

Stock code: 5314

Myson Century, Inc. and Subsidiaries
Consolidated Financial Report and
Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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Representation Letter

For the year ended December 31, 2024 (January 1 to December 31, 2024) pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the Company that are required to be included in the consolidated financial statements of affiliates, are the same as those required to be included in the consolidated financial statements under IFRS 10 approved by the FSC. Additionally, since relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Declared by

Company Name: Myson Century, Inc.



Chairman: Chang, Yu-Ming



Date: March 12, 2025

Independent Auditors' Report

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

Audit opinion

We have audited the accompanying consolidated balance sheet of Myson Century, Inc. and its subsidiaries (hereinafter referred to as the “Group”) as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows as of January 1 to December 31, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023 in accordance with the regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRS Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effects by the Financial Supervisory Commission of the R.O.C.

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 “Independent accountant’s responsibilities for the audit of the consolidate financial statements.” The auditors of the firm subject to the independence regulations have maintained independent from the Group in accordance with the Code of Ethics and performance other obligations of such Code. 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 2024 parent company only financial statements of the Group. These matters were addressed in the context of our audit of the consolidated 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 Group’s consolidated financial statements are stated as follows:

I. Recognition of revenue from the health food and clothing segments

Please refer to Note 4(14) “Revenue recognition” of the consolidated financial statements for the accounting policy for the recognition of the revenue of health food and clothing segments, and Note 6(18) “Revenue from contracts with customers” of the consolidated financial statements for the relevant disclosure of revenue.

Description of Key Audit Matters:

The Group is a TPEX-listed company involving in public interests. Investors are highly concerned about its operating performance. Therefore, the revenue from the health food and clothing segments is recognized as one of the key audit matters in the consolidated financial statements 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 revenue of the health food and clothing segments; understanding the transaction method and conditions to evaluate whether the accounting policies at the time of revenue recognition of health food and clothing segments are appropriate; reviewing samples of sales contracts or orders, assessing the impact of the contract terms and transaction conditions on the revenue recognition of health food and clothing segments, determining whether the accounting treatment is appropriate; and assessing whether the relevant information of revenue has been appropriately disclosed.

II. Corporate merger - Acquisition of one business

For accounting policy of the corporate merger - acquisition of one business, please refer to Note 4(17) Corporate merger (including acquisition of one business) of the consolidated financial statements . For relevant disclosure, please refer to Note 6(7) Corporate merger of the consolidated financial statements.

Description of Key Audit Matters:

The management of the Group has commissioned external independent evaluation experts to issue a report on the allocation of acquisition prices, and has recognized and adjusted the fair value of the relevant identifiable intangible assets and goodwill or the gain on purchase of goodwill. As the allocation of the acquisition price involves the assumption of accounting estimates, including the evaluation model, key parameter setting, future cash flow and discount rate use, etc., therefore, we consider that the evaluation of the price allocation report of a business acquired is one of the important evaluation items for the audit of the consolidated financial statements.

Responsive audit procedures:

Our main audit procedures for the above key audit matters include assessing the suitability, objectivity and professional qualifications of the external independent evaluation experts commissioned by the management; and through interviews with the management, the business after being included in this business is understood, and external market information and internal input assumption information are compared to verify that there is no matter that affects its

objectivity or restricts its scope of work. Furthermore, we also engage our valuation experts to perform relevant procedures to assess whether the main assumptions and valuation methods adopted by the external independent valuation experts to issue the price allocation report are reasonable.

Other Matters

The Group has prepared the parent company only financial statements for 2024 and 2023, to which we have issued an independent auditor's report with unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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”, the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC, 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 consolidated financial statements, the management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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 the Group's 2024 consolidated financial statements. 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

CPAs:

高鈺倫 
許振隆 

Reference number of
Competent Authority's
approval of
attestation
March 12, 2025

Jin-Guan-Zheng-Shen-Zi No.
: 1130332775
Chin-Kuan-Cheng (VI)
No.0960069825

Myson Century, Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ thousand

Assets	2024.12.31		2023.12.31			Liabilities and equity	2024.12.31		2023.12.31	
	Amount	%	Amount	%			金額	%	金額	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(1))	\$ 239,681	39	59,024	24		2130 Contract liabilities - current (Note 6(18) and 7)	\$ 62,634	10	2,033	1
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	70,744	12	-	-		2150 Notes payable	3,561	-	-	-
1136 Financial assets at amortized cost - current (Note 6(4))	1,764	-	3,723	2		2170 Accounts payable	47,756	8	42,084	18
1140 Contract assets - current (Note 6(18) and 7)	705	-	-	-		2200 Other payables (Note 6(19))	28,964	5	4,328	2
1170 Accounts receivable, net (Note 6(5) and (18))	20,764	3	1,939	1		2220 Other payables - related parties (Note 7)	149	-	10,021	4
1180 Accounts receivable - related parties, net (Note 6(5), (18) and 7)	40,570	7	78,312	32		2250 Liability reserve - current (Note 6(13))	5,000	1	-	-
1200 Other receivables	3,334	-	1,197	-		2280 Lease liabilities - current (Note 6(12), (24) and 7)	4,039	1	996	-
1220 Current tax assets for the period	251	-	6	-		2399 Other current liabilities	1,869	-	70	-
130X Inventories (Note 6(6))	23,840	4	66	-		Total current liabilities	153,972	25	59,532	25
1410 Prepayments	10,026	2	5,265	2		Non-current liabilities:				
1470 Other current assets	603	-	83	-		2570 Deferred income tax liabilities (Note 6(15))	90	-	-	-
Total current assets	412,282	67	149,615	61		2580 Lease liabilities - non-current (Note 6(12), (24) and 7)	7,815	1	2,683	1
Non-current assets:						Total non-current liabilities	7,905	1	2,683	1
1517 Financial assets at fair value through other comprehensive profit or loss - non-current (Note 6(3))	50,220	8	84,901	35		Total liabilities	161,877	26	62,215	26
1535 Financial assets at amortized cost - non-current (Note 6(4) and 8)	4,000	1	-	-		Equity attributable to shareholders of the parent (Note 6(3), (8) and (16)):				
1600 Property, plant and equipment (Note 6(7), (9) and 8)	13,371	2	6,309	3		3100 Share capital	147,000	24	147,000	60
1755 Right-of-use assets (Note 6(7), (10) and 7)	11,673	2	3,581	1		3200 Capital surplus	208	-	169	-
1780 Intangible assets (Note 6(7), (11))	112,356	19	52	-		3300 Retained earnings	299,191	49	29,537	12
1840 Deferred income tax assets (Note 6(7), (15))	3,081	-	-	-		3400 Other equity	-	-	3,391	1
1900 Other non-current assets (Note 7)	5,836	1	728	-		Subtotal of equity attributable to owners of the parent company	446,399	73	180,097	73
Total non-current assets	200,537	33	95,571	39		Non-controlling interests (Note 6(8)):				
						36XX Non-controlling interest	4,543	1	2,874	1
						Total equity	450,942	74	182,971	74
Total assets	\$ 612,819	100	245,186	100		Total liabilities and equity	\$ 612,819	100	245,186	100

(Please refer to the notes of the Consolidated Financial Statements enclosed for details)

Chairman: Chang, Yu-Ming



Managerial Officer: Chang, Shuo-Wen



Chief Accounting Officer: Chu, Li-Chuan




Myson Century, Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
December 31, 2024 and 2023

