd. (Lian Ting) filed for mediation to the Chinese Arbitration Association, Taipei on 12 June 2023 regarding the dispute with Taiyen Green Energy over the “Power Plant Civil Engineering Contract” and the additional works. However, as the mediation was unsuccessful, Lian Ting applied for arbitration with the Chinese Arbitration Association on 8 January 2024. As of the reporting date of the financial statements, this case was still under arbitration. Also, Lian Ting filed for mediation to the Chinese Arbitration Association on 28 November 2024 for the final contract payment dispute. As of the reporting date of the financial statements, the case was still under mediation procedure. Taiyen Green Energy assessed each construction dispute individually and recognized the construction costs which were more likely to occur as estimated accounts payables.
9. Lian Ting Construction Co., Ltd. (Lian Ting) filed for mediation to the Chinese Arbitration Association, Taipei on 11 January 2024 regarding the dispute with Taiyen Green Energy over the “Substation Civil Engineering Contract”. However, as the mediation was unsuccessful, Lian Ting applied for arbitration with Chinese Arbitration Association on 19 February 2024. Taiyen Green Energy assessed each construction dispute individually and recognized the construction costs which were more likely to occur as estimated accounts payables. The Chinese Arbitration Association rendered the arbitral award on 4 March 2025. The result of the arbitration did not significantly differ from the estimated accounts payables previously recognized by Taiyen Green Energy, and thus had no material impact on the company’s current operations and financial position.
10. KY Solar Co., Ltd. (KY Solar) and Taiyen Green Energy filed for mediation to the Chinese Arbitration Association, Taipei on 12 December 2023 regarding the dispute over the contract of “Mounting brackets and PV module installation”. However, as the mediation was unsuccessful, KY Solar applied for arbitration with the Chinese Arbitration Association on 19 August 2024. As of the reporting date of the financial statements, this case was still under arbitration. Taiyen Green Energy assessed each dispute individually and recognized the construction costs which were more likely to occur as estimated accounts payables.

On 27 September 2024, Taiyen Green Energy received a notice from the Civil Execution Department of the Tainan District Court informing that KY Solar had filed for a provisional seizure on bank deposits in the amount of NT\$28,502 thousand. Taiyen Green Energy raised objections to the enforcement proceedings on 8 October and 17 October 2024. On 28 October 2024, Taiyen Green Energy received a civil ruling from the Tainan District Court, which dismissed the excess portion of the execution. In addition, Taiyen Green Energy filed an objection to the provisional seizure ruling on 6 November 2024, and the Tainan District Court ruled on 17 January 2025 that the provisional seizure was groundless. KY Solar has since filed an appeal against the ruling. The bank deposits have been fully seized, and the account still had a positive balance; therefore, the matter did not have a material impact on Taiyen Green Energy’s current operations or financial position.

