

**Myson Century, Inc.**  
**Parent Company Only Financial Report**  
**and Independent Auditors' Report**

**For the Years Ended December 31, 2023 and 2022**

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## Independent Auditors' Report

To the Board of Directors of Myson Century, Inc.:

### Opinion

We have audited the accompanying parent company only balance sheets of Myson Century, Inc. as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statements of cash flows as of January 1 to December 31, 2023 and 2022, and notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and the audit reports of other public accountants, the above-mentioned parent company only financial statements present fairly, in all material aspects, the parent company only financial position of Myson Century, Inc. as of December 31, 2023 and 2022, and its parent company only financial performance and parent company only cash flows as of January 1 to December 31, 2023 and 2022 in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

### Basis for Opinion

We are engaged to conduct our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards. Our responsibility under such standards will be further explained in the section titled Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements. Our staffs subject to the independence requirements are complied with the Codes of Professional Ethics for Certified Public Accountants, independent of Myson Century, Inc., and have fulfilled other ethical responsibilities in accordance with the Codes. 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 refer to those matters that, in our professional judgment, were of most significance in the audit of Myson Century, Inc. parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

#### I. Revenue recognition

Please refer to Note 4(13) "Revenue recognition" of the parent company only financial statements for the accounting policy for the recognition of revenue, and Note 6(18) "Revenue from contracts with customers" of the parent company only financial statements for the relevant disclosure of revenue.

#### Description of Key Audit Matters:

Myson Century, Inc. is a TPEX-listed company involving in public interest, and shareholders are highly concerned about its operating performance. Therefore, revenue recognition is one of the key matters when conducting our audit.

Responsive audit procedures:

Our audit procedures for the above key audit matters primarily include the following: understanding the relevant internal controls on recognition of sales revenue; understanding the main revenue types, contract terms and transaction conditions to evaluate whether the accounting policies at the time of revenue recognition are appropriate; reviewing samples of sales contracts or orders, assessing the impact of the contract terms and transaction conditions on the revenue recognition, determining whether the accounting treatment is appropriate; and assessing whether the relevant information of revenue has been appropriately disclosed.

## II. Recognition of gains and losses on disposal of assets

Please refer to Note 4(9) “Property, plant and equipment” of the parent company only financial statements for the accounting policies of property, plant and equipment, and Note 6(20) “Non-operating income and expenses” for the gains on disposal of property, plant and equipment.

Description of Key Audit Matters:

Myson Century, Inc. sold its property in 2023, with a disposal price of NTD 71,086 thousand and a gain on disposal of NTD 34,788 thousand. The impact of the transaction on the financial statements is material. If it is not calculated and recorded correctly, it may affect the amounts of property, plant and equipment and gains or losses on disposal. Therefore, it is determined as a key audit matter.

Responsive audit procedures:

Our audit procedures for key audit matters regarding the recognition of gains and losses on disposal of assets include the following: obtaining relevant minutes of board meetings and real estate transaction contracts, understanding the content of the disposal transaction, the counterparty, and the reasonableness of pricing; examining payment documents to confirm whether the payer aligns with the counterparty of the transaction; and recalculating the gains and losses on disposal of assets and verifying the accuracy of the timing for recognizing these gains and losses.

## Other Matters

The Company’s 2022 parent company only financial statements were audited by other auditors, who issued an unqualified opinion on February 24, 2023.

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

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

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

Those charged with governance, including the Audit Committee, are responsible for overseeing Myson Century’s financial reporting process.

## Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the auditing principles, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial report, 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the directors.
4. Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the parent company only financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for under the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors, 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 stated in the Codes of Professional Ethics for Certified Public Accountants, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine the key audit matters for Myson Century's parent company only financial statements for the year ended December 31, 2023. We describe these matters in our auditor's 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.

KPMG Taiwan

許振隆 

CPAs:

陳國宗 

Reference number of  
Competent Authority's  
approval of attestation  
February 27, 2024

Chin-Kuan-Cheng (VI)  
: No.0960069825  
(89) Tai-Tsai-Cheng (VI) No.62474

  
**Myson Century, Inc.**  
**Balance Sheets**  
**December 31, 2023 and 2022**

Unit: NTD thousand

Assets	2023.12.31		2022.12.31			Liabilities and equity	2023.12.31		2022.12.31	
	Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>				
1100 Cash and cash equivalents (Note 6(1))	\$ 30,725	13	21,436	12	2130	Contract liabilities - current (Note 6(18) and 7)	\$ 2,033	1	-	-
1136 Financial assets at amortized cost - current (Note 6(3))	1,811	1	1,649	1	2170	Accounts payable	40,949	17	-	-
1180 Accounts receivable - related parties, net (Note 6(4), (18) and 7)	78,312	33	7,074	4	2200	Other payables	2,905	1	6,659	4
1200 Other receivables	1,197	1	3	-	2220	Other payables - related parties (Note 7)	10,021	5	-	-
1210 Other receivables - related parties (Note 7)	3,004	1	-	-	2280	Lease liabilities - current (Note 6(12), (24) and 7)	353	-	780	-
1220 Current tax assets for the period	6	-	30	-	2320	Long-term liabilities due within one year or one operating cycle (Note 6(11), (24) and 8)	-	-	2,085	1
1410 Prepayments	5,151	2	165	-	2399	Other current liabilities -other	39	-	33	-
1470 Other current assets	83	-	136	-		<b>Total current liabilities</b>	<b>56,300</b>	<b>24</b>	<b>9,557</b>	<b>5</b>
<b>Total current assets</b>	<b>120,289</b>	<b>51</b>	<b>30,493</b>	<b>17</b>		<b>Non-current liabilities:</b>				
<b>Non-current assets:</b>					2540	Long-term borrowings (Note 6(11), (24) and 8)	-	-	32,883	18
1517 Financial assets at fair value through other comprehensive income/loss - non-current (Note 6(2))	84,901	36	85,997	47	2580	Lease liabilities - non-current (Note 6(12), (24) and 7)	545	-	9,671	5
1535 Financial assets at amortized cost - non-current (Note 6(3) and 8)	-	-	1,750	1	2645	Guarantee deposits received (Note 6(24))	-	-	9,044	5
1550 Investments accounted for under the equity method (Note 6(6) and 7)	30,389	13	16,383	9		<b>Total non-current liabilities</b>	<b>545</b>	<b>-</b>	<b>51,598</b>	<b>28</b>
1600 Property, plant and equipment (Note 6(8) and 8)	341	-	38,063	20		<b>Total liabilities</b>	<b>56,845</b>	<b>24</b>	<b>61,155</b>	<b>33</b>
1755 Right-of-use assets (Note 6(9) and 7)	873	-	10,666	6		<b>Equity attributable to owners of the parent company (Note 6(2), (7) and (16)):</b>				
1780 Intangible assets (Note 6(10))	52	-	167	-	3100	Share capital	147,000	62	147,000	80
1920 Refundable deposits (Note 7)	97	-	97	-	3200	Capital surplus	169	-	103	-
<b>Total non-current assets</b>	<b>116,653</b>	<b>49</b>	<b>153,123</b>	<b>83</b>	3300	Retained earnings (deficit to be offset)	29,537	13	(4,386)	(2)
					3400	Other equity	3,391	1	(20,256)	(11)
						<b>Total equity</b>	<b>180,097</b>	<b>76</b>	<b>122,461</b>	<b>67</b>
<b>Total assets</b>	<b>\$ 236,942</b>	<b>100</b>	<b>183,616</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 236,942</b>	<b>100</b>	<b>183,616</b>	<b>100</b>

Chairman: Chang, Yu-Ming



(See accompanying Notes to Parent Company Only Financial Statements)  
 Managerial Officer: Chang, Shuo-Wen



Chief Accounting Officer: Chu, Li-Chuan



Myson Century, Inc.

Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (Note 6(18) and 7)	\$ 66,774	100	7,526	100
5000 Operating costs (Note 6(5) and 12)	54,855	82	(688)	(9)
5900 Operating Gross Profit	11,919	18	8,214	109
Operating expenses (Note 6(12), (14), (19) and 12):				
6100 Selling expenses	29	-	694	9
6200 Administrative expenses	17,551	26	28,941	385
<b>Total operational expenses</b>	<b>17,580</b>	<b>26</b>	<b>29,635</b>	<b>394</b>
6900 Operating losses	(5,661)	(8)	(21,421)	(285)
Non-operating income and expenses (Note 6(2), (12), (20) and 7):				
7100 Interest revenue	168	-	81	1
7010 Other income	3,580	5	10,398	138
7020 Other gains and losses	34,584	52	706	10
7050 Finance cost	(661)	(1)	(668)	(9)
7070 Shares of profit (loss) of subsidiaries, associates and joint ventures accounted for under the equity method	(960)	(1)	8,233	109
<b>Total non-operating income and expenses</b>	<b>36,711</b>	<b>55</b>	<b>18,750</b>	<b>249</b>
7900 Profit (Loss) Before Tax	31,050	47	(2,671)	(36)
7950 Less: Income tax expenses (Note 6(15))	-	-	-	-
8200 Net profit (loss) for the period	31,050	47	(2,671)	(36)
8300 Other comprehensive income/(loss):				
8310 Components not to be reclassified to profit or loss				
8316 Unrealized gains and losses on valuation of investment in equity instruments measured at fair value through other comprehensive income/loss (Note 6(16))	26,520	40	(39,144)	(520)
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(15))	-	-	-	-
<b>Other comprehensive income/loss of the period</b>	<b>26,520</b>	<b>40</b>	<b>(39,144)</b>	<b>(520)</b>
8500 Total comprehensive income/loss for the period	\$ 57,570	87	(41,815)	(556)
Earnings (losses) per share (Note 6(17)):				
9750 Basic earnings (losses) per share (Unit: NTD)	\$ 2.11		(0.18)	
9850 Diluted earnings (losses) per share (Unit: NTD)	\$ 2.11		(0.18)	

(See accompanying Notes to Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming



Managerial Officer: Chang, Shuo-Wen



Chief Accounting Officer: Chu, Li-Chuan



  
Myson Century, Inc.

Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

	Retained earnings				Other equity interest		Total equity
	Share capital - common stock	Capital surplus	Special reserve	Retained earnings (deficit to be offset)	Total	Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss	
<b>Balance as of January 1, 2022</b>	<b>\$ 600,000</b>	<b>4,660</b>	<b>196</b>	<b>(457,753)</b>	<b>(457,557)</b>	<b>17,173</b>	<b>164,276</b>
Net loss for the period	-	-	-	(2,671)	(2,671)	-	(2,671)
Other comprehensive income/loss of the period	-	-	-	-	-	(39,144)	(39,144)
Total comprehensive income/loss for the period	-	-	-	(2,671)	(2,671)	(39,144)	(41,815)
Appropriation and distribution of retained earnings:							
Special reserve to cover losses	-	-	(196)	196	-	-	-
Other changes in capital surplus:							
Capital surplus to cover losses	-	(4,557)	-	4,557	4,557	-	-
Capital reduction to cover losses	(453,000)	-	-	453,000	453,000	-	-
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	(1,715)	(1,715)	1,715	-
<b>Balance as of December 31, 2022</b>	<b>147,000</b>	<b>103</b>	<b>-</b>	<b>(4,386)</b>	<b>(4,386)</b>	<b>(20,256)</b>	<b>122,461</b>
Net profit for the period	-	-	-	31,050	31,050	-	31,050
Other comprehensive income/loss of the period	-	-	-	-	-	26,520	26,520
Total other comprehensive income/loss for the period	-	-	-	31,050	31,050	26,520	57,570
Changes in ownership interest of subsidiaries	-	66	-	-	-	-	66
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	2,873	2,873	(2,873)	-
<b>Balance as of December 31, 2023</b>	<b>\$ 147,000</b>	<b>169</b>	<b>-</b>	<b>29,537</b>	<b>29,537</b>	<b>3,391</b>	<b>180,097</b>

Chairman: Chang, Yu-Ming



(See accompanying Notes to Parent Company Only Financial Statements)

Managerial Officer: Chang, Shuo-Wen



Chief Accounting Officer: Chu, Li-Chuan



  
**Myson Century, Inc.**  
**Statement of Cash Flows**  
**For the years ended December 31, 2023 and 2022**

Unit: NTD thousand

	2023	2022
<b>Cash flows from operating activities:</b>		
Profit (Loss) Before Tax	\$ 31,050	(2,671)
<b>Adjustments:</b>		
Profit/loss		
Depreciation expense	2,002	2,684
Amortization expense	115	222
Interest expense	661	668
Interest revenue	(168)	(81)
Dividend revenue	(142)	(5,067)
Shares of loss (profit) of subsidiaries, associates and joint ventures accounted for under the equity method	960	(8,233)
Gains on disposal of property, plant and equipment	(34,788)	-
Unrealized foreign currency exchange gain	(67)	(158)
Lease modification losses (gains)	271	(548)
Total adjustments to reconcile profit (loss)	(31,156)	(10,513)
Changes in operating assets/liabilities:		
Changes in operating assets, net:		
Decrease in accounts receivable	-	555
Increase in accounts receivable - related parties	(71,238)	(7,074)
Increase in other receivables	(125)	-
Increase in prepayments	(4,986)	(78)
Decrease (increase) in other current assets	53	(136)
Total changes in operating assets, net	(76,296)	(6,733)
Changes in operating liabilities, net:		
Increase in contract liabilities	2,033	-
Increase (decrease) in accounts payable	40,949	(91)
(Decrease) increase in other payables	(3,700)	267
Increase (decrease) in other current liabilities	6	(3)
Total changes in operating liabilities, net	39,288	173
Total changes in operating assets and liabilities, net	(37,008)	(6,560)
Total adjustments	(68,164)	(17,073)
Cash flows generated from operation	(37,114)	(19,744)
Interest received	167	81
Dividends received	142	5,067
Interest paid	(565)	(668)
Income taxes refunded	24	140
<b>Cash outflow generated from operating activities</b>	(37,346)	(15,124)
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income/loss	-	(87,319)
Disposal of financial assets at fair value through other comprehensive income	26,544	39,816
Disposal of financial assets measured at amortized cost	1,588	18,445
Acquisition of investments accounted for under the equity method	(14,900)	-
Disposal of property, plant and equipment	71,086	-
Increase in other receivables- related parties	(3,000)	-
<b>Net cash flows from (used in) investing activities</b>	81,318	(29,058)
<b>Cash flows from financing activities:</b>		
Long-term borrowings	-	36,000
Repayment of long-term borrowings	(34,968)	(1,032)
Increase of guarantee deposits received	-	8,808
Decrease in guarantee deposits received	(9,044)	-
Increase in other receivables - related parties	10,000	-
Repayment of lease principal	(738)	(738)
<b>Net cash flows (used in) from investing activities</b>	(34,750)	43,038
<b>Effect of exchange rate changes on cash and cash equivalents</b>	67	158
<b>Increase (decrease) in cash and cash equivalents for the period</b>	9,289	(986)
<b>Cash and cash equivalents, beginning of period</b>	21,436	22,422
<b>Cash and cash equivalents, end of period</b>	<b>\$ 30,725</b>	<b>21,436</b>

(See accompanying Notes to Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming 

Managerial Officer: Chang, Shuo-Wen 

Chief Accounting Officer: Chu, Li-Chuan 

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements**  
**For the Years Ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**I. Company History**

Myson Century, Inc. (hereinafter referred to as “the Company”) was incorporated on July 29, 1991 with the approval by the Ministry of Economic Affairs. Its registered address is 8F., No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City. The Company's main business is the research, development, manufacture and sale of integrated circuit systems, together with technical consulting services for the above products and import/export trade business, trading of building materials, and indoor decoration. Sun Yad Construction Co., Ltd. is the parent company of the Company.

**II. The Date of Authorization for Issuance of the Financial Statements and Procedures**

The parent company only financial statements were authorized and issued by the Board of Directors on February 27, 2024.

**III. Application of New and Revised Standards and Interpretations**

- (I) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent company only financial statements, from January 1, 2023.

Amendments to IAS 1 “Disclosure of Accounting Policies”

Amendments to IAS 8 “Definition of Accounting Estimates”

Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent company only financial statements, from May 23, 2023.

Amendments to IAS 12 "International Tax Reform-Pillar Two Model Rules"

- (II) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its parent company only financial statements.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

Amendments to IAS 1 “Noncurrent Liabilities with Covenants”

Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

Amendment to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (III) The standards and interpretations of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements.

Amendments to IFRSs 10 and IAS 28 "The Assets Sale or Investment between Investors and Their Affiliates or Joint Ventures"

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

IFRS 17 "Insurance Contracts" and amendments to IFRS 17

Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"

Amendments to IAS 21 "Lack of Exchangeability"

**IV. Summary Of Significant Accounting Policies**

Significant accounting policies adopted during the preparation of the parent company only financial statements are summarized as follows: Except for those described in Note 3, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial report.

(I) Statement of compliance

The parent company only financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(II) Basis of preparation

1. Basis of measurement

Except for the financial assets at fair value through other comprehensive income, which are measured at fair value, these parent company only financial statements have been prepared on a historical cost basis.

2. Functional currency and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in NTD, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(III) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for differences relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(IV) Criteria for classifying assets and liabilities into current and non-current

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
2. Assets held mainly for trading purposes;
3. The asset is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a 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.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1. Liabilities that are expected to be settled within the normal operating cycle;
2. Liabilities held mainly for trading purposes;
3. The liability is expected to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(V) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are 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. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(VI) Financial instruments

Accounts receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

All regular way purchases or sales of financial assets classified with the same approach are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost and fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

The objective of the Company's business model is achieved by collecting contractual cash flows.

The assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus the cumulative amortization using the effective interest method, adjusted for any allowance for losses. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(2) Financial assets at fair value through other comprehensive income

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(3) Impairment of financial assets

The Company recognizes allowance for losses for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, other receivable, and guarantee deposit paid).

The Company measures allowance for losses at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Allowance for losses for accounts receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if the contract has an overdue amount for more than 30 days.

The Company considers a financial asset to be in default when the contract has an overdue amount for more than 90 days.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Lifetime ECLs of financial instruments are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the Company, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the Company would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Allowance for losses for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets. Allowance for losses for debt instruments measured at fair value through other comprehensive income are gains or losses on adjustment, which are recognized in other comprehensive income, rather than deducted from the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For the corporate borrowers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Based on the Company's experience, collecting overdue amounts from corporate borrowers becomes impossible once they are 90 days past due.

(4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers financial assets, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets shall still be recognized in its balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(2) Equity transactions

An equity instrument refers to any contract in which the Company has residual equity after deducting all liabilities from assets. The equity instruments issued by the Company are recognized at the acquisition price net of the direct issue cost.

(3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(4) Derecognition of financial liabilities

The Company derecognize financial liabilities when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(VII) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(VIII) Investment in subsidiaries

In preparing its parent company only financial statements, the Company accounts the investee companies that it possesses control using the equity. Using the equity method, the profit or loss during the period and other comprehensive income presented in parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

The Company accounts the changes in equity, under the condition that control is still present, as equity transactions between the proprietors.

(IX) Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are considered as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. Depreciation

Depreciation is calculated as the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

Land is not depreciated.

The estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

Building and structure	3~50 years
Other equipment	5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted as necessary.