Unit: NT\$ thousand

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenue (Note 6(18) and 7)	\$ 628,230	100	85,353	100
5000 Operating costs (Note 6(6), (11), (14), 7 and 12)	245,935	39	68,912	81
5900 Operating Gross Profit	382,295	61	16,441	19
Operating expenses (Note 6(11), (12), (14), (19), 7 and 12):				
6100 Selling expenses	79,066	13	5,135	6
6200 Administrative expenses	33,929	5	18,368	22
6300 Research and development expenses	2,252	-	-	-
Total operational expenses	115,247	18	23,503	28
6900 Operating profit (loss)	267,048	43	(7,062)	(9)
Non-operating income and expenses (Note 6(3), (7), (12), (20) and 7):				
7100 Interest revenue	1,967	-	425	-
7010 Other income	1,083	-	3,662	4
7020 Other gains and losses	(3,702)	(1)	34,566	40
7050 Finance cost	(422)	-	(701)	(1)
Total non-operating income and expenses	(1,074)	(1)	37,952	43
7900 Net profit before tax	265,974	42	30,890	34
7950 Less: Income tax profit (Note 6(15))	(2,325)	-	-	-
8200 Net profit for the period	268,299	42	30,890	34
8300 Other comprehensive income (loss):				
8310 Items not reclassified subsequently 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))	24,432	4	26,520	31
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(15))	-	-	-	-
Other comprehensive income/loss of the period	24,432	4	26,520	31
8500 Total comprehensive income/loss for the period	\$ 292,731	46	57,410	65
Net profit attributable to:				
8610 Owners of the parent	\$ 268,291	42	31,050	34
8620 Non-controlling interest	8	-	(160)	-
Net profit for the period	\$ 268,299	42	30,890	34
Total comprehensive income/loss attributable to:				
8710 Owners of the parent	\$ 292,723	46	57,570	65
8720 Non-controlling interest	8	-	(160)	-
Total comprehensive income/loss for the period	\$ 292,731	46	57,410	65
Earnings per share (Unit: NT\$(Note 6(17)):				
9750 Basic earnings per share	\$ 18.25		2.11	
9850 Diluted earnings per share	\$ 18.25		2.11	

(Please refer to the notes of the Consolidated Financial Statements enclosed for details)

Chairman: Chang, Yu-Ming Managerial Officer: Chang, Shuo-Wen Chief Accounting Officer: Chu, Li-Chuan



Myson Century, Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
December 31, 2024 and 2023

Unit: NT\$ thousand

	Equity attributable to owners of the parent company								
	Share capital - common stock	Capital surplus	Legal reserve	Retained earnings		Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss	Total equity attributable to owners of the parent company	Non-controlli ng interest	Total equity
				Retained earnings (deficit to be offset)	Total				
Balance on January 1, 2023	\$ 147,000	103	-	(4,386)	(4,386)	(20,256)	122,461	-	122,461
Net profit (loss) for the period	-	-	-	31,050	31,050	-	31,050	(160)	30,890
Other comprehensive income/loss of the period	-	-	-	-	-	26,520	26,520	-	26,520
Total comprehensive income/loss for the period	-	-	-	31,050	31,050	26,520	57,570	(160)	57,410
Changes in ownership interest of subsidiaries	-	66	-	-	-	-	66	(66)	-
Changes in non-controlling interest	-	-	-	-	-	-	-	3,100	3,100
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	2,873	2,873	(2,873)	-	-	-
Balance on December 31, 2023	147,000	169	-	29,537	29,537	3,391	180,097	2,874	182,971
Net profit for the period	-	-	-	268,291	268,291	-	268,291	8	268,299
Other comprehensive income/loss of the period	-	-	-	-	-	24,432	24,432	-	24,432
Total comprehensive income/loss for the period	-	-	-	268,291	268,291	24,432	292,723	8	292,731
Appropriation and distribution of retained earnings:									
Appropriation of legal reserve	-	-	2,954	(2,954)	-	-	-	-	-
Common share cash dividends	-	-	-	(26,460)	(26,460)	-	(26,460)	-	(26,460)
Changes in ownership interest of subsidiaries	-	39	-	-	-	-	39	(39)	-
Changes in non-controlling interest	-	-	-	-	-	-	-	1,700	1,700
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	27,823	27,823	(27,823)	-	-	-
Balance on December 31, 2024	\$ 147,000	208	2,954	296,237	299,191	-	446,399	4,543	450,942

(Please refer to the notes of the Consolidated Financial Statements enclosed for details)

Chairman: Chang, Yu-Ming 

Managerial Officer: Chang, Shuo-Wen 

Chief Accounting Officer: Chu, Li-Chuan 


Myson Century, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
December 31, 2024 and 2023

Unit: NT\$ thousand

	2024	2023
Cash flows from operating activities:		
Net income before income tax	\$ 265,974	30,890
Adjustments:		
Profit/loss		
Depreciation expense	4,741	2,827
Amortization expense	5,120	115
Valuation loss of financial assets at fair value through profit or loss	5,764	-
Interest expense	422	701
Interest revenue	(1,967)	(425)
Dividend revenue	(496)	(142)
Gains on disposal of property, plant and equipment	-	(34,788)
Unrealized foreign currency exchange gain	-	(67)
Loss in lease modification	-	271
Unrealized foreign currency exchange gain	(450)	-
Others	(1,761)	-
Total adjustments to reconcile profit (loss)	11,373	(31,508)
Changes in operating assets/liabilities:		
Changes in operating assets, net:		
Increase in contract assets	(705)	-
Increase in accounts receivable	(17,355)	(1,939)
Decrease (increase) in accounts receivable - related parties	37,742	(68,343)
Increase in other receivables	(2,071)	(125)
Increase in inventory	(19,832)	(66)
Increase in prepayments	(3,922)	(3,758)
Increase in other current assets	(136)	(82)
Total changes in operating assets, net	(6,279)	(74,313)
Changes in operating liabilities, net:		
Increase in contract liabilities	28,283	1,861
Increase in notes payable	3,561	-
Increase in accounts payable	4,977	42,084
Increase (decrease) in other payables	23,778	(2,714)
Increase in provision for liabilities - current	5,000	-
Increase in other current liabilities	1,509	37
Total changes in operating liabilities, net	67,108	41,268
Total changes in operating assets and liabilities, net	60,829	(33,045)
Total adjustments	72,202	(64,553)
Cash flows generated from operation	338,176	(33,663)
Interest received	1,967	428
Dividends received	244	142
Interest paid	(443)	(565)
Income tax returned (paid)	(169)	24
Net cash generated from (used in) operating activities	339,775	(33,634)
Cash flow from investing activities:		
Disposal of financial assets measured at amortized cost	1,959	3,877
Acquisition of financial assets at fair value through other comprehensive income/loss	(50,220)	-
Disposal of financial assets at fair value through other comprehensive income	110,405	26,544
Financial assets acquired at fair value through profit or loss	(94,278)	-
Financial assets disposed at fair value through profit or loss	17,692	-
Acquisition of business and subsidiaries	(79,116)	-
Acquisition of property, plant and equipment	(9,409)	(6,468)
Disposal of property, plant and equipment	-	71,086
Increase in other current assets and non-current assets	(2,931)	(631)
Acquisition of intangible assets	(16,764)	-
Net cash inflow (outflow) from investing activities	(122,662)	94,408
Cash flow from financing activities:		
Repayment of long-term borrowings	-	(34,968)
Decrease in guarantee deposits received	-	(9,044)
Increase in other receivables - related parties	-	10,000
Decrease in other payables - related parties	(10,000)	-
Repayment of lease principal	(2,146)	(1,030)
Cash dividends paid	(26,460)	-
Change in non-controlling interest	1,700	3,100
Cash outflow generated from financing activities, net	(36,906)	(31,942)
Effect of exchange rate changes on cash and cash equivalents	450	67
Net increase in cash and cash equivalents for the current period	180,657	28,899
Cash and cash equivalents, beginning of period	59,024	30,125
Cash and cash equivalents, end of period	\$ 239,681	\$ 59,024

(Please refer to the notes of the Consolidated Financial Statements enclosed for details)

Chairman: Chang, Yu-Ming



Managerial Officer: Chang,
Shuo-Wen



Chief Accounting Officer: Chu,
Li-Chuan



Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company Profile

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 principal business items of the Company and its subsidiaries (hereinafter referred to as the "Group") are the sales of integrated circuit systems and safety monitoring products, restaurant business, retail of food and grocery, retail of beverages, other catering business, trading of building materials, interior decoration, trading of clothing, and advertisement and marketing. Sun Yad Construction Co., Ltd. is the parent company of the Company.

2. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 12, 2025.

3. Application of New and Revised Standards and Interpretations

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024.