11. On 6 February 2024, Taiyen Green Energy filed for mediation with the Chinese Arbitration Association, Taipei regarding contract performance disputes under the “Solar PV System Application and Installation Service Contract” and other related agreements with Dinlon Energy Technology Co., Ltd. However, both parties agreed to bypass the mediation process and proceed directly to arbitration. Subsequently, arbitration proceedings were initiated. In addition, on 5 November 2024, Taiyen Green Energy received a counterclaim arbitration application from Dinlon Energy Technology Co., Ltd., requesting compensation for losses arising from the performance dispute. Taiyen Green Energy has been assessing, on an item-by-item basis, the possibility of recovering the outstanding accounts receivable. As of the reporting date of financial statements, this case was still under arbitration.
12. On 6 June 2024, Taiyen Green Energy filed for arbitration with the Chinese Arbitration Association, Taipei regarding contract performance disputes under the “Solar PV System Application and Installation Service Contract” with Sunwallet Co., Ltd. As of the reporting date of the financial statements, the arbitration proceedings have been suspended as the relevant parties of the project, including the end client and other contractors, have resumed negotiations.
13. Goldsunny Electric Engineering Co., Ltd. and Taiyen Green Energy filed for mediation to the Chinese Arbitration Association, Taipei on 14 August 2024 regarding the disputes over the “Mounting Brackets and PV Module Installation Project”, “Extra-High Voltage Equipment Installation and Integration Project” and “Site Environment and Power Monitoring System Project”. However, as the mediation was unsuccessful, Goldsunny applied for arbitration with the Chinese Arbitration Association on 3 January 2025. As of the reporting date of the financial statements, this case was still under arbitration, Taiyen Green Energy assessed each dispute of construction individually and recognized the construction costs which were more likely to occur as estimated accounts payables.
14. United Electrical Engineers Office and Taiyen Green Energy filed for mediation to the Chinese Arbitration Association, Taipei on 15 October 2024 regarding the contract disputes over the “Fishery and Electricity Symbiosis Substation Extra-High Voltage and Feeder Line Engineering Design” and “Fishery and Electricity Symbiosis Site MEP Engineering Design Services”. As of the reporting date of the financial statements, this case was still under arbitration, Taiyen Green Energy assessed each dispute individually and recognized the construction costs which were more likely to occur as estimated accounts payables.
15. Up And Up Engineering & Construction Co., Ltd. filed for mediation to the Chinese Arbitration Association, Taipei on 12 December 2024 regarding the dispute with Taiyen Green Energy over the “Chiayi Yizhu Fishery and Electricity Symbiosis Project 69kV Extra-High Voltage Cable Feeder Duct Civil Engineering” contract. As of the reporting date of the financial statements, this case was still under arbitration. Taiyen Green Energy assessed each dispute individually and recognized the construction costs which were more likely to occur as estimated accounts payables.

16. MRE 7 Ltd. filed for mediation to the Chinese Arbitration Association, Taipei on 31 December 2024 regarding the dispute with Taiyen Green Energy over the “Solar PV System Application and Installation Service Contract”. As of the reporting date of the financial statements, this case was still under arbitration. Taiyen Green Energy assessed each dispute individually and recognized the construction costs which were more likely to occur as estimated accounts payables.
17. On 16 December 2024, Taiyen Green Energy received a claim from Chung Ding Attorneys-at-Law on behalf of TCC Green Energy Corporation regarding a compensation claim against Taiyen Green Energy in connection with Section F under the “Chiayi Yizhu Fishery and Electricity Symbiosis Project EPC Turnkey Contract”, where the competent authority revoked the usage consent license due to the absence of actual breeding activities. Taiyen Green Energy has been assessing the relevant facts and evidence and determined that the likelihood of making compensation payment is low; therefore, no contingent liability was accrued.
18. 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.

Although the final outcome of the aforementioned cases will depend on future legal proceedings, most of the payments related to the decisions in question had already been recognized as costs or losses in prior years. Therefore, they had no material impact on the Company's current operations or financial position.

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)	1,550,209	1,443,612
Financial assets measured at amortized cost	81,276	38,195
Notes receivable	1,862	2,679
Trade receivables	153,584	267,172
Other receivables (accounted as other current assets)	6,233	23,431
Refundable deposits	38,538	5,821
Subtotal	1,831,702	1,780,910
Total	\$2,178,019	\$2,171,523

#### Financial liabilities

	As at	
	31 Dec. 2024	31 Dec. 2023
Financial liabilities at amortized cost:		
Short-term borrowings	\$98,000	\$100,000
Trade and other payables	767,064	695,899
Long-term borrowings (current portion included)	72,503	87,816
Guarantee deposits	136,528	131,453
Lease liabilities	34,696	32,354
Total	\$1,108,791	\$1,047,522

### 2. Financial risk management objectives and policies

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

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

The Group 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 Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group'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\$4,825 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 Group mainly invests in fixed interest rate financial assets and borrowings, therefore, the impact interest rate risk has on the Group is insignificant.