(X) Lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use period or the end of the leasing period. In addition, the Company shall periodically evaluate whether the right-of-use asset is impaired, deal with the impairment loss that has incurred, and adjust the right-of-use assets for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. If the implicit rate in the lease can be reliably determined, the rate shall serve as the discount rate. If the rate cannot be reliably determined, the Company's incremental borrowing rate shall apply. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise:

- (1) fixed payments, including in-substance fixed payments;
- (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 under a residual value guarantee; and
- (4) payments for exercise prices related to purchase options or penalties for termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- (1) there is a change in future lease payments arising from the change in an index or rate;
- (2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee;
- (3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset;
- (4) there is a change of its assessment on the lease term resulting from a change of its assessment on whether it will exercise an extension or termination option; or
- (5) there is any lease modifications affecting the underlying asset, scope, or other terms of the lease.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

When the lease liability is remeasured due to the aforementioned changes in an index or rate, changes in amount expected to be payable under a residual value guarantee, or changes in its assessment on whether to exercise an extension or termination option, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset shall be reduced to reflect the partial or full termination of the lease and recognizes the difference between this amount and the re-measurement amount of the lease liability in profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. As a lessor

In the transaction where the Company serves as a lessor, the lease is classified based on whether it transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(XI) Intangible assets

1. Recognition and measurement

The intangible assets with finite useful lives acquired by the Company, including the cost of computer software, are measured at costs less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenditure is capitalized only if it is possible to increase the future economic benefits of the relevant specific assets. All other expenditures, including the goodwill and brand developed internally, are recognized in profit or loss as incurred.

3. Amortization

Amortization is calculated as the cost of an asset less its estimated residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives from the intangible asset becoming available for use.

The estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

Cost of computer software	1 ~ 5 years
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Amortization methods, useful lives, and residual values of intangible assets are reviewed at each reporting date and adjusted as necessary.

(XII) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For non-financial assets, excluding goodwill, their impairment can be reversed within the carrying amount (less depreciation or amortization) of the asset if no impairment loss was recognized in previous years.

(XIII) Revenue recognition

1. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The Company's main types of revenue are explained below.

(1) Sales of goods

The Company recognizes revenue when control of the products has transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company any has objective evidence that all criteria for acceptance have been satisfied. In addition, if the Company has not acquired the control over a specific product before transferring it to the customer, the revenue shall be recognized at a net amount.

The Company recognizes accounts receivable when the goods are delivered, as the Company is entitled the right to unconditionally collect the consideration at that time. Contractual liabilities are mainly due to the advance collected from goods sales contracts, which are transferred to revenue when the products are delivered to customers.

(2) Construction contracts

The Company is engaged in the contracting business of decoration engineering. Because the assets are controlled by the customer during construction, the revenue is gradually recognized over time based on either the proportion of the engineering cost incurred so far to the estimated total contract cost or the percentage of completion of the contract work. The contract includes fixed consideration. The customer makes a fixed amount of payment in accordance with the agreed schedule. If the amount of recognized revenue has not yet been paid, it is recognized as a contract asset. When the Company has an unconditional right to the consideration, the contract asset is transferred to accounts receivable.

If the degree of completion of the performance obligation under the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of the expected recoverable cost.

When the Company expects that the unavoidable cost of meeting the obligation under the construction contract exceeds the economic benefits expected from the contract, the provision for the onerous contract is recognized.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

If the situation changes, the estimates of revenue, cost, and level of completion shall be revised, and the resulting changes shall be reflected in the profit or loss during the period in which the management is aware of such change.

(3) Financing components

The Company expects all customer contracts will transfer goods or services to customers at intervals of no more than one year, as well as payment by the customer. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(XIV) Employee benefits

1. Definite contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(XV) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination, that (i) affects neither accounting nor taxable profits (losses), and that (ii) generates no equivalent taxable and deductible temporary difference at the time of the transaction;
2. temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities ; and

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
- (1) the same taxable entity; or
  - (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(XVI) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated by the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding adjusted for the dilutive effects of all potential ordinary shares, respectively. The Company's potential ordinary shares with dilutive effects include employee remuneration that can be distributed in shares.

(XVII) Segment information

The Company has already disclosed related information of its operating segments in the consolidated financial report, thus no additional information will be disclosed herein.

**V. Critical Accounting Judgments, Estimates and Assumptions on Uncertainty**

The preparation of the financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent only financial statements is as follows:

The Company acts as an agent rather than a principal in certain sales of goods because the Company evaluates that it does not possess control over specific goods before it is transferred to the customer, and the judgment factors considered are as follows:

1. The Company is under no obligation to provide products when the supplier is unable to transfer them to the customer, and assumes no responsibility for the acceptability of the products.
2. The Company has not promised to obtain the goods from the supplier before the customer makes the purchase, nor has it assumed any responsibility for damaged or returned goods.
3. Therefore, the related revenue is recognized when the labor service is delivered.

The estimations and assumptions made by the Company do not involve significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**VI. Description of Important Accounting Items**

(I) Cash and cash equivalents

	<b>2023.12.31</b>	<b>2022.12.31</b>
Cash and petty cash	\$ 40	60
Check deposits and demand deposits	30,685	21,376
Cash and cash equivalents listed in the Statement of Cash Flows	<b>\$ 30,725</b>	<b>21,436</b>

Please refer to Note 6(21) for the disclosure of the exchange rate risk and sensitivity analysis of the Company's financial assets.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(II) Financial assets at fair value through other comprehensive income

	<b>2023.12.31</b>	<b>2022.12.31</b>
Financial assets at fair value through other comprehensive income/loss - non-current:		
Stocks of TWSE/TPEX-listed company	<b>\$ 84,901</b>	<b>85,997</b>

The Company's investments in the above-mentioned equity instruments are strategic investments and not held for trading purposes, and therefore have been designated to be measured at fair value through other comprehensive income.

The Company recognized dividends income of NT\$142 thousand and NT\$0 thousand for the years ended December 31, 2023 and 2022, respectively, from the aforementioned equity instrument designated as investment at fair value through other comprehensive income.

In 2023 and 2022, due to a change in investment strategy, the Company sold some of the equity instruments designated to be measured at fair value through other comprehensive income. The fair values at the time of disposal was NT\$27,616 thousand and NT\$39,816 thousand, respectively. The accumulated gain (loss) on disposal was NT\$2,873 thousand and (NT\$1,715) thousand, respectively. The Company has transferred the aforementioned accumulated gain on disposal from other equity to retained earnings.

Please refer to Note 6(21) for market risk information.

None of the Company's financial assets measured at fair value through other comprehensive income had been pledged as collateral.

(III) Financial assets at amortized cost

	<b>2023.12.31</b>	<b>2022.12.31</b>
Current:		
Time deposits for longer than three months	<b>\$ 1,811</b>	<b>1,649</b>
Non-current:		
Time deposits with limited purpose	<b>\$ -</b>	<b>1,750</b>

The Company evaluates these assets with the intention of holding them until their maturity date to collect contractual cash flows. The cash flows generated by these financial assets are solely for the repayment of principal and interest on the outstanding principal amount. Therefore, they are recognized as financial assets at amortized cost.

1. Please refer to Note 6(21) for credit risk information.
2. For financial assets measured at amortized cost - non-current that are pledged as collateral, please refer to Note 8.

(IV) Accounts receivable

	<b>2023.12.31</b>	<b>2022.12.31</b>
Accounts receivable - related parties	<b>\$ 78,312</b>	<b>7,074</b>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics regarding to the customers' ability to pay the full amount due according to contractual terms, as well as incorporated forward-looking information, including macroeconomic and relevant industry information. The Company's expected credit loss of accounts receivable was analyzed as follows:

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

	<b>2023.12.31</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted-average rate of expected credit losses</b>	<b>Allowance provision for lifetime expected credit losses</b>
Not past due	\$ 78,312	- %	-
0 to 90 days past due	-	-	-
More than 91 days past due	-	100%	-
	<b><u>\$ 78,312</u></b>		<b><u>-</u></b>

  

	<b>2022.12.31</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted-average rate of expected credit losses</b>	<b>Allowance provision for lifetime expected credit losses</b>
Not past due	\$ 7,074	-	-
0 to 90 days past due	-	-	-
More than 91 days past due	-	100%	-
	<b><u>\$ 7,074</u></b>		<b><u>-</u></b>

None of the abovementioned financial assets has been pledged as collateral.

Please refer to Note 6(21) for other credit risk information.

(V) Inventories

The details of the cost of sales were as follows:

	<b>2023</b>	<b>2022</b>
Decoration engineering cost	\$ 54,855	-
Sales reclassified as cost of goods sold	-	10,917
Gain on price recovery of inventory	-	(11,605)
	<b><u>\$ 54,855</u></b>	<b><u>(688)</u></b>

In 2022, the Company sold the inventories for which devaluation losses had been recognized. As a result, there were no longer factors causing the net realizable value of inventories to be lower than the cost. This led to a recovery of the net realizable value of inventories, which was recognized as a deduction from the cost of sales.

The Company did not provide any inventories as collateral.

(VI) Investments accounted for under the equity method

The components of the investments accounted for under equity method at the reporting date were as follows:

	<b>2023.12.31</b>	<b>2022.12.31</b>
Subsidiary	<b><u>\$ 30,389</u></b>	<b><u>16,383</u></b>

Please refer to the consolidated financial statements for the year ended December 31, 2023 for further related information.

The Company did not provide any of its investments accounted for under the equity method as collateral.

(VII) Changes of ownership in subsidiaries

In November 2023, the Company participated in the cash capital increase of its subsidiary, Yuan Qiao Limited, with cash of NT\$ 6,900 thousand, which was not in proportion to its shareholding ratio, resulting in a decline in its shareholding ratio from 88.89% to 82.78%. The changes in shareholding ratio led to an increase in net equity value attributable to the Company increased of NT\$66 thousand, which was adjusted to the capital surplus.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(VIII) Property, plant and equipment

The statement of changes in property, plant and equipment of the Company is as follows:

	<u>Building and structure</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:			
Balance on January 1, 2023	\$ 68,457	2,253	70,710
Disposals	(68,319)	-	(68,319)
Balance on December 31, 2023	<u>\$ 138</u>	<u>2,253</u>	<u>2,391</u>
Balance on January 1, 2022	\$ 71,138	2,915	74,053
Disposals	(2,681)	(662)	(3,343)
Balance on December 31, 2022	<u>\$ 68,457</u>	<u>2,253</u>	<u>70,710</u>
Depreciation:			
Balance on January 1, 2023	\$ 31,159	1,488	32,647
Depreciation	973	451	1,424
Disposals	(32,021)	-	(32,021)
Balance on December 31, 2023	<u>\$ 111</u>	<u>1,939</u>	<u>2,050</u>
Balance on January 1, 2022	\$ 32,392	1,666	34,058
Depreciation	1,448	484	1,932
Disposals	(2,681)	(662)	(3,343)
Balance on December 31, 2022	<u>\$ 31,159</u>	<u>1,488</u>	<u>32,647</u>
Carrying amount:			
December 31, 2023	<u>\$ 27</u>	<u>314</u>	<u>341</u>
January 1, 2022	<u>\$ 38,746</u>	<u>1,249</u>	<u>39,995</u>
December 31, 2022	<u>\$ 37,298</u>	<u>765</u>	<u>38,063</u>

Please refer to note 8 for the property, plant and equipment pledged as collateral.