- 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”

- (2) Effect of not adopting the IFRS endorsed by the FSC

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendment to Classification and Measurement of Financial Instruments" and application index of Section 4.1 of IFRS 9 and relevant disclosure requirements of IFRS 7

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

The standards and interpretations issued by IASB but not yet endorsed and issued into effect by the FSC that may be related to the Group are as follows:

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

New Announcement or Amendment of Standards	Main Content of Amendment	Effective Date per IASB
IFRS 18 “Expression and Disclosure of Financial Statements”	<p>The new standards introduce three types of income and expenses, two subtotals for the income statement, and one single note related to the management performance measurement. These three amendments and enhancements provide a guideline on how to further classify information in the financial statements, in order to provide a foundation to users with better and more consistent information, which will affect all companies.</p> <ul style="list-style-type: none"> • More structured income statement: According to the current standards, companies use different formats to express their operating results, so that investors cannot easily compare the financial performance of different companies. The new standard adopts a more structured income statement, and introduces new definition of "operating profits" as a subtotal, and also specifies that all income and expenses are classified into three new different categories based on the company's main operating activities. • Management Performance Measurement (MPM): The new standard introduces the definition of management performance measurement, and requires companies to provide the information on each measurement indicator in a single note to the financial statements, and to explain the calculation and how to adjust the measured indicator and the amount recognized in the IFRS accounting standards. • More detailed information: The new standard includes a guideline on how companies can strengthen information classification in the 	January 1, 2027

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

financial statements. This includes the guideline on whether the information needs to be included in the main financial statements or further classified in the notes.

The Group is currently assessing the impact of the aforementioned standards and interpretations on the financial status and business result of the Group, and relevant impacts will be disclosed after the completion of the assessment.

The Group 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"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- IFRS 19 "Subsidiaries not Publicly Responsible for Public Expenditure: Disclosure"
- Amendments to IFRS 9 and IFRS 7 "Amendment to Classification and Measurement of Financial Instruments" and application index of Sections 3.1 and 3.3 of IFRS 9 and relevant disclosure requirements of IFRS 7
- Annual Improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

4. Summary of Significant Accounting Policies

Significant accounting policies adopted during the preparation of the consolidated financial statements are summarized as follows: The following accounting policies have been applied consistently throughout the presented periods in the consolidated financial statements.

(1) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the "Regulations"), International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the IFRSs endorsed by the FSC.)

(2) Basis of preparation

i. Basis of measurement

Except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are measured at fair value, these

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

consolidated financial statements have been prepared on a historical cost basis.

ii. Functional currency and presentation currency

Every entity within the consolidated entity has designated its functional currency as the main currency used in the economic environment where operations take place. The consolidated 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.

(3) Basis of consolidation

i. Principles for preparation of consolidated financial statements

The consolidated financial statements include the Company and entities that the Company has control over (i.e. subsidiaries). The Company is considered to exercise control if it is exposed or entitled to variable returns generated by an investee and has the power to affect such return through influence over the investee.

Subsidiaries are included into the consolidated financial statements from the day control is gained, and removed on the day control is lost. Internal transactions, balances, and any unrealized gains, expenses, and losses between members of the consolidated entity have been fully eliminated when preparing the consolidated financial statements. Total comprehensive income generated by subsidiaries is divided into amounts that are attributable to owners of the Company and amounts that are attributable to non-controlling shareholders, even if the allocation would put non-controlling equity in negative balance.

Subsidiaries have had financial statements adjusted appropriately to ensure alignment of accounting policies with those of the consolidated entity.

The Group accounts the changes in ownership interests in a subsidiary, under the condition that control is still present, as equity transactions between the proprietors. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity attributable to owners of the Company.

ii. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Investee name	Subsidiary name	Nature of business	Shareholding percentage		Remarks
			2024.12.31	2023.12.31	
The Company	ZAVIO Inc. (hereinafter referred to as "ZAVIO")	Sales of garment and sales of security surveillance products	100.00%	100.00%	-
The Company	Yuan Qiao Limited (hereinafter referred to as "Yuan-Qiao")	Restaurants and other catering business	80.00%	82.78%	(Note 1)
The Company	Yun Kang Century Co., Ltd. (hereafter referred to as "Yun Kang Century")	Sales of food and grocery	100.00%	-	(Note 2)

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Note 1: It is a subsidiary approved for establishment by the Ministry of Economic Affairs (MOEA) on April 20, 2023.

Please refer to Note 6(8) for details of the changes in the shareholding percentage.

Note 2: The Group acquired control over Yun Kang Century in September 2024, making it a subsidiary of the Group.

Please refer to Note 6(7) for details of the corporate merger.

iii. Subsidiaries not included in the consolidated financial statements: None.

(4) 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 (referred to as the "reporting date"), 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.

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

The Group classifies an asset as current asset under one of the following criteria, and all other assets are classified as non-current:

- i. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- ii. Assets held mainly for trading purposes;
- iii. The asset is realized within twelve months after the reporting period; or
- iv. The asset is cash or cash equivalents (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The Group classifies a liability as current liability under one of the following criteria, and all other liabilities are classified as non-current:

- i. Liabilities that are expected to be settled within the normal operating cycle.
- ii. Liabilities held mainly for trading purposes;
- iii. Liabilities due to be settled within 12 months after the reporting period; or
- iv. Liabilities devoid of the right to defer the settlement for at least 12 months after the

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reporting period at the end of the reporting date.

(6) 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.

(7) Financial instruments

Accounts receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group 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.

i. Financial assets

For the purchase or sale of financial assets complying with regular trading, the Group uses the same method to classify the financial assets. All of the purchase and sale disposals of financial assets are recognized using trade-date accounting.

During the initial recognition, the financial assets are classified into the following categories: facial assets measured at amortized cost, financial assets measured at fair value through profit or loss, and financial assets measured at fair value through other comprehensive income. Financial assets are not reclassified subsequent to their initial recognition unless the Group 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.

(i) 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

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Notes to Consolidated Financial Statements (Continued)

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.

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

On initial recognition of an equity investment that is not held for trading, the Group 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 Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(iii) Financial assets at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income (e.g., held for trading and financial assets that are managed and evaluated at fair value on a fair value basis) are measured at fair value through profit or loss, including derivative financial assets. At the initial recognition, in order to eliminate or significantly reduce the improper accounting ratio, the Group may designate the financial assets measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

Subsequently, such assets are measured at fair value, and the net profit or loss (including any dividend and interest income) is recognized in profit or loss.

(iv) Assessment of business model

The Group assesses the business model of the financial assets held for the purpose of assembly, which is the most reflective of the business management method and the way to provide information to the management. The information considered includes:

- Investment portfolio policy and objective, and the operation of such policies, including

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Notes to Consolidated Financial Statements (Continued)

whether the management's strategy is to earn contractual cash flows, maintain a specific interest rate portfolio, match the duration of the financial asset with the duration of the related liabilities or expected cash outflow, or realize cash flows by selling financial assets;

- how to assess the performance of the business model and the financial assets held under the business model, and how to report to the key management personnel of the enterprise;
- Risks affecting the performance of the business model (and the financial assets held under the business model), and how to manage such risks;
- Determination of the remuneration to managerial officers of the business, such as: the remuneration is determined based on the fair value of the assets managed or the contractual cash flows received; and
- Frequency, amount and timing of the sold financial assets in previous periods, reasons for selling, and expectation of future selling activities.

If the transaction of financial asset transfer to a third party for the above-mentioned business purpose does not meet the criteria of derecognition, it is not classified as the sale described above, which is consistent with the purpose of the Group for recognition of such asset.

- (v) Assess whether the contractual cash flows are fully for paying the principal and the interest of the outstanding principal amount

For the purpose of assessment, the principal refers to the fair value of the financial assets at the time of initial recognition, and the interest consists of the following considerations: time value of money, credit risk related to the outstanding principal amount within a specific period, other basic lending risks and costs, and profit margins.

The Group assesses whether the contractual cash flows are fully for paying the principal and the interest of the outstanding principal amount. The Group also considers the terms of the financial instrument contract, including whether the financial assets contain a contractual term that changes the point or amount of the contractual cash flows, resulting in its not meeting this condition. During assessment, the Group considers the following:

- Any contingency that would change the point or amount of the contractual cash flow;
- Terms that may adjust the contractual coupon rate, including the characteristics of floating interest rate;
- Early repayment and extension features; and

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- Claim right of the Group is limited to the terms of the cash flow from a specific asset (e.g. non-recourse characteristics).

(vi) Impairment of financial assets

The Group 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) and contract assets.

The Group 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.

Loss allowance for trade receivables and contract assets are always measured at an amount equals to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group 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 Group's historical experience and informed credit assessment as well as forward-looking information.

The Group 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 Group 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 months 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 Group 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 Group in accordance with the contract

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and the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group 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.

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 Group, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the Group 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For the corporate borrowers, the Group 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 Group 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 Group's procedures for recovery of amounts due. Based on the Group's experience, collecting overdue amounts from corporate borrowers becomes impossible once they are 90 days past due.