#### 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 Group is exposed to credit risk from operating activities (primarily for contract assets, trade receivables 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 Group'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 Group'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, contract assets and trade receivables from top ten customers represented 88% and 89% of the total contract assets and trade receivables of the Group, respectively. The credit concentration risk of other contract assets and trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group 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 Group'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 Group'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					
Borrowings	\$166,080	\$5,611	\$-	\$-	\$171,691
Trade and other payables	767,064	-	-	-	767,064
Lease liabilities (Note)	9,450	9,365	4,805	17,280	40,900

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 Dec. 2023					
Borrowings	\$117,255	\$28,084	\$11,919	\$37,619	\$194,877
Trade and other payables	695,899	-	-	-	695,899
Lease liabilities (Note)	7,925	7,133	4,382	19,445	38,885

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

	Maturities				
	Less than 5 year	6 to 10 years	11 to 15 years	> 15 years	Total
As at 31 Dec. 2024	\$23,620	\$10,800	\$6,480	\$-	\$40,900
As at 31 Dec. 2023	19,440	10,805	8,640	-	38,885

#### 6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2024:

	Short-term borrowings	Leases liabilities	Long-term borrowings	Total liabilities from financing activities
As at 1 Jan. 2024	\$100,000	\$32,354	\$87,816	\$220,170
Cash flows	(2,000)	(11,098)	(15,313)	(28,411)
Non-cash changes	-	13,440	-	13,440
As at 31 Dec. 2024	<u>\$98,000</u>	<u>\$34,696</u>	<u>\$72,503</u>	<u>\$205,199</u>

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term borrowings	Leases liabilities	Long-term borrowings	Total liabilities from financing activities
As at 1 Jan. 2023	\$20,000	\$37,864	\$77,573	\$135,437
Cash flows	80,000	(10,809)	10,243	79,434
Non-cash changes	-	5,299	-	5,299
As at 31 Dec. 2023	<u>\$100,000</u>	<u>\$32,354</u>	<u>\$87,816</u>	<u>\$220,170</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 Group to measure or disclose the fair values of financial assets and financial liabilities:

- A. The carrying amount of cash and cash equivalents, trade receivable, 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 Group'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 Group.



## 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 Group 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 Group's assets and liabilities

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

As at 31 December 2024

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

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
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 Group'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	-	42,649	-	42,649

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	-	36,379	-	36,379

9. Significant assets and liabilities denominated in foreign currencies

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

As of 31 December 2024			
Financial assets	Foreign currencies	Foreign exchange rate	NTD
Monetary items:			
USD	\$17,560	32.79	\$575,792
AUD	2,884	20.39	58,805
CNY	166	4.478	743
As of 31 December 2023			
Financial assets	Foreign currencies	Foreign exchange rate	NTD
Monetary items:			
USD	\$15,712	30.71	\$482,516
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 Group 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 amounted to NT\$38,544 thousand and NT\$(5,667) thousand, respectively.

#### 10. Financial asset transfer information

Derecognize transferred financial asset entirely

Part of the Group'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 Group 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 December 2024: None.

As at 31 December 2023

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

#### 11. Capital management

The primary objective of the Group'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 Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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 Group 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 year 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 for the year ended 31 December 2024: None.
- (8) Trade receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of 31 December 2024: None.
- (9) Financial instruments and derivative transactions: None.
- (10) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 2.

2. Information on investees:

- (1) The investee Group has significant influence or controller directly or indirectly: Please refer to Attachment 3.
- (2) If the Group has direct or indirect control over the investee, it must disclose the information of the invested 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 4.
- (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 5.