(IX) Right-of-use assets

The statement of changes in cost and depreciation of right-of-use assets recognized for land and buildings in leases where the Company act as a lessee is presented below:

	<u>Land</u>	<u>Building and structure</u>	<u>Total</u>
Cost of right-of-use assets:			
Balance on January 1, 2023	\$ 10,868	1,717	12,585
Decrease	(10,868)	-	(10,868)
Balance on December 31, 2023	<u>\$ -</u>	<u>1,717</u>	<u>1,717</u>

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

	<u>Land</u>	<u>Building and structure</u>	<u>Total</u>
Balance on January 1, 2022	\$ 14,762	1,717	16,479
Decrease	<u>(3,894)</u>	<u>-</u>	<u>(3,894)</u>
Balance on December 31, 2022	<u>\$ 10,868</u>	<u>1,717</u>	<u>12,585</u>
Accumulated depreciation of right-of-use assets:			
Balance on January 1, 2023	\$ 1,425	494	1,919
Depreciation recognized	228	350	578
Decrease	<u>(1,653)</u>	<u>-</u>	<u>(1,653)</u>
Balance on December 31, 2023	<u>\$ -</u>	<u>844</u>	<u>844</u>
Balance on January 1, 2022	\$ 1,392	145	1,537
Depreciation recognized	403	349	752
Decrease	<u>(370)</u>	<u>-</u>	<u>(370)</u>
Balance on December 31, 2022	<u>\$ 1,425</u>	<u>494</u>	<u>1,919</u>
Carrying amount:			
December 31, 2023	<u>\$ -</u>	<u>873</u>	<u>873</u>
January 1, 2022	<u>\$ 13,370</u>	<u>1,572</u>	<u>14,942</u>
December 31, 2022	<u>\$ 9,443</u>	<u>1,223</u>	<u>10,666</u>

(X) Intangible assets

The statement of changes in the Company's intangible assets is as follows:

	<u>Computer software</u>
Cost:	
Balance on January 1, 2023	\$ 818
Disposals	<u>(303)</u>
Balance on December 31, 2023	<u>\$ 515</u>
Balance on January 1, 2022	<u>\$ 818</u>
Balance on December 31, 2022	<u>\$ 818</u>
Amortization and impairment:	
Balance on January 1, 2023	\$ 651
Amortization	115
Disposals	<u>(303)</u>
Balance on December 31, 2023	<u>\$ 463</u>
Balance on January 1, 2022	\$ 429
Amortization	<u>222</u>
Balance on December 31, 2022	<u>\$ 651</u>

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

	<u>Computer software</u>
Carrying amount:	
December 31, 2023	\$ <u>52</u>
January 1, 2022	\$ <u>389</u>
December 31, 2022	\$ <u>167</u>

The amortization expense of intangible assets is recognized in the following items in the Statement of Comprehensive Income:

	<u>2023</u>	<u>2022</u>
Operating Expense	\$ <u>115</u>	<u>222</u>

The Company did not provide any intangible assets as collateral.

(XI) Long-term borrowings:

The Company's long-term borrowings are detailed as follows:

	<u>2022.12.31</u>
Secured bank loan	\$ 34,968
Less: a current portion	(2,085)
Total	\$ <u>32,883</u>
Interest rate range	<u>2.2%</u>
Maturity date	<u>126/06/15</u>

1. Collateral for bank borrowings

Please refer to Note 8 for the Company's assets pledged as collateral for bank loans.

2. Repayment of borrowings

In July 2023, the Company fully paid off its long-term secured loan, totaling NT\$34,968 thousand, in advance.

(XII) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
current	\$ <u>353</u>	<u>780</u>
non-current	\$ <u>545</u>	<u>9,671</u>

For information on liquidity risk exposure, please refer to Note 6(21) Financial instruments.

The amount recognized in profit or loss for the lease were as follows:

	<u>2023</u>	<u>2022</u>
Interest expenses on lease liabilities	\$ <u>129</u>	<u>238</u>
Rent expenses relating to short-term leases	\$ <u>43</u>	<u>63</u>
Lease modification losses (gains)	\$ <u>271</u>	<u>(548)</u>

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

The amounts recognized in the Statement of Cash Flows are as follows:

	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	<b>\$ 781</b>	<b>1,039</b>

1. Lease of land and buildings

The Company leases buildings for its office space with a lease period of 5 years. In addition, the original lease contract of the land was terminated early on August 11, 2023.

2. Other leases

The Company leases the parking space, which is classified as a short-term lease. It has elected to apply the recognition exemption and not to recognize related right-of-use assets and lease liabilities.

(XIII) Operating lease

The underlying assets lease, in which the Company acts as a lessor, include buildings and construction. The lease contract periods are from 2022 to 2026. The lease contracts are individually negotiated and include various terms and conditions. The maturity analysis is presented by the total amount of undiscounted lease payments to be received after the reporting date as shown in the following table:

	<b>2023.12.31</b>	<b>2022.12.31</b>
Within 1 year	\$ 11	5,583
1 to 2 years	11	11
2 to 3 years	6	17
Total undiscounted lease payments	<b>\$ 28</b>	<b>5,611</b>

The rent revenue arising from the aforesaid transactions in 2023 and 2022 amounted to NT\$3,420 thousand and NT\$4,428 thousand, respectively.

(XIV) Employee benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

The Company's defined contribution plan is based on the Labor Pension Act, and the contribution rate is 6% of the employees' monthly wages to employees' personal pension accounts at the Bureau of Labor Insurance. Under this plan, the Company has no legal or constructive obligations to pay additional amounts after making a fixed contribution to the Bureau of Labor Insurance.

The Company's pension expenses under the defined contribution pension plan were \$215 thousand and \$502 thousand for 2023 and 2022, respectively.

(XV) Income taxes

1. Income tax expenses

	<b>2023</b>	<b>2022</b>
Current income tax expense	\$ -	-
Deferred income tax expense	-	-
	<b>\$ -</b>	<b>-</b>

The Company had no income tax expense recognized directly in equity and other comprehensive income in 2023 and 2022.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

Reconciliation of income tax expense to net profit (loss) before tax is as follows:

	<u>2023</u>	<u>2022</u>
Profit (Loss) Before Tax	<u>\$ 31,050</u>	<u>(2,671)</u>
Income tax based on the domestic tax rate of the Company's jurisdiction	\$ 6,210	(534)
Adjustments for tax return according to laws and regulations	723	-
Tax-exempted income pursuant to the tax laws	(535)	(2,660)
Non-deductible expenses	120	-
Current tax loss unrecognized as deferred tax assets	-	5,513
Temporary difference unrecognized as deferred tax assets	-	(2,319)
Tax losses unrecognized in prior periods	<u>(6,518)</u>	<u>-</u>
Income tax	<u>\$ -</u>	<u>-</u>

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

The items that have not been recognized by the Company as deferred tax assets are as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Deductible temporary differences	\$ 2,849	66,603
Tax losses	<u>660,232</u>	<u>706,304</u>
	<u>\$ 663,081</u>	<u>772,907</u>

According to the R.O.C Income Tax Act, tax losses refer to net losses, as assessed by the tax authorities, which can be used to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the temporary differences therefrom.

As of December 31, 2023, the Company's unutilized tax losses, for which no deferred tax assets were recognized, expire in the following years:

<u>Loss occurrence year</u>	<u>Unutilized creditable amount</u>	<u>Expiry year</u>
2014	\$ 65,796	2024
2015	248,551	2025
2016	77,944	2026
2017	83,151	2027
2018	28,298	2028
2019	31,370	2029
2020	65,779	2030
2021	33,082	2031
2022	<u>26,261</u>	<u>2032</u>
Total	<u>\$ 660,232</u>	

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

- (2) Unrecognized deferred tax liabilities: None.  
(3) Recognized deferred tax assets and liabilities: None.

3. Status of income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2021.

(XVI) Capital and other equity

1. Common stock capital

As of December 31, 2023 and 2022, the Company's total authorized capital is NT\$3,500,000 (NT\$330,000 of the total shares are retained for the issuance of employee stock options) and the paid-in capital is NT\$147,000 with a par value of NT\$10 per share and 14,700 thousand shares. Payment for the shares issued has all been received.

Reconciliation of the number of the Company's outstanding shares for 2023 and 2022 is as follows:

	<b>Common stock</b>	
(expressed in thousand shares)	<b>2023</b>	<b>2022</b>
Opening balance on January 1	14,700	60,000
Capital reduction	-	(45,300)
Ending balance on December 31	<b>14,700</b>	<b>14,700</b>

In order to enrich the working capital, the Board of Directors resolved to introduce strategic investors through private placement to raise funds on February 24, 2023. The Company is to issue up to 20,000 thousand common shares for the private placement, totaling NT\$200,000 thousand, which was resolved by the shareholders' meeting on June 6, 2023. However, it is still pending for approval of the Company's meeting of the Board of Directors on the base date of the private placement.

The motion for capital reduction to make up losses with special reserve and capital surplus was approved at the Company's annual general meeting held on May 31, 2022. The capital reduction eliminated NT\$453,000 thousand in capital, representing a reduction ratio of 75.5%. The base date for the capital reduction is October 7, 2022. The change of registration has been completed.

2. Capital surplus

The balances of the Company's capital surplus are as follows:

	<b>2023.12.31</b>	<b>2022.12.31</b>
Recognition of changes in ownership interest of subsidiaries	<b>\$ 169</b>	<b>103</b>

In accordance with the Company Act, capital surplus must first be used to make up for losses before new shares or can be issued or cash can be paid in proportion to the shareholders' original shares based on the realized capital surplus. The realized capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital surplus may be capitalized as equity in an amount not exceeding 10% of the paid-in capital each year.

On May 31, 2022, the Company's shareholders' meeting resolved and approved the use of capital surplus of NT\$4,557 thousand to offset losses.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

3. Retained earnings

In accordance with the Company's Articles of Incorporation, if there are earnings in a semi-annual or annual fiscal year, the Company shall estimate and retain taxable contributions, make up for losses in accordance with the law, and set aside 10% as legal reserves. However, this provision does not apply when the accumulated legal reserve has reached the Company's paid-in capital. Earnings shall be appropriated or reversed as special reserve in accordance with the law or the regulations of the competent authority. Any remaining earnings shall be added to the accumulated earnings undistributed as dividends to the shareholders. The Board of Directors shall prepare the earnings distribution proposal and submit it to the shareholders' meeting for resolution on the distribution. If earnings are distributed in the form of cash, a special resolution shall be adopted by the Board of Directors.

Percentage of cash and stock dividends semiannually: The Company distributes dividends to shareholders in cash dividends and stock dividends every half a fiscal year. In consideration of maintaining a balanced dividend policy, the Company appropriates at least 30% of the earnings shareholders' dividends, but when the surplus for distribution is less than 10% of the paid-in capital, the Board of Directors may decide not to distribute the dividends. Dividends may be distributed in stock or cash, with cash dividends of not less than 10% of the total dividends.

Percentage of cash and stock dividends annually: The Company distributes dividends to shareholders in cash dividends and stock dividends after earnings are finalized each year. In consideration of maintaining a balanced dividend policy, the Company appropriates at least 30% of the earnings shareholders' dividends, but when the surplus for distribution is less than 10% of the paid-in capital, the Board of Directors may decide not to distribute the dividends. Dividends may be distributed in stock or cash, with cash dividends of not less than 10% of the total dividends.

For the distribution of the aforementioned earnings, the Board of Directors may adjust the proportion of cash and stock dividends distribution after considering the Company's operation and capital expenditure needs, and draft a distribution proposal in the form of new shares issuance. Issue of new shares shall be approved at the shareholders' meeting.

(1) Legal reserve

The Company may issue new shares or pay cash from the legal reserve up resolution of the shareholders' meeting when the Company has no losses, but limited to the part of the legal reserve exceeding 25% of the paid-in capital.

(2) Earnings distribution

The Compensation had accumulated deficit in both 2022 and 2021. On June 6, 2023 and May 31, 2022, respectively, the Company's shareholders' meeting resolved the distribution of earnings for 2022 and 2021. The related information can be accessed through channels such as MOPS.

The amount of cash dividends for the 2023 earnings distribution proposal was resolved by the Board of Directors on February 27, 2024. The amounts of dividends distributed to shareholders were as follows:

	<b>2023</b>	
	<b>Distribution rate</b>	<b>Amount</b>
	<b>(NTD)</b>	
Dividends per share distributed to shareholders of common stock (NTD):		
Cash	\$ 1.8	\$ <u><u>26,460</u></u>

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

4. Other equity (net of tax)

	<b>Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss</b>
Balance on January 1, 2023	\$ (20,256)
Unrealized gain on the valuation of financial assets at fair value through other comprehensive income	26,520
Disposal of financial instrument measured at fair value through other comprehensive income	(2,873)
Balance on December 31, 2023	<b>\$ 3,391</b>
Balance on January 1, 2022	\$ 17,173
Unrealized loss on the valuation of financial assets at fair value through other comprehensive income	(39,144)
Disposal of financial instrument measured at fair value through other comprehensive income	1,715
Balance on December 31, 2022	<b>\$ (20,256)</b>

(XVII) Earnings (losses) per share

The calculations of basic and diluted earnings (losses) per share are as follows:

	<b>2023</b>	<b>2022</b>
<b>Basic earnings (losses) per share</b>		
Net profit (loss) for the period attributable to shareholders of the Company's common stock	<b>\$ 31,050</b>	<b>(2,671)</b>
Weighted average number of common shares outstanding (thousand shares)	<b>14,700</b>	<b>14,700</b>
Basic earnings (losses) per share (NTD)	<b>\$ 2.11</b>	<b>(0.18)</b>
<b>Diluted earnings (losses) per share</b>		
Net profit (loss) attributable to shareholders of the Company's common stock	<b>\$ 31,050</b>	<b>(2,671)</b>
Weighted average number of common shares outstanding (thousand shares)	14,700	14,700
Effect of dilutive potential common shares		
— Compensation to employees (thousand shares)	3	-
Weighted average number of common shares outstanding (thousand shares) (after adjustment for the effect of dilutive potential common shares)	<b>14,703</b>	<b>14,700</b>
Diluted earnings (losses) per share (NTD)	<b>\$ 2.11</b>	<b>(0.18)</b>

The motion for capital reduction to cover losses was approved by the shareholders' meeting held on May 31, 2022. The meeting of the Board of Directors resolved to set October 7, 2022 as the base date for capital reduction. The weighted average number of shares outstanding was adjusted retroactively according to the ratio of capital reduction to cover loss made by the capital reduction in 2022.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(XVIII) Revenue from contracts with customers

1. Breakdown of revenue

	<b>2023</b>	<b>2022</b>
Major market by region:		
Taiwan	\$ 66,774	6,811
Mainland China	-	715
Total	<b>\$ 66,774</b>	<b>7,526</b>
Main product/service lines:		
Integrated circuit	\$ -	7,526
Decoration engineering	64,216	-
Sale of building materials	2,558	-
Total	<b>\$ 66,774</b>	<b>7,526</b>

2. Contract balance

	<b>2023.12.31</b>	<b>2022.12.31</b>
Accounts receivable - related parties	<b>\$ 78,312</b>	<b>7,074</b>
Contract liabilities - current	<b>\$ 2,033</b>	-

Please refer to Note 6(4) for the disclosure of accounts receivable (including related parties) and the impairment thereof.

The opening balance of contract liabilities transferred to income in 2023 and 2022 were both NT\$0 thousand.

(XIX) Remuneration to employees and directors

In accordance with the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate 1% to 10% of the total amount for employee remuneration and not more than 0.5% for director remuneration. However, if the Company still has accumulated deficit, the amount shall be retained in advance to compensate for the deficit. The aforementioned remuneration to employees may be paid in the form of shares or cash, and the rewards in shares or cash may include employees of the Company's controlling or subordinate companies meeting certain criteria, and the Board of Directors is authorized to determine such relevant regulations.

In 2023, the Company allocated \$269 thousand in remuneration for employees and \$0 for directors. These remunerations were calculated by multiplying the Company's net profit before tax before deducting remuneration for employees and directors by the percentages of remuneration for employees and directors, stipulated in the Company's Articles of Incorporation. They were recognized as operating expenses for the period. Since there was an accumulated deficit in 2022, no remuneration to employees and directors was recognized by the Company. For information on the aforementioned employees' and directors' remuneration as resolved by the Board of Directors, please refer to the MOPs.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(XX) Non-operating income and expenses

1. Interest revenue

Breakdown of the Company's interest revenue is as follows:

	<u>2023</u>	<u>2022</u>
Interest from bank deposits	\$ 89	69
Financial assets of interest income at amortized cost	66	12
Others	13	-
	<u>\$ 168</u>	<u>81</u>

2. Other income

Breakdown of the Company's other income is as follows:

	<u>2023</u>	<u>2022</u>
Rental revenue	\$ 3,420	4,874
Dividend revenue	142	5,067
Others	18	457
	<u>\$ 3,580</u>	<u>10,398</u>

3. Other gains and losses

Breakdown of the Company's other gains and losses is as follows:

	<u>2023</u>	<u>2022</u>
Foreign currency exchange gain	\$ 67	158
Net gains on disposal of property, plant and equipment	34,788	-
Lease modification gains (losses)	(271)	548
	<u>\$ 34,584</u>	<u>706</u>

4. Financial costs

Breakdown of the Company's financial costs is as follows:

	<u>2023</u>	<u>2022</u>
Borrowings from banks	\$ 430	393
Others	231	275
	<u>\$ 661</u>	<u>668</u>

(XXI) Financial instruments

1. Credit risk

(1) Amount of maximum credit risk exposure

The carrying amounts of financial assets and accounts receivable (including related parties) represent the amount of maximum credit risk exposure.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(2) Concentration of credit risk

To reduce credit risk of accounts receivable, the Company continuously evaluates the financial position of its customers and requires collateral from customers if necessary. The Company regularly evaluates the possibility of accounts receivable recovery and recognizes allowance for losses. The impairment loss is always within management's expectations. As of December 31, 2023 and 2022, approximately 72% and 100% of the Company's accounts receivable-related parties were concentrated with the same company, respectively.

(3) Credit risk associated with accounts receivable

Please refer to Note 6(4) for the information regarding the exposure to credit risk associated with accounts receivable (including related parties).

Other financial assets at amortized cost include other receivables (including related parties), refundable deposits, and time deposit (recognized under "financial assets at amortized cost - current and non-current"), all of which are financial assets with low credit risk. Therefore, the allowance for losses for the period is measured based on the 12-month expected credit losses. After assessment, it has been determined that no expected credit loss should be recognized.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest but excluding the effect of net agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>December 31, 2023</b>							
Non-derivative financial liabilities							
Accounts payable	\$ 40,949	40,949	40,949	-	-	-	-
Other payables	2,905	2,905	2,905	-	-	-	-
Other payables - related parties	10,021	10,021	21	10,000	-	-	-
Lease liabilities	898	925	185	185	370	185	-
	<u>\$ 54,773</u>	<u>54,800</u>	<u>44,060</u>	<u>10,185</u>	<u>370</u>	<u>185</u>	<u>-</u>
<b>December 31, 2022</b>							
Non-derivative financial liabilities							
Secured bank loans (including long-term borrowings due within a year)	\$ 34,968	40,593	1,400	1,400	2,800	8,398	26,595
Other payables	6,659	6,659	6,659	-	-	-	-
Lease liabilities	10,451	18,164	488	488	837	2,512	13,839
Guarantee deposits received	9,044	9,044	-	9,044	-	-	-
	<u>\$ 61,122</u>	<u>74,460</u>	<u>8,547</u>	<u>10,932</u>	<u>3,637</u>	<u>10,910</u>	<u>40,434</u>

The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

3. Exchange rate risk

The Company's financial assets and liabilities exposed to significant foreign currency exchange rate risk were as follows:

	<u>2023.12.31</u>			<u>2022.12.31</u>		
	<u>Foreign currency</u>	<u>Foreign exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Foreign exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	50	30.655	1,522	63	30.66
						1,943

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(2) Sensitivity analysis

The Company's exchange rate risk arises mainly from foreign-currency denominated cash and cash equivalents, as well as financial assets at amortized cost, which result in foreign currency exchange gains or losses upon translation. As of December 31, 2023 and 2022, if NTD had depreciated or appreciated by 1% against USD, with all other factors held constant, net profit before tax would have increased or decreased by NT\$15 thousand and NT\$19 thousand for 2023 and 2022, respectively. The same basis was used in the analysis for both periods.

Due to fluctuations in the exchange rate of the Company's functional currency, the foreign currency exchange gains (including both realized and unrealized) for 2023 and 2022 were NT\$67 thousand and NT\$158 thousand, respectively.

4. Interest rate analysis

The Company's interest rate risk on financial liabilities is described in Liquidity Risk of this Note.

The following sensitivity analysis is based on the interest rate risk of both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the amount of the liabilities outstanding at the reporting date were outstanding for the entire year.

If interest rates had increased or decreased by 1%, with all other variables held constant, the Company's net profit after tax would have decreased or increased by NT\$0 thousand and NT\$3 thousand for 2023 and 2022, respectively, primarily due to the Company's variable rate borrowings.

5. Other price risks

If the price of financial instruments had changed at the reporting date (the same basis is used for the analysis of both periods and other variables are assumed to be constant), the impact on the comprehensive income items would have been as follows:

Price of securities at reporting date	2023		2022	
	Impact on other comprehensive income after tax	Profit or loss after tax	Impact on other comprehensive income after tax	Profit or loss after tax
Increase by 3%	\$ 2,038	-	2,064	-
Decrease by 3%	\$ (2,038)	-	(2,064)	-

6. Fair value information

(1) Types and fair values of financial instruments

Financial assets at fair value through other comprehensive income of the Company are measured at fair value on a recurring basis. Carrying amount and fair value of the Company's financial assets and financial liabilities (including information on fair value hierarchy; however, for financial instruments that are not measured at fair value, whose carrying amount is a reasonable approximation of fair values, and lease liabilities, the disclosure of fair value information is not required) were presented as below:

Financial assets at fair value through other comprehensive income/loss	2023.12.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Stocks of TWSE/TPEX-listed company	\$ 84,901	84,901	-	-	84,901



**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

Stocks of TWSE/TPEX-listed company held by the Company are financial assets with standard terms and are publicly traded in active markets. Their fair values are calculated based on the market's quoted prices.

Except for the aforementioned financial instruments that are traded in active markets, other financial instruments are measured with fair values provided by using the valuation techniques. Fair values provided by using the valuation techniques may be based on the present fair value of other financial instruments with similar practical conditions and characteristics, the discounted cash flow method, or other available methods. The main assumption underlying the fair value determined through the discounted cash flow method is that the expected future cash flows of the investee are discounted at a rate of return that accounts for both the time value of money and investment risk.

(3) Transfers between level 1 and level 2 of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the years ended December 31, 2023 and 2022.

(4) There were no financial assets with level 3 input held by the Company.

(XXII) Financial risk management

1. Overview

The Company has exposures to the following risks from its financial instruments:

- (1) Credit risk
- (2) Liquidity risk
- (3) Market risk

This Note presents information regarding the Company's exposure to risks mentioned above, as well as its objectives, policies and processes for measuring and managing said risks. For more disclosures about the quantitative effects, please refer to the respective notes in the accompanying parent only financial statements.

2. Structure of risk management

The Board of Directors holds sole responsibility for establishing and overseeing the Company's risk management structure.

The Company adopts a comprehensive risk management and control system to identify all the Company's risks (including market risk, Credit risk, liquidity risk and cash flow risk). Hence, the Company's management is able to effectively control and measure market risk, credit risk, liquidity risk and cash flow risk, and mitigate potential adverse effects on the Company's financial position and financial performance.

3. Credit risk

Guarantees

In accordance with the Company's policy, the Company can only provide financial guarantees to subsidiaries wholly owned by the Company. As of December 31, 2023 and 2022, the Company did not provide any endorsements or guarantees.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It mainly stems from the counterparty's failure to pay the contractual cash flows associated with accounts receivable, other receivables, and time deposits classified for measurement at amortized cost, as per the collection terms.

The Company has established its credit risk management from a corporate perspective. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy formulated by the Company, each business unit within the Company shall conduct the management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, and past experience and other factors. The individual risk limit is formulated by the Board of Directors according to the internal or external ratings, and the use of the credit limit is monitored regularly.

4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient current funds under both normal and pressured conditions to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation. In addition, the Company's unused loan facilities as of December 31, 2023 and 2022, were both NT\$0.

5. Market risk

The Company's market risk management objectives are to reach the optimal risk exposure, maintain appropriate liquidity and manage all market risks centrally with proper consideration of the economic environment, competitive circumstances and the impact of market value risk.

(1) Exchange rate risk

The Company's foreign currency transactions are mainly due to the export and import of goods, which are mainly in U.S. dollars. The related exchange rate risk arises from assets and liabilities recognized in future business transactions. The Company adopts a conservative and prudent approach to handle foreign-currency deposits so as to reduce the risk arising from sharp fluctuations in market exchange rates.

(2) Interest rate risk

The Company's borrowed funds generate risks of fluctuations in the fair value or future cash flows due to changes in interest rates. The Company's policy is to manage the risk exposure to changes of borrowing interest rates, to evaluate based on the market interest rate trend, and to manage interest rate risk by maintaining a suitable mix of floating and fixed interest rates.

(3) Other market price risk

The equity price risk is the risk of uncertainty in the future prices of the equity instruments held by the Company. The Company manages the price risk of equity instruments through diversification of investments and regularly obtaining an understanding of the financial status of equity instruments.

(XXIII) Capital management

The Company's capital management objectives are to protect the Company's continuing operations, to maintain an optimal capital structure in order to reduce the cost of capital, thus providing returns for shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company uses the debt-to-equity ratio as the basis for managing its capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital is all components of the equity (i.e., share capital, capital surplus, retained earnings, and other equity). The Company's capital management strategy in 2023 is the same as that in 2022. The debt-to-equity ratios at the reporting date were as follows:

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

	<b>2023.12.31</b>	<b>2022.12.31</b>
Total liabilities	\$ 56,845	61,155
Less: Cash and cash equivalents	30,725	21,436
Net debt	<b>\$ 26,120</b>	<b>39,719</b>
Total equity	<b>\$ 180,097</b>	<b>122,461</b>
Debt-to-equity ratio	14.50%	32.43%

(XXIV) Financing activities of non-cash transactions

Changes in liabilities arising from financing activities were as follows:

	<b>2023.1.1</b>	<b>Cash flow</b>	<b>Non-cash changes</b>	<b>2023.12.31</b>
Secured bank loans (including long-term borrowings due within a year)	\$ 34,968	(34,968)	-	-
Lease liabilities	10,451	(738)	(8,815)	898
Guarantee deposits received	9,044	(9,044)	-	-
Total liabilities from financing activities	<b>\$ 54,463</b>	<b>(44,750)</b>	<b>(8,815)</b>	<b>898</b>

  

	<b>2022.1.1</b>	<b>Cash flow</b>	<b>Non-cash changes</b>	<b>2022.12.31</b>
Long-term borrowings (including long-term borrowings due within a year)	\$ -	34,968	-	34,968
Lease liabilities	15,261	(738)	(4,072)	10,451
Guarantee deposits received	236	8,808	-	9,044
Total liabilities from financing activities	<b>\$ 15,497</b>	<b>43,038</b>	<b>(4,072)</b>	<b>54,463</b>

**VII. Related Party Transactions**

(I) The name and relationship of the related party

The followings are the Company's subsidiaries and other related parties that have had transactions with the Company during the periods covered in the financial statements.

<b>Name of Related Party</b>	<b>Relationship with the Company</b>
Sun Yad Construction Co., Ltd. (hereinafter referred to as "Sun-Yad")	Parent
ZAVIO INC. (hereinafter referred to as "ZAVIO")	Subsidiary
Yuan Qiao Limited (hereinafter referred to as "Yuan-Qiao")	Subsidiary
U-BEST INNOVATIVE TECHNOLOGY CO., LTD. (hereinafter referred to as "U-BEST")	Other related party
Boromi Optronics Corp. (hereinafter referred to as "Boromi")	Other related party
Shang Yu Construction Co., Ltd. (hereinafter referred to as "Shang Yu")	Other related party

(II) Significant related-party transactions

1. Operating Revenue

The amount of significant sales by the Company to related parties were as follows:

	<b>2023</b>	<b>2022</b>
Parent - Sun-Yad	\$ 64,216	-
Other related party - Boromi	-	6,737
Other related party - Shang Yu	2,558	-
	<b>\$ 66,774</b>	<b>6,737</b>

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

There are no comparable non-related-party transactions of the same nature to serve as a reference for the Company's selling prices to other related parties. Revenue collection follows the agreed-upon stage of completion outlined in the contract. Payment terms involve half paid through cash remittance and the remaining half through remittance within 45 days. However, there are no comparable non-related-party transactions of the same nature available for reference in determining these terms.

2. Receivables from related parties

The Company's receivables from related parties are as follows:

Title	Type of related party	2023.12.31	2022.12.31
Accounts receivable - related parties	Parent - Sun-Yad	\$ 56,262	-
Accounts receivable - related parties	Other related party - Shang Yu	22,050	-
Accounts receivable - related parties	Other related party - Boromi	-	7,074
		<u>\$ 78,312</u>	<u>7,074</u>

3. Contract liabilities - current

The breakdown of the Company's contract liabilities - current is as follows:

Title	Type of related party	2023.12.31	2022.12.31
Contract liabilities - current	Parent - Sun-Yad	<u>\$ 2,033</u>	<u>-</u>

4. Loans from related parties

2023.12.31						
	The date with the highest balance	The highest balance of actual usage	The ending balance of actual usage	Annual interest rate	Interest expense	Interest payable at the ending of period
Parent - Sun-Yad	July 2023	\$ 10,000	10,000	3%	46	21

There was no such transaction in 2022.

5. Loans to related parties

2023.12.31						
	The date with the highest balance	The highest balance of actual usage	The ending balance of actual usage	Annual interest rate	Interest revenue	Interest receivable at the ending of period
Subsidiary - Yuan-Qiao	112.11	\$ 3,000	3,000	3%	12	4

There was no such transaction in 2022.

6. Leases

The Company rented an office space from U-BEST, its other related party, and signs a five-year lease contract. The rent was determined with reference to neighboring offices.

As of December 31, 2023 and 2022, the balances of net right-of-use assets were NTD 873 thousand and NTD 1,223 thousand, respectively.

As of December 31, 2023 and 2022, the balances of refundable deposits amounted to NTD 97 thousand each.

As of December 31, 2023 and 2022, the balances of lease liabilities were NTD 898 thousand and NTD 1,243 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company recognized the amount of NTD 25 thousand and NTD 33 thousand as interest expense, respectively.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

7. Rental revenue

The Company had the office leased from the related party sublet to ZAVIO, a subsidiary. For the years ended December 31, 2023 and 2022, the Company recognized the amount of NTD 11 thousand and NTD 208 thousand as rental revenue, respectively.

8. Dividends received

The Company received cash dividends of NTD 142 thousand from Sun-Yad, its parent company, in 2023.

9. Equity transactions

The Company's participation in capital increase by subsidiaries is as follows:

	<b>2023</b>	<b>2022</b>
Yuan-Qiao	<b>\$ 6,900</b>	<b>-</b>

(III) Transactions related to key management

Key management personnel compensation comprised:

	<b>2023</b>	<b>2022</b>
Short-term employee benefits	<b>\$ 5,090</b>	<b>5,188</b>

**VIII. Pledged Assets**

The carrying values of assets pledged by the Company as collaterals were as follows:

<b>Name of asset</b>	<b>Subject asset pledged as collateral</b>	<b>2023.12.31</b>	<b>2022.12.31</b>
Building and structure	Guarantee for long-term borrowings from banks	\$ -	37,094
Restricted time deposit (Note)	Guarantee for customs duties	-	1,140
Restricted time deposit (Note)	Guarantee of land lease by the Hsinchu Science Park Bureau	-	610
		<b>\$ -</b>	<b>38,844</b>

(Note) It was recognized as financial assets measured at amortized cost - non-current.

**IX. Significant Contingent Liabilities and Unrecognized Contract Commitments**

As of December 31, 2023, the Company had signed contracts for decoration works totaling NTD 79,518 thousand, with NTD 21,543 thousand remaining unfinished.

**X. Significant disaster loss: None.**

**XI. Significant events after the balance sheet date: None.**

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

**XII. Others**

(I) Employee benefits, depreciation, depletion and amortization expense by functions are summarized as follows:

Function Nature	2023			2022		
	As operating costs	As operating expenses	Total	As operating costs	As operating expenses	Total
Employee benefits expense (Note)						
Salary expenses	198	4,744	4,942	-	10,118	10,118
Labor/national health insurance expenses	23	539	562	-	954	954
Pension expenses	10	205	215	-	502	502
Directors' remuneration	-	5,090	5,090	-	6,952	6,952
Other personnel expenses	44	206	250	-	410	410
Depreciation expense	-	2,002	2,002	-	2,684	2,684
Amortization expense	-	115	115	-	222	222

Additional information on the number of employees and employee benefits expenses for 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Number of employees	<u>12</u>	<u>19</u>
Number of directors who were not concurrently employees	<u>6</u>	<u>7</u>
Average employee benefits expenses	<u>\$ 995</u>	<u>999</u>
Average employee salary expenses	<u>\$ 824</u>	<u>843</u>
Adjustment to average employee salary expenses	<u>(2.25)%</u>	
Remuneration to supervisors	<u>-</u>	<u>-</u>

Information on the Company's salary and remuneration policy (including directors, managerial officers, and employees) is as follows:

In accordance with the Company's articles of incorporation, the board of directors is authorized to determine remuneration to directors of the Company based on the extent of their participation in the Company's operations and the value of their contributions in line with the industry norm. The remunerations to directors and managers are all proposed by the remuneration committee and approved by the board of directors in accordance with the regulations.

Regarding the Company's employee remuneration policy, the Company pays bonuses according to the operating conditions to boost the morale and retain outstanding employees promptly. For the annual salary adjustment, the items and amounts of salary adjustment are determined according to the employees' grades and performance appraisals.

**XIII. Disclosure of notes**

(I) Information on significant transactions:

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company should disclose the following information regarding material transactions in 2023:

1. Lending funds to others:

No.	Lender	Borrower	Account name	Related party	Highest balance during the period	Balance, ending	Actual usage during the period	Range of interest rate	Purposes of fund financing for the borrowers (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limitation on fund financing (Note 2)
													Name	Value		
0	The Company	ZAVIO Inc.	Other receivables - related parties	Yes	15,000	15,000	-	3%	2	-	Operating capital	-	None	-	36,019	45,024
0	The Company	Yuan Qiao Limited	Other receivables - related parties	Yes	15,000	15,000	3,000	3%	2	-	Operating capital	-	None	-	36,019	45,024

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(Note 1) Purposes of fund financing for the borrowers are as follows:

1. Those with business contact.
2. Those necessary for short-term financing

(Note 2) Individual and total maximum funding loan limits

1. Capital loaned to other parties should not exceed 25% of the Company's net worth, of which the sum loaned to an individual enterprise should not exceed 20% of the Company's net worth.
2. Capital loaned to other entities for capital requirements should not exceed 25% of the Company's net worth.
3. Capital loaned to other entities with whom the Company engages in normal business transactions should not exceed 25% of the Company's net worth. The individual loan amount should not exceed the total business transaction amount conducted between the two parties in the most recent year. The so-called "business transaction amount" refers to the greater value of purchases or sales between the two parties.

2. Providing endorsements or guarantees for others: None.

3. Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture):

Security holder	Type and name of securities	Relationship with the securities issuer	Account name	Ending				Remark
				Number of shares/unit	Carrying amount	Shareholding ratio (%)	Fair value	
The Company	Sun Yad Construction Co., Ltd.	Parent	Financial assets at fair value through other comprehensive income- non-current	258,291	3,280	0.09	3,280	-
The Company	HSIN-LI CHEMICAL INDUSTRIAL CORP.	Other related party	"	1,775,000	38,251	2.63	38,251	-
The Company	Feei Cherng Develop Technology Co., Ltd.	Other related party	"	240,000	2,760	0.14	2,760	-
The Company	U-BEST Innovative Technology Co., Ltd	Other related party	"	2,997,000	40,610	2.14	40,610	-

4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: None.

5. Acquisition of property reaching NT\$300 million or 20% of paid-in capital or more: None.

6. Disposal of property reaching NT\$300 million or 20% of paid-in capital or more:

Property disposed of by	Name of property	Transaction date or date of occurrence	Acquisition date	Book value	Transaction amount	Status of payment	Profit or loss on disposal	Counterparty	Relationship	Purpose of Disposal	Reference for determining price	Other covenants
Myson Century, Inc.	Buildings	July 2023	90.12	36,298	71,086	Paid in full	34,788	ALL RING TECH CO., LTD.	Non-related party	To enrich working capital	Real estate appraisal report	None

7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more:

Purchasing / (selling) company	Counterparty	Relationship	Transaction details				Circumstances and reasons for the discrepancy in the transaction terms from normal transactions		Notes/accounts receivable (payable)	
			Purchases / (sales)	Amount	% to total purchase / (sales)	Credit period	Unit price	Credit period	Ending balance	% to total notes/accounts receivable (payable)
The Company	Sun Yad Construction Co., Ltd.	Parent company of the Company	Sale of goods	64,216	96.17%	45 days	-	-	56,262	71.84%

8. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more:

Accounts receivable recognized by	Counterparty	Relationship	Ending balance of receivables from related parties	Turnover rate (%)	Receivables from related parties overdue		Amount of receivables from related parties received in subsequent periods	Allowance for losses	Remark
					Amount	Action taken			
The Company	Sun Yad Construction Co., Ltd.	Parent company of the Company	56,262	2.28%	-	-	32,281	-	

9. Trading in derivative instruments: None.

**Myson Century, Inc.**  
**Notes to Parent Company Only Financial Statements (Continued)**

(II) Information regarding investees (excluding those in Mainland China):

Information on the Company's investees for 2023 is as follows (excluding those in Mainland China):

Unit: Shares

Investor company	Investee company	Location	Main business	Original investment amount		Held at year end			Investee income recognized in the current period	Investment income recognized in the current period	Remark
				End of the current period (2023.12.31)	End of last year (2022.12.31)	Number of shares	Ratio	Carrying amount			
The Company	ZAVIO Inc.	Taiwan	Surveillance webcam	68,274	68,274	1,576,937	100.00%	16,576	193	193	
The Company	Yuan Qiao Limited	Taiwan	Restaurants	14,900	-	-	82.78%	13,813	(1,313)	(1,153)	

(III) Information on investments in the Mainland China:

(IV) Information on major shareholders:

Unit: Shares

Name of major shareholder	Share	Shares held	Share holding ratio
Sun Yad Construction Co., Ltd.		2,507,367	17.05%
HSIN-LI CHEMICAL INDUSTRIAL CORP.		1,445,000	9.82%
Chi Hang Investment Co., Ltd.		1,230,229	8.36%
Quan-Gong Song		1,139,125	7.74%
Huo Jui Investment Co. Lit.		782,530	5.32%

Note: (1) The information about major shareholders herein is generated based on TDCC's calculation of the number of shares already registered and delivered by the shareholders (including treasury stock), totaling 5% or more, in intangible form at the last business day of each quarter. The capital stock referred to the Company's financial report and the number of shares already registered and delivered by the Company vary or be different due to the basis of calculation.

(2) If the shareholder puts the shares held by it under trust, said information shall be disclosed by the individual client of the trust account opened by the trustee. As for the insider declaration of the ownership percentage over 10% in accordance with the Securities and Exchange Act, the shares held shall include the shares held by the shareholder per se, plus the shares he puts under trust and with the right to decide and utilize the trust property. For the insider equity presentation information, please refer to the MOPS.

**XIV. Segment information**

Please refer to the consolidated financial statements for the year ended December 31, 2023.

**Myson Century, Inc.**  
**Statement of Cash and Cash Equivalents**

As of December 31, 2023

Unit: NTD thousand  
/ foreign currency dollar

<u>Item</u>	<u>Abstract</u>	<u>Amount in original currency</u>	<u>Exchange rate</u>	<u>Amount</u>
Cash	Petty cash - NTD			\$ 40
	Demand deposits			30,675
	Foreign currency deposits in US dollars	USD337.21	30.655	<u>10</u>
Total				<u><u>\$ 30,725</u></u>

**Financial assets at amortized cost - current**

<u>Item</u>	<u>Abstract</u>	<u>Amount in original currency</u>	<u>Exchange rate</u>	<u>Amount</u>
Time deposits - NTD	The period is from April 8, 2023 to January 8, 2024, with an annual interest rate of 1.38%.			\$ 300
Time deposit - USD	The period is from October 6, 2023 to April 24, 2024, with an annual interest rate of 3.70%.	USD49,302.54	30.655	<u>1,511</u>
				<u><u>\$ 1,811</u></u>

**Myson Century, Inc.**  
**Statement of Accounts Receivable -**  
**Related Party, Net**

**As of December 31, 2023**

**Unit: NTD thousand**

Customer name	Amount
Related party:	
Sun Yad Construction Co., Ltd.	\$ 56,262
Shang Yu Construction Co., Ltd.	<u>22,050</u>
	<u><u>\$ 78,312</u></u>

**Statement of Other Receivables**

Item	Abstract	Amount
Other receivables	Mainly receivables from sale of stocks	<u>\$ 1,197</u>

**Statement of Other Receivables - Related Party**

Abstract	Item	Amount
Receivable from fund lending and interest	Counterparty: Yuan Qiao Limited	<u>\$ 3,004</u>

**Myson Century, Inc.**  
**Statement of Inventories**  
**As of December 31, 2023**

Unit: NTD thousand

Item	Amount		Remark
	Cost	Net Realizable Value	
Work in process	\$ 1,899		
Raw materials and supplies	<u>938</u>		
Subtotal	2,837	<u>-</u>	
Less: allowance of inventory price loss	<u>(2,837)</u>		
Total	<u>\$ -</u>		

**Statement of Prepayments**

Item	Abstract	Amount
Prepayment for purchase	Prepayments for furniture	\$ 215
Prepayment for construction	Prepayment for decoration engineering	4,627
Prepaid insurance	Prepaid insurance	24
Other prepaid expenses	Pre-paid parking space rental and cloud invoicing system service fee, etc.	<u>285</u>
Total		<u>\$ 5,151</u>

**Myson Century, Inc.**  
**Statement of financial Assets Measured at Fair Value through Other**  
**Comprehensive Income - Current**  
**For the years ended December 31, 2023**

Unit: NTD thousand/share

Name of financial instrument	Beginning balance		Increase in the current period		Decrease in current period		Amount of valuation adjustment	Ending		Collateral or pledge	Remark
	Number of shares	Carrying amount	Number of shares	Amount	Number of shares	Amount		Number of shares	Carrying amount		
	Shares of Highwealth Construction Corp.	242,035	\$ 9,753	-	-	242,035		10,239	486		
Shares of U-BEST Innovative Technology Co., Ltd	299,700	31,469	-	-	-	-	9,141	299,700	40,610	None	
Shares of HSIN-LI CHEMICAL INDUSTRIAL CORP.	2,570,000	39,321	-	-	795,000	17,377	16,307	1,775,000	38,251	None	
Shares of Sun Yad Construction Co., Ltd.	258,291	3,061	-	-	-	-	219	258,291	3,280	None	
Shares of Feei Chemg Develop Technology Co., Ltd	240,000	<u>2,393</u>	-	<u>-</u>	-	<u>-</u>	<u>367</u>	240,000	<u>2,760</u>	None	
Total		<u>\$ 85,997</u>		<u>-</u>		<u>27,616</u>	<u>26,520</u>		<u>84,901</u>		

**Myson Century, Inc.**  
**Statement of Changes in Investments Accounted for Using the Equity Method**  
**For the years ended December 31, 2023**

**Unit: NTD thousand**

Name	Opening balance		Increase in the current period		Decrease in current period		Shares of profit (loss) of subsidiaries, associates and joint ventures accounted for under the equity method	Capital surplus	Ending balance			Net value of equity		Collateral or pledge
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount			Number of shares	Share holding ratio	Amount	Unit price	Total price	
ZAVIO Inc.	900,000	\$ 16,383	676,937 (Note )	-	-	-	193	-	1,576,937	100.00%	16,576	-	16,576	None
Yuan Qiao Limited	-	-	-	14,900	-	-	(1,153)	66	-	83.78%	13,813	-	13,813	None
<b>Total</b>		<b>\$ 16,383</b>		<b>14,900</b>		<b>-</b>	<b>(960)</b>	<b>66</b>			<b>30,389</b>		<b>30,389</b>	

Note: It came from capital increase through capital surplus and retained earnings.

**Myson Century, Inc.**  
**Statement of Refundable Deposits**  
**For the years ended December 31, 2023**

Unit: NTD thousand

Item	Abstract	Amount
Refundable deposits	Refundable deposits for office space	\$ <u>97</u>

**Statement of Accounts Payable**

Name of supplier	Abstract	Amount
Non-related party:		
Company A	Business	\$ 12,543
Company B	"	11,990
Company C	"	3,507
Company D	"	3,065
Others (the sum of accounts payable to an individual supplier whose balance does not reach the 5% benchmark)	"	9,844
Total		\$ <u>40,949</u>

**Statement of Other Payables**

Item	Abstract	Amount
Salaries payable	Salaries and employees' remuneration payable for December	\$ 908
Accrued expenses	Travel expenses, labor and health insurance expenses, and various miscellaneous expenses	1,161
Tax payable	Business tax for November and December 2023	836
		\$ <u>2,905</u>

**Myson Century, Inc.**  
**Statement of Other Payables - Related Party**  
**As of December 31, 2023**

Unit: NTD thousand

Abstract	Item	Amount
Payables to fund lending and interest	Counterparty: Sun Yad Construction Co., Ltd.	\$ <b>10,021</b>

**Statement of Lease Liabilities**

Item	Abstract	Lease period	Discount rate	Balance, ending
Building and structure	Office space	2021.7.1~2026.6.30	2.32%	\$ 898
			Less: Current portion of lease liabilities - non-current transferred	(353)
				\$ <b>545</b>

**Statement of Operating Revenue**  
**For the years ended December 31, 2023**

Item	Amount
Decoration engineering revenue	\$ 64,216
Income from sales of building materials (as an agent)	2,558
Total	\$ <b>66,774</b>

**Myson Century, Inc.**  
**Operating Cost Statement**  
For the years ended December 31, 2023

Unit: NTD thousand

Item	Amount
Construction cost	\$ <b>54,855</b>

**Statement of Administrative Expenses**

Item	Abstract	Amount
Salary expenditure	Salaries, bonuses, overtime, meal, pension, and employees' remuneration	\$ 9,546
Office expenses	Expenses associate with office	1,692
Labor service expenditure	Professional fees for CPAs and attorneys	1,276
Depreciation and amortization	Depreciation of office and equipment and amortization of computer software	2,117
Others	Taxes, transportation expenses, utilities, insurance, miscellaneous expenses, etc.	2,920
Total		\$ <b>17,551</b>

## **Myson Century, Inc.**

For Statements of Changes in Property, Plant and Equipment, please refer to Note 6(8) of the financial statements.

For Statements of Accumulated Depreciation of Property, Plant and Equipment, please refer to Note 6(8) of the financial statements.

For Statements of Changes in Right-of-Use Assets, please refer to Note 6(9) of the financial statements.

For Statements of Accumulated Depreciation of Right-of-Use Assets, please refer to Note 6(9) of the financial statements.

For Statements of Changes in Intangible Assets, please refer to Note 6(10) of the financial statements.

For Statements of Contract Liabilities, please refer to Note 6(18) of the financial statements.

For Statements of Interest Revenue, please refer to Note 6(20) of the financial statements.

For Statements of Other Income, please refer to Note 6(20) of the financial statements.

For Statements of Other Gains and Losses, please refer to Note 6(20) of the financial statements.

For Statements of Financial Cost, please refer to Note 6(20) of the financial statements.

For Summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function, please refer to Note 12 of the financial statements.