(vii) Derecognition of financial assets

The Group 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

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Notes to Consolidated Financial Statements (Continued)

ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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.

ii. Financial liabilities and equity instruments

(i) Classification of debt or equity

Debt and equity instruments issued by the Group 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.

(ii) Equity transactions

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

(iii) 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.

(iv) Derecognition of financial liabilities

The Group derecognizes 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.

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(v) 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 Group 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.

(8) Inventories

i. Purchase and sales

Inventories are measured at the lower of cost and net realizable value. The costs include necessary costs to make it available for sale, and is calculated using the weighted average method.

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

ii. Manufacturing

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.

(9) Property, plant and equipment

i. 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.

ii. Subsequent costs

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

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iii. 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.

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

Building and structure	3~5 years
Machinery and equipment	5 years
Other equipment	2~10 years

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

(10) Lease

At inception of a contract, the Group 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.

i. As a lessee

The Group 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 Group 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 Group's incremental borrowing rate shall apply. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise:

- (i) fixed payments, including in-substance fixed payments;

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- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (iii) amounts expected to be payable under a residual value guarantee; and
- (iv) 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:

- (i) there is a change in future lease payments arising from the change in an index or rate;
- (ii) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee;
- (iii) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset;
- (iv) 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
- (v) there is any lease modifications affecting the underlying asset, scope, or other terms of the lease.

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

ii. As a lessor

In the transaction where the Group 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 Group considers certain indicators such as whether the lease is for the major part of the

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economic life of the asset.

When the Group 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 Group applies IFRS15 to allocate the consideration in the contract.

(11) Intangible assets

i. Recognition and measurement

Goodwill arising from the acquisition of subsidiaries by the Group is measured at cost less accumulated impairment.

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

ii. 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.

iii. Amortization

Except for goodwill, 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	3~5 years
Know-how	10 years
Trademarks	10 years
Others	3~5 years

Amortization methods, useful lives, and residual values of intangible assets are reviewed at each reporting date and adjusted as necessary.

(12) Impairment of non-financial assets

The Group assesses whether there is any indication that there might be an impairment in the carrying amount of non-financial assets (excluding contract assets, inventories and deferred income tax assets) on each reporting day. If any such indication exists, then the

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asset's recoverable amount is estimated. Goodwill is subjected to annual impairment tests.

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. Goodwill acquired through business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

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.

Goodwill impairment is not reversed in any case. 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.

(13) Provision for liabilities

Provisions for liabilities are recognized when the Group has an obligation as a result of past events, and the Group is likely to be subject to an outflow of economic resources that will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions for liabilities are discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

The reserve for warranty and liabilities is recognized when the goods or services are sold. The reserve for warranty and liabilities is measured weighted according to the relevant probability based on the historical warranty information and all possible results.

(14) Revenue recognition

i. 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 Group recognizes revenue when it satisfies a performance obligation by transferring control of a

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good or a service to a customer. The Group's main types of revenue are explained below.

(i) Sales of goods

The Group 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 Group any has objective evidence that all criteria for acceptance have been satisfied. In addition, if the Group 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 Group recognizes accounts receivable when the goods are delivered, as the Group 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.

(ii) Construction contracts

The Group 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 Group 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.

If the situation changes, the estimates of revenue, cost, and level of completion

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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.

(iii) Advertisement Service

The advertisement service of the Group is based on individual pricing or negotiation, and the services are provided during the contract period. Since the Group provides services during the contract period, the customers will be entitled to the benefits of the services during the contract period, which is a performance obligation that will be gradually fulfilled over time, so the revenue is recognized by the straight-line method over time.

Most contracts of the Group have collected partial consideration from the customers at the time of signing the contract, and the Group must assume the obligation to provide labor services subsequently. Therefore, it is recognized as a contract liability.

(iv) Financing components

The Group 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 Group does not adjust any of the transaction prices for the time value of money.

(15) Employee Benefits

i. Definite contribution plan

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

ii. 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 Group 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.

(16) 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,

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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:

- i. 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;
- ii. 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
- iii. 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:

- i. the Group has a legally enforceable right to set off current tax assets against current tax liabilities ; and
- ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) 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.

(17) Corporate merger (acquisition of one business)

The Group adopts the acquisition method for each business combination. Goodwill is

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measured at the fair value of the consideration for the transfer on the acquisition date, including the amount of non-controlling interests attributable to the acquired entity, less the net amount of identifiable assets acquired and net liabilities assumed (usually it is the fair value). If the balance is a negative value, the Group reassesses whether the assets acquired and liabilities assumed are identified correctly before recognizing the gain on the bargain purchase in the profit or loss.

Except for those related to debt issuance or equity instruments, the transaction cost related to the merger should be recognized as the Group's expense immediately upon occurrence.

Among the non-controlling interests of the acquired company, if the equity is current, and the holder is entitled to the business's net assets on a pro rata basis at the time of liquidation, the Group will choose to measure the fair value based on the fair value on the date of acquisition or the current ownership instrument based on the fair value of the acquired identifiable net assets. Other non-controlling interests are measured at the fair value on the date of acquisition or other bases regulated in the IFRSs recognized by the FSC.

If the initial accounting process of the business combination is not completed before the end of the reporting period of the business combination transaction, the Group's items of unfinished accounting process are recognized as provisional amount and are retroactively adjusted or recognized as additional assets or liabilities during the measurement period to reflect the information of the existing fact and condition on the acquisition date during the measurement period. The measurement period shall not exceed one year from the date of acquisition.

(18) Earnings per share

The Group discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share of the Group 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 Group's potential ordinary shares with dilutive effects include employee remuneration that can be distributed in shares.

(19) Segment Information

An operating segment is a section of the Group that generates income and incurs expenses as part of its activities (including income and expenses from transacting with other

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sections of the Group). Operating results of all segments are reviewed regularly by the Group's main decision maker for resource allocation and performance evaluation. All operating segments report financial information separately.

5. Critical Accounting Judgments, Estimates and Assumptions on Uncertainty

When the consolidated financial statements are prepared by the management, it is necessary to make judgments and estimates about the future (including climate-related risks and opportunities), which will affect the adoption of accounting policies and the amount of assets, liabilities, revenues and expenses reported. Actual results may differ from these estimates.

The management of the Group continues to review the estimates and basic assumptions, which are consistent with the risk management and climate-related commitments of the Group. Changes in the estimated value are deferred and recognized in the period of change and the affected future period.

The Group has not made critical judgments in applying accounting policies that have significant effect on the amounts recognized in these consolidated financial statements.

The following provides explanation on the assumption and estimation uncertainty made. Such assumption and uncertainty have major risks that may lead to material adjustments in assets and liability carrying amounts in the next fiscal year, and relevant information is as follows:

Subsidiary acquired

The fair value of the identifiable net assets acquired by the Group from the acquisition of the subsidiary is a temporary amount, and these assets are yet to be evaluated ultimately. The Group will continue to review the final evaluation of the above assets during the measurement period. If the Group obtains any new information related to the existing fact and circumstances within one year from the date of acquisition, which can be used to identify the adjustment of the estimated amount above or any additional liability reserve on the date of acquisition, the accounting treatment of the acquisition will be modified accordingly. Please refer to Note 6(7) for details.

6. Description of Important Accounting Items

(1) Cash and cash equivalents

	2024.12.31	2023.12.31
Cash and petty cash	\$ 361	140
Check deposits and demand deposits	228,881	58,884
Time deposits	10,439	-
Cash and cash equivalents listed in the Consolidated Statement of Cash Flows	\$ 239,681	59,024

Please refer to Note 6(21) for the disclosure of the exchange rate risk and sensitivity

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analysis of the Group's financial assets.

(2) Financial assets at fair value through profit or loss

	2024.12.31	2023.12.31
Financial assets compulsorily measured at fair value through profit or loss - current:		
Stocks of TWSE/TPEX-listed company	\$ 24,780	-
Beneficiary certificates	45,964	-
	\$ 70,744	-

Please refer to Note 6(20) for the amount of remeasurement recognized in profit or loss at fair value.

Please refer to Note 6(21) for market risk information related to the aforementioned financial assets.

The financial assets at fair value the through profit or loss of Group are not used as collateral for security.

(3) Financial assets at fair value through other comprehensive income/loss

	2024.12.31	2023.12.31
Financial assets at fair value through other comprehensive income/loss - non-current:		
Stocks of TWSE/TPEX-listed company	\$ -	84,901
Stocks of companies not listed on TWSE/TPEX	50,220	-
	\$ 50,220	84,901

The Group'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 Group recognized dividends income of NT\$0 thousand and NT\$142 thousand for the years ended December 31, 2024 and 2023, respectively, from the aforementioned equity instrument designated as investment at fair value through other comprehensive income.

In 2024 and 2023, due to a change in investment strategy, the Group sold the equity instruments designated to be measured at fair value through other comprehensive income. The fair values at the time of disposal was NT\$109,333 thousand and NT\$27,616 thousand, respectively. The accumulated gain on disposal was NT\$27,823 thousand and NT\$2,873 thousand, respectively. The Group has transferred the aforementioned accumulated gain on disposal from other equity to retained earnings.

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

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

(4) Financial assets at amortized cost

	2024.12.31	2023.12.31
Current:		
Time deposits with original maturities of more than three months	\$ 1,764	3,723
Non-current:		
Time deposits with limited purpose	\$ 4,000	-

The Group 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.

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

Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

	2024.12.31	2023.12.31
Accounts receivable - measured at amortized cost	\$ 20,764	1,939
Accounts receivable - related parties - measured at amortized cost	40,570	78,312
Less: Loss provision	-	-
	\$ 61,334	80,251

The Group 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 Group's expected credit loss of accounts receivable was analyzed as follows:

	2024.12.31	
Carrying amount of accounts receivable	Weighted-average expected credit loss rate	Allowance provision for lifetime expected credit losses
Not past due	\$ 61,334	- %

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	2023.12.31		
	Carrying amount of accounts receivable	Weighted-averag e expected credit loss rate	Allowance provision for lifetime expected credit losses
Not past due	\$ 80,251	-	%

Changes in the Group's allowance for losses on accounts receivable are shown below:

	2024	2023
Balance at beginning of the period	\$ -	1,424
Amount written off during the period due to non-recoverability	-	(1,424)
Balance, ending	\$ -	-

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

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

(6) Inventories

	2024.12.31	2023.12.31
Raw materials	\$ 1,566	66
Work in process	788	-
Finished goods	880	-
Merchandise Inventory	20,606	-
	\$ 23,840	66

The details of the cost of sales were as follows:

	2024	2023
Decoration engineering cost	\$ 71,398	54,855
Marketing costs	36,910	-
Sales reclassified as cost of goods sold	116,352	14,057
Other operating costs	21,275	-
	\$ 245,935	68,912

The Group did not provide any inventories as collateral.

(7) Corporate merger

i. Acquisition of business

Transaction counterparty	Main operating activity	Date of acquisition
Yuanfulong Trading Co., Ltd. (hereinafter referred to as "Yuanfulong")	Management and sale of online social media	June 13, 2024

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The Group acquired the business and asset portfolio of the non-related party, Yuanfulong, on June 13, 2024. The process of investment and processing of the investment is included, and the output is capable of creating output, which meets the definition of business. It is processed in accordance with IFRS 3 "Corporate Merger". The acquisition is to achieve the business expansion effect and strengthen the product portfolio of the Group.

(i) Consideration transferred

	Amount
Cash	\$ 59,524

(ii) Net identifiable assets acquired and liabilities assumed on the date of acquisition

Item	Amount
Non-current assets	
Intangible assets	\$ 60,900
Deferred income tax assets	385
	\$ 61,285

(iii) Gain on bargain purchase due to acquisition

Item	Amount
Consideration transferred - cash	\$ 59,524
Less: Fair value of net identifiable assets acquired	(61,285)
Gain on bargain purchase due to acquisition	\$ (1,761)

The gain on the acquisition of Yuanfulong was mainly due to the Group's plan to engage in the online social platform operation business in 2024, and due to Yuanfulong's company scale, it was lack of competitiveness in the market. In view of such fact, the Group decided to acquire the asset portfolio at a price lower than the fair value of the assets.

ii. Acquisition of equity

In order to meet the need for business development strategies, the Group acquired 100% of the equity of Ju Kang Life Co., Ltd. (hereinafter referred to as "Ju Kang") in September 2024 with a cash purchase of NT\$22,500 thousand. The Group has gained control of Ju Kang and has included Ju Kang into the consolidated entity since the date of acquisition for the control thereof. Ju Kang has changed its name to "Yun Kang Century Co., Ltd." (hereinafter referred to as "Yun Kang Century") on October 24, 2021. Yun Kang Century is mainly engaged in wholesale of food and grocery. The relevant equity has been fully transferred and the transaction price has been paid in September 2024.

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From the acquisition date to December 31, 2024, the revenue and net income contributed by Yun Kang Century were NT\$52,371 thousand and NT\$22,073 thousand, respectively. If the acquisition occurs on January 1, 2024, the management estimates that the Group's revenue and net income will increase (decrease) by NT\$33,621 thousand and (NT\$32,738) thousand, respectively. In determining the amount, the management assumes that the acquisition took place on January 1, 2024, and that the adjustment of the estimated fair value on the date of acquisition is the same.

iii. The consideration for the acquisition, the assets acquired and liabilities assumed on the acquisition date, and the goodwill recognized are as follows:

(i) Consideration of acquisition

	Amount
Cash	\$ 22,500

(ii) Net identifiable assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities assumed of Yun Kang Century on the acquisition date is as follows:

Item	Amount
Cash and cash equivalents	\$ 2,908
Accounts receivable, net	1,470
Other receivables	808
Current tax assets for the period	180
Inventory	3,942
Prepayments	839
Other current assets	1
Financial assets at amortized cost - non-current	4,000
Property, plant and equipment	25
Right-of-use assets	1,948
Deferred tax income assets	177
Other non-current assets	2,560
Contract liabilities - current	(32,318)
Accounts payable	(695)
Other payables	(858)
Leasing liabilities - current	(1,163)
Other current liabilities	(290)
Leasing liabilities - non-current	(794)
Fair value of net identifiable assets	\$ (17,260)

(iii) Goodwill

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Notes to Consolidated Financial Statements (Continued)

The goodwill recognized due to acquisition is as follows:

Item	Amount
Consideration of acquisition - cash	\$ 22,500
Less: Fair value of identifiable assets acquired and liabilities assumed	(17,260)
Goodwill	<u>\$ 39,760</u>

The fair value measurement of the assets and liabilities acquired by the Group is a temporary estimate, and the final valuation of such amount is to be completed. Goodwill is mainly derived from the profitability of the future market development of Yun Kang Century. Since these benefits do not meet the recognition criteria for identifiable intangible assets, they are not recognized as goodwill separately, and there is no expected income tax effect on the recognized goodwill.

The Group will continue to review the aforementioned matters during the measurement period. If the Group obtains any new information related to the existing fact and circumstances within one year from the date of acquisition, which can be used to identify the adjustment of the estimated amount above or any additional liability reserve on the date of acquisition, the accounting treatment of the acquisition will be modified accordingly.

(8) Changes of ownership in subsidiaries

In February 2024, the Group participated in the cash capital increase of its subsidiary-Yuan Qiao Limited, with cash of NT\$4,300 thousand, resulting in a decline in the equity from 82.78% to 80.00%. The changes in shareholding percentage led to an increase in net equity value attributable to the Group increased of NT\$39 thousand, which was adjusted to the capital surplus.

In November 2023, the Group 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 percentage, resulting in a decline in its shareholding percentage from 88.89% to 82.78%. The changes in shareholding percentage led to an increase in net equity value attributable to the Group increased of NT\$66 thousand, which was adjusted to the capital surplus.

(9) Property, plant and equipment

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

	Building and structure	Machinery and equipment	Other equipment	Total
Cost or deemed cost:				

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Balance on January 1, 2024	\$ 6,110	-	2,749	8,859
Acquired via merger	1,568	-	539	2,107
Additions	<u>6,189</u>	<u>128</u>	<u>3,241</u>	<u>9,558</u>
Balance on December 31, 2024	<u>\$ 13,867</u>	<u>128</u>	<u>6,529</u>	<u>20,524</u>
Balance on January 1, 2023	\$ 68,457	-	2,253	70,710
Additions	5,972	-	496	6,468
Disposals	<u>(68,319)</u>	<u>-</u>	<u>-</u>	<u>(68,319)</u>
Balance on December 31, 2023	<u>\$ 6,110</u>	<u>-</u>	<u>2,749</u>	<u>8,859</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 566	-	1,984	2,550
Acquired via merger	1,568	-	514	2,082
Depreciation	<u>1,897</u>	<u>13</u>	<u>611</u>	<u>2,521</u>
Balance on December 31, 2024	<u>\$ 4,031</u>	<u>13</u>	<u>3,109</u>	<u>7,153</u>
Balance on January 1, 2023	\$ 31,159	-	1,488	32,647
Depreciation	1,428	-	496	1,924
Disposals	<u>(32,021)</u>	<u>-</u>	<u>-</u>	<u>(32,021)</u>
Balance on December 31, 2023	<u>\$ 566</u>	<u>-</u>	<u>1,984</u>	<u>2,550</u>
Carrying amount:				
December 31, 2024	<u>\$ 9,836</u>	<u>115</u>	<u>3,420</u>	<u>13,371</u>
January 1, 2023	<u>\$ 37,298</u>	<u>-</u>	<u>765</u>	<u>38,063</u>
December 31, 2023	<u>\$ 5,544</u>	<u>-</u>	<u>765</u>	<u>6,309</u>

The Group has not provided property, plant and equipment for setting of pledges or as collateral.

(10) Right-of-use assets

The statement of changes in cost and depreciation of right-of-use assets recognized for land, building and structure in leases where the Group acts 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, 2024	\$ -	4,750	4,750
Acquired via merger	-	2,338	2,338
Additions	<u>-</u>	<u>8,364</u>	<u>8,364</u>
Balance on December 31, 2024	<u>\$ -</u>	<u>15,452</u>	<u>15,452</u>
Balance on January 1, 2023	\$ 10,868	1,717	12,585
Additions	-	3,033	3,033
Decrease	<u>(10,868)</u>	<u>-</u>	<u>(10,868)</u>
Balance on December 31, 2023	<u>\$ -</u>	<u>4,750</u>	<u>4,750</u>

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Accumulated depreciation of right-of-use assets:

Balance on January 1, 2024	\$ -	1,169	1,169
Acquired via merger	-	390	390
Depreciation recognized	-	2,220	2,220
Balance on December 31, 2024	<u>\$ -</u>	<u>3,779</u>	<u>3,779</u>
Balance on January 1, 2023	\$ 1,425	494	1,919
Depreciation recognized	228	675	903
Disposals	(1,653)	-	(1,653)
Balance on December 31, 2023	<u>\$ -</u>	<u>1,169</u>	<u>1,169</u>
Carrying amount:			
December 31, 2024	<u>\$ -</u>	<u>11,673</u>	<u>11,673</u>
January 1, 2023	<u>\$ 9,443</u>	<u>1,223</u>	<u>10,666</u>
December 31, 2023	<u>\$ -</u>	<u>3,581</u>	<u>3,581</u>

(11) Intangible assets

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

	<u>Computer software</u>	<u>Know-how</u>	<u>Trademarks</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Cost:						
Balance on January 1, 2024	\$ 515	-	-	12,074	-	12,589
Acquired via merger	-	-	57,600	39,760	3,300	100,660
Additions	104	3,660	-	-	13,000	16,764
Disposals	(515)	-	-	-	-	(515)
Balance on December 31, 2024	<u>\$ 104</u>	<u>3,660</u>	<u>57,600</u>	<u>51,834</u>	<u>16,300</u>	<u>129,498</u>
Balance on January 1, 2023	\$ 818	-	-	12,074	-	12,892
Disposals	(303)	-	-	-	-	(303)
Balance on December 31, 2023	<u>\$ 515</u>	<u>-</u>	<u>-</u>	<u>12,074</u>	<u>-</u>	<u>12,589</u>
Accumulated amortization and losses:						
Balance on January 1, 2024	\$ 463	-	-	12,074	-	12,537
Amortization	69	183	3,360	-	1,508	5,120
Disposals	(515)	-	-	-	-	(515)
Balance on December 31, 2024	<u>\$ 17</u>	<u>183</u>	<u>3,360</u>	<u>12,074</u>	<u>1,508</u>	<u>17,142</u>
Balance on January 1, 2023	\$ 651	-	-	12,074	-	12,725
Amortization	115	-	-	-	-	115
Disposals	(303)	-	-	-	-	(303)

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Balance on December 31, 2023	<u>\$ 463</u>	<u>-</u>	<u>-</u>	<u>12,074</u>	<u>-</u>	<u>12,537</u>
Carrying amount:						
December 31, 2024	<u>\$ 87</u>	<u>3,477</u>	<u>54,240</u>	<u>39,760</u>	<u>14,792</u>	<u>112,356</u>
January 1, 2023	<u>\$ 167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167</u>
December 31, 2023	<u>\$ 52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52</u>

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

	<u>2024</u>	<u>2023</u>
Operating Cost	\$ 4,868	-
Operating Expense	<u>252</u>	<u>115</u>
	<u>\$ 5,120</u>	<u>115</u>

The Group did not provide any intangible assets as collateral.

(12) Lease liabilities

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

	<u>2024.12.31</u>	<u>2023.12.31</u>
Current	<u>\$ 4,039</u>	<u>996</u>
Non-current	<u>\$ 7,815</u>	<u>2,683</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>2024</u>	<u>2023</u>
Interest expenses on lease liabilities	<u>\$ 183</u>	<u>169</u>
Rent expenses relating to short-term leases	<u>\$ 2,944</u>	<u>81</u>
Loss in lease modification	<u>\$ -</u>	<u>271</u>
Expense of low-value lease assets	<u>\$ 309</u>	<u>90</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,862</u>	<u>642</u>

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

	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	<u>\$ 7,444</u>	<u>1,843</u>

i. Lease of land, house and buildings

The Group leases building and structure for its office space or place of business with

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a lease period of 4~5 years. In addition, the original lease contract of the land was terminated early on August 11, 2023.

In 2024 and 2023, some of the Group's new lease contracts stipulated that, in addition to the fixed payment, the lease payments also included variable payments based on the sales amount of the leased retail stores. Such terms are common in the retail store leases in the area where the Group operates. The fixed and variable rents paid by the Group in 2024 and 2023 are as follows:

	2024			Estimated impact of every 1% increase in sales on rent
	Fixed payments	Variable payments	Total	
Including lease contract with variable payments calculated based on sales amount	\$ 1,575	1,862	3,437	34

	2023			Estimated impact of every 1% increase in sales on rent
	Fixed payments	Variable payments	Total	
Including lease contract with variable payments calculated based on sales amount	\$ 292	642	934	9

The Group expects that the proportion of fixed and variable rental payments paid in future years will be roughly consistent with that of the current period.

ii. Other leases

The Group leases office, parking space and other equipment, which are classified as a short-term lease or a low-value lease. It has elected to apply the recognition exemption and not to recognize related right-of-use assets and lease liabilities.

(13) Provision for liabilities

	Warranty
Balance on January 1, 2024	\$ -
Newly added provision for liabilities in the current period	5,000
Balance on December 31, 2024	\$ 5,000

The reserve for warranty and liabilities of the Group referred to above is mainly related to the contracting of decoration work. The reserve for warranty and liabilities is estimated based on the historical warranty information that can be collected. The Group expects that

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most of the liabilities would be incurred in one to three years after the completion of the work, and there is no such transaction in 2023.

(14) Employee benefits

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

The Group'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 Group has no legal or constructive obligations to pay additional amounts after making a fixed contribution to the Bureau of Labor Insurance.

The Group's pension expenses under the defined contribution pension plan were \$1,391 thousand and \$336 thousand for 2024 and 2023, respectively.

(15) Income taxes

The statement of income tax expense (gain) of the Group is as follows:

	<u>2024</u>	<u>2023</u>
Current income tax expense		
Generated in the current period	\$ 42,699	6,561
Deferred tax expense (gain)		
Origination and reversal of temporary differences	(2,429)	-
Recognition of taxable loss not recognized in previous period	(42,595)	(6,561)
Income tax gain	<u>\$ (2,325)</u>	<u>-</u>

The Group had no income tax expense recognized directly in equity and other comprehensive income in 2024 and 2023.

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

	<u>2024</u>	<u>2023</u>
Net profit before tax	<u>\$ 265,974</u>	<u>30,890</u>
Income tax based on the domestic tax rate of the Company's jurisdiction	\$ 53,195	6,178
Adjustments for tax return according to laws and regulations	1,305	531
Tax-exempted income pursuant to the tax laws	(7,051)	(535)
Non-deductible expenses	257	278

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Change of unrecognized temporary differences	6	-
Current tax loss unrecognized as deferred tax assets	-	109
Tax losses unrecognized in prior periods	(42,595)	(6,561)
Additional tax for undistributed earnings	104	-
Others	<u>(7,546)</u>	<u>-</u>
Income tax gain	<u>\$ (2,325)</u>	<u>-</u>

i. Deferred tax assets and liabilities

(i) Unrecognized deferred tax assets

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

	<u>2024.12.31</u>	<u>2023.12.31</u>
Deductible temporary differences	\$ 4,695	4,679
Tax losses	<u>538,617</u>	<u>755,350</u>
	<u>\$ 543,312</u>	<u>760,029</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 Group can utilize the temporary differences therefrom.

As of December 31, 2024, the Group's unutilized tax losses, for which no deferred tax assets were recognized, expire in the following years:

<u>Company</u>	<u>Loss occurrence</u> <u>year</u>	<u>Loss not yet deducted</u>	<u>Final year for</u> <u>deduction</u>
The Company	2015	\$ 186,876	2025
The Company	2016	77,944	2026
The Company	2017	83,151	2027
The Company	2018	28,298	2028
The Company	2019	31,370	2029
The Company	2020	65,779	2030
The Company	2021	33,082	2031
The Company	2022	21,194	2032
ZAVIO Inc.	2019	3,051	2029
ZAVIO Inc.	2020	6,024	2030
ZAVIO Inc.	2022	540	2032

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Yuan Qiao Limited	2023	1,308	2033
Total	Total	<u><u>\$ 538,617</u></u>	

(ii) Unrecognized deferred tax liabilities: None.

(iii) Recognized deferred tax assets and liabilities:

Changes in the differed tax assets and liabilities of the Group for the years of 2024 and 2023 are as follows:

Deferred income tax liabilities:

	<u>Unrealized Foreign Exchange Gain</u>
Balance on January 1, 2024	\$ -
Debit balance sheet	<u>90</u>
Balance on December 31, 2024	<u><u>\$ 90</u></u>

Deferred tax assets:

	<u>Loss carryforwards</u>	<u>Others</u>	<u>Total</u>
Balance on January 1, 2024	\$ -	-	-
Generated due to merger	160	402	562
Credit (debit) balance sheet	<u>2,559</u>	<u>(40)</u>	<u>2,519</u>
Balance on December 31, 2024	<u><u>\$ 2,719</u></u>	<u><u>362</u></u>	<u><u>3,081</u></u>

There were no changes in the differed tax assets and liabilities in 2023.

ii. Status of income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2022.

(16) Capital and other equity

i. Common stock capital

As of December 31, 2024 and 2023, 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 2024 and 2023 is as follows:

	<u>Common shares</u>	
(expressed in thousand shares)	<u>2024</u>	<u>2023</u>
Ending balance on December 31 (same as	<u><u>14,700</u></u>	<u><u>14,700</u></u>

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

beginning balance of the period)

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. According to the resolution of the Board on February 27, 2024, it was not to be further continued.

2. Capital surplus

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

	2024.12.31	2023.12.31
Recognition of changes in ownership interest of subsidiaries	\$ 208	169

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.

iii. Retained earnings

According to the Articles of Incorporation of the Company, when the Company has a surplus earning at the end of a fiscal year, the earning should be used for tax payments first and for offsetting the accumulated losses, following by appropriating 10% of the earning as legal reserve. However, this does not apply to the circumstance where the legal reserves are equivalent to the Company's paid-in capital. The balance of the special reserve appropriated or reversed in accordance with the laws or regulations or the competent authority may be added to the undistributed earnings at the beginning of the period. After considering the business situation and balance of the dividend policy, the remaining balance may be added to the undistributed earnings of previous years, and the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution. If it is done in cash, it shall be resolved by the Board of Directors for special resolution.

Ratio of cash dividends and stock dividends: The Company's shareholder dividends

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

are distributed in two ways: stock dividends and cash dividends. The Company takes balanced and stable dividend policies into account. At least 30% of the distributable earnings after annual final accounts is appropriated as shareholder dividends. However, if the distributable earnings are less than 10% of the paid-in capital, the distribution may not be made. When distributing shareholder dividends, they may be made in the form of stock or cash, and among them, cash dividends shall not be 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.

(i) Legal reserve

The Company may issue new shares or pay cash from the legal reserve upon 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.

(ii) Distribution of earnings

The Company's Board of Directors resolved the 2023 earnings distribution proposal on February 27, 2024. The amount of dividends distributed to the shareholders is as follows:

	2023	
	Distribution rate (NT\$)	Amount
Dividends distributed to common shareholders:		
Cash	\$ 1.8	\$ <u><u>26,460</u></u>

The Company was in a cumulative loss position in 2022. On June 6, 2023, the shareholders' meeting resolved the proposal for the loss make-up in 2022. The relevant information can be obtained from the MOPS and other pipelines.

The amount of cash dividends for the 2024 earnings distribution proposal was resolved by the Board of Directors on March 12, 2025. The amounts of dividends distributed to shareholders were as follows:

	2024	
	Distribution rate (NT\$)	Amount
Dividends distributed to common shareholders:		
Cash	\$ 5.45	\$ <u><u>80,115</u></u>

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

iv. Other equity (net of tax)

	Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss
Balance on January 1, 2024	\$ 3,391
Unrealized gain on the valuation of financial assets at fair value through other comprehensive income	24,432
Disposal of financial instrument measured at fair value through other comprehensive income	(27,823)
Balance on December 31, 2024	\$ -
	Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss
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	\$ 3,391

(17) Earnings Per Share

The calculations of the Group's basic and diluted earnings per share are as follows:

	2024	2023
Basic earnings per share		
Net profit for the period attributable to shareholders of the Company's common shares	\$ 268,291	31,050
Weighted average number of common shares outstanding (thousand shares)	14,700	14,700
Basic earnings per share (NT\$)	\$ 18.25	2.11
Diluted earnings per share		
Net profit for the period attributable to shareholders of the Company's common shares	\$ 268,291	31,050
Weighted average number of common shares outstanding (thousand shares)	14,700	14,700
Effect of dilutive potential common shares		
-Compensation to employees (thousand shares)	4	3
Weighted average number of common shares outstanding (thousand shares) (after adjustment for the effect of dilutive potential common shares)	14,704	14,703
Diluted earnings per share (NT\$)	\$ 18.25	2.11

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(18) Revenue from contracts with customers

i. Breakdown of revenue

	2024	2023
Major market by region:		
Taiwan	\$ 628,230	85,258
USA	-	95
Total	\$ 628,230	85,353
Main product/service lines:		
Engineering work revenue	\$ 122,318	64,216
Sales revenue	392,306	-
Advertisement Service Income	68,700	-
Catering revenue	39,726	11,669
System module	-	6,910
Sale of building materials	829	2,558
Others	4,351	-
Total	\$ 628,230	85,353

ii. Contract balance

	2024.12.31	2023.12.31	112.1.1
Accounts receivable	\$ 20,764	1,939	-
Accounts receivable	40,570	78,312	9,969
Less: Loss provision	-	-	-
	\$ 61,334	80,251	9,969
Contract asset - decoration engineering works	\$ 705	-	-
Less: Loss provision	-	-	-
Total	\$ 705	-	-
Contract liability - decoration engineering works	\$ 2,851	2,033	172
Contract liability - sales of goods	59,783	-	-
	\$ 62,634	2,033	172

Please refer to Note 6(5) for the disclosure of accounts receivable (including related parties) and the impairment thereof.

NT\$2,033 thousand and NT\$80 thousand of opening contractual liabilities as at January 1, 2024 and 2023, were later recognized as income for 2024 and 2023, respectively.

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(19) 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 remuneration to employees referred to in the preceding paragraph may be paid in shares or cash. 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 2024 and 2023, the Company allocated NT\$2,710 thousand and NT\$269 thousand in remuneration for employees, respectively and NT\$0 for directors in both 2024 and 2023. 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. If there is any difference between the actual distribution amount in the next year and the estimated amount, it is handled according to the accounting estimate change, and such difference is recognized in the profit or loss of the next fiscal year. The aforementioned amounts of remunerations of employees and remunerations according to the resolution of the Board of Directors were consistent with the estimated amounts indicated in the 2023 consolidated financial statements. Relevant information is available on the MOPS website.

(20) Non-operating income and expenses

i. Interest revenue

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

	<u>2024</u>	<u>2023</u>
Interest from bank deposits	\$ 1,443	179
Financial assets of interest income at amortized cost	317	244
Others	<u>207</u>	<u>2</u>
	<u>\$ 1,967</u>	<u>425</u>

ii. Other income

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

	<u>2024</u>	<u>2023</u>
Rental revenue	\$ -	3,408
Dividend revenue	496	142
Others	<u>587</u>	<u>112</u>

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Notes to Consolidated Financial Statements (Continued)

\$ 1,083 3,662

iii. Other gains and losses

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

	2024	2023
Valuation loss of financial assets at fair value through profit or loss	\$ (5,764)	-
Gain on bargain purchase	1,761	-
Net gain on foreign exchange	452	67
Net gain on disposal of property, plant and equipment	-	34,788
Loss in lease modification	-	(271)
Others	(151)	(18)
	\$ (3,702)	34,566

iv. Financial costs

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

	2024	2023
Borrowings from banks	\$ -	(430)
Others	(422)	(271)
	(422)	(701)

(21) Financial instruments

i. Credit risk

(i) 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.

(ii) Concentration of credit risk

To reduce credit risk of accounts receivable, the Group continuously evaluates the financial position of its customers and requires collateral from customers if necessary. The Group 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, 2024 and 2023, approximately 58% and 70.11% of the Group's accounts receivable (including related parties) were contributed by two customers and one customer, respectively.

(iii) Credit risk associated with accounts receivable

Please refer to Note 6(5) for the information regarding the exposure to credit risk associated with accounts receivable (including related parties).

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Other financial assets at amortized cost include other receivables, refundable deposits (recognized under other current assets and other non-current assets), 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.

ii. Liquidity risk

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

	Carrying amount	Contractu al cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024							
Non-derivative financial liabilities							
Notes payable	\$ 3,561	3,561	3,561	-	-	-	-
Accounts payable	47,756	47,756	47,756	-	-	-	-
Other payables (including related parties)	22,446	22,446	22,446	-	-	-	-
Lease liabilities	11,854	12,337	2,137	2,137	3,389	4,674	-
	<u>\$ 85,617</u>	<u>86,100</u>	<u>75,900</u>	<u>2,137</u>	<u>3,389</u>	<u>4,674</u>	<u>-</u>
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable	\$ 42,084	42,084	42,084	-	-	-	-
Other payables (including related parties)	14,349	14,349	4,349	10,000	-	-	-
Lease liabilities	3,679	3,841	535	535	1,070	1,701	-
	<u>\$ 60,112</u>	<u>60,274</u>	<u>46,968</u>	<u>10,535</u>	<u>1,070</u>	<u>1,701</u>	<u>-</u>

The Group 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.

iii. Exchange rate risk

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

	2024.12.31			2023.12.31		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange Rate	TWD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 223	32.735	7,292	214	30.655	6,545

The Group's exchange rate risk arises mainly from foreign-currency denominated

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Financial assets at fair value through profit or loss

Stocks of TWSE/TPEX-listed company	24,780	24,780	-	-	24,780
Beneficiary certificates	<u>45,964</u>	45,964	-	-	45,964
Subtotal	<u>70,744</u>				

Financial assets at amortized cost

Cash and cash equivalents	239,681	-	-	-	-
Amortized cost financial assets - current and non-current	5,763	-	-	-	-
Accounts receivable (including related parties)	61,334	-	-	-	-
Other receivables	3,334	-	-	-	-
Refundable deposits	<u>4,705</u>	-	-	-	-
Subtotal	<u>314,817</u>				

Total financial assets **\$ 435,781**

Financial liabilities measured at amortized cost

Notes payable	\$ 3,561	-	-	-	-
Accounts payable	47,756	-	-	-	-
Other payables (including related parties)	22,446	-	-	-	-
Lease liabilities	<u>11,854</u>	-	-	-	-

Total financial liabilities **\$ 85,617**

	2023.12.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income/loss					
Stocks of TWSE/TPEX-listed company	<u>\$ 84,901</u>	84,901	-	-	84,901
Financial assets at amortized cost					
Cash and cash equivalents	59,024	-	-	-	-
Financial assets at amortized cost - current	3,723	-	-	-	-
Accounts receivable (including related parties)	80,251	-	-	-	-
Other receivables	1,197	-	-	-	-
Refundable deposits	<u>728</u>	-	-	-	-
Subtotal	<u>144,923</u>				
Total financial assets	<u>\$ 229,824</u>				
Financial liabilities measured at amortized cost					
Accounts payable	\$ 42,084	-	-	-	-
Other payables (including related parties)	14,349	-	-	-	-
Lease liabilities	<u>3,679</u>	-	-	-	-
Total financial liabilities	<u>\$ 60,112</u>				

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (non-observable inputs).

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Notes to Consolidated Financial Statements (Continued)

(ii) Fair value measurement techniques for financial instruments at fair value

Non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted market price in the active market. The market price announced by major exchanges and the OTC trading centers for central government bonds, which are judged to be popular, are the basis for the fair value of listed equity instruments and debt instruments with active market quotations.

Stocks of TWSE/TPEX-listed company held by the Group 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.

(iii) Fair value measurement techniques for financial instruments at fair value

(iii-1) Non-derivative financial instruments

If a financial instrument held by the Group has no active market, then its fair value is determined according to the category and attribute as follows:

- Equity instrument without open quote: The cash flow discount model is used to estimate the fair value, and its main assumption is to use the expected future cash flow of the investee, and to discount according to the rate of return of the currency time value and investment risk reflected for measurement.
- Equity instrument without open quote: The market comparable company method is used to estimate the fair value. The estimated value has been adjusted for the discount effect of the equity-based securities with insufficient market circulation.

In 2024, the Group's non-listed stocks were classified as financial assets measured at fair value through other comprehensive income. The fair value on December 31, 2024 was NT\$50,220 thousand. Since the stocks of the company had no open market quotation and the fair value was measured with significant unobservable inputs, they were classified

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as Level 3. No such transaction as of December 31, 2024.

(iv) 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, 2024 and 2023.

(v) Statement of changes in Level 3 financial assets

	measured at fair value through other comprehensive income/loss
	Equity instrument without open quotation
Balance on January 1, 2024	\$ -
Purchase	50,220
Balance on December 31, 2024	\$ 50,220

(vi) Quantitative information on the fair value measurement of significant unobservable inputs (Level 3)

The Group's fair value measurement classified as Level 3 is financial assets measured at fair value through other comprehensive income - equity securities investment.

The financial assets held by the Group are equity instrument investments without an active market with multiple significant unobservable inputs. The significant unobservable input value of equity instrument investment without an active market is independent from each other, so there is no interconnection.

The quantitative information on the significant unobservable inputs is as follows:

Item	Valuation technique	Significant unobservable inputs	Relationship between material unobservable inputs and fair value
Financial assets measured at fair value through other comprehensive income - equity instrument investment without an active market	Comparable company method	• Discount for lack of marketability(7.69 % as of 2024.12.31)	• The higher the discount for lack of marketability, the lower the fair value

(vii) Fair value measurement for Level 3, and sensitivity analysis of fair value on reasonably possible alternative assumptions

The Group's fair value measurement on the financial instruments is considered

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Notes to Consolidated Financial Statements (Continued)

reasonable; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. If valuation parameters change, the aforementioned financial instruments classified as Level 3 would have effects on the other comprehensive income, stated as follows:

	Input	Increase or decrease change	Fair value change reflected in other comprehensive income	
			Favorable changes	Unfavorable changes
December 31, 2024				
Financial assets at fair value through other comprehensive income/loss				
Investments in equity instrument without active market	Discount for lack of marketability	1% \$	544	(544)

The Group's favorable and unfavorable changes refer to fluctuation of fair value, and the fair value is calculated according to unobservable inputs of different level via the valuation technique. The fair value of the financial instrument is affected by more than one inputs, the table above only reflects the effect caused by the change of one single input, and the correlation and difference among inputs are not considered.

(22) Financial risk management

i. Overview

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

This Note presents information regarding the Group'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 consolidated financial statements.

ii. Structure