#### XIV. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has four reportable segments as follows:

1. Salt products and packaged water department
2. Biotech health, cosmetics and cleaning products department
3. Construction and services department
4. Other department

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on significant accounting policies information consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

1. Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

For the year ended 31 December 2024

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Construction and services	Others	Adjustments and eliminations	Total
Revenue from External customer	\$2,607,543	\$470,568	\$94,457	\$65,584	\$-	\$3,238,152
Inter-segment (Note)	-	-	16	18,729	(18,745)	-
Total revenue	<u>\$2,607,543</u>	<u>\$470,568</u>	<u>\$94,473</u>	<u>\$84,313</u>	<u>\$(18,745)</u>	<u>\$3,238,152</u>
Segment profit	<u>\$373,589</u>	<u>\$97,615</u>	<u>\$(160,860)</u>	<u>\$17,086</u>	<u>\$105,602</u>	<u>\$433,032</u>

For the year ended 31 December 2023

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Construction and services	Others	Adjustments and eliminations	Total
Revenue from External customer	\$2,636,482	\$474,589	\$237,236	\$60,504	\$-	\$3,408,811
Inter-segment (Note)	-	-	82,013	20,223	(102,236)	-
Total revenue	<u>\$2,636,482</u>	<u>\$474,589</u>	<u>\$319,249</u>	<u>\$80,727</u>	<u>\$(102,236)</u>	<u>\$3,408,811</u>
Segment profit	<u>\$422,168</u>	<u>\$100,231</u>	<u>\$(246,971)</u>	<u>\$(108,213)</u>	<u>\$161,901</u>	<u>\$329,116</u>

Note: Inter-segment revenue are eliminated on consolidation and recorded under the “adjustment and elimination” column.

## 2. Geographic information:

### (1) Revenue from external customers:

	For the years ended 31 December	
	2024	2023
Taiwan	\$3,206,806	\$3,405,482
Japan	30,857	2,850
China	489	479
Total	<u>\$3,238,152</u>	<u>\$3,408,811</u>

Revenue is classified based on the country where the customer is located.

### (2) Non-current assets:

	As at	
	31 Dec. 2024	31 Dec. 2023
Taiwan	\$5,310,571	\$5,171,782
China	24	32
Total	<u>\$5,310,595</u>	<u>\$5,171,814</u>

The non-current assets of the Group exclude financial assets, deferred tax asset and refundable deposits.

3. Product information:

Products	For the years ended 31 December	
	2024	2023
Various salt products	\$1,505,767	\$1,575,400
Drinking water	1,101,776	1,061,082
Cleaning supplies	172,541	161,245
Supplements, food additives and pharmaceuticals	164,549	177,104
Cosmetics	133,478	136,240
Rendering of services	57,425	144,776
Construction revenue	25,247	79,934
Others	77,369	73,030
Total	<u>\$3,238,152</u>	<u>\$3,408,811</u>

4. Important client information:

	For the years ended 31 December	
	2024	2023
Client A	\$990,109	\$953,475
Client B	145,601	155,409

## 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 business relationship, significant transactions and amounts between parent company and subsidiaries

No. (Note 1)	Related-party	Counter-party	Relationship with the Company (Note 2)	Transactions				
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets (Note 3)	Note
0	The Company	Taiyen (Xiamen)	1	Purchase	\$18,296	Paid by contract price after acceptance	0.57%	(Note 4)
1	Taiyen Green Energy	The Company	2	Contract assets	\$1,108	Paid by contract terms	0.01%	"

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0" .
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, interim cumulative balances are used as basis.

Note 4: Has been written off when preparing consolidated financial statements.

Attachment 3

The investee 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 1)	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)	(Note 2)
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	(Note 2)
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 2)

Note 1: Excluded from upstream transaction elimination of unrealized profits and losses between the company.

Note 2: Has been eliminated when preparing consolidated financial statements.

Attachment 4

Information on investment 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	-	(Note 5)

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 \$6,667,617*60%=\$4,000,570 (Note 4)

Note 1: Methods of investment 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 investment cumulative amount in Mainland Area is : 60% of the net value or net value of the merger, whichever is higher.

Note 5: Had been eliminated in the preparation of consolidated financial statements.

## Attachment 5

### Information on major shareholders

Shares 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 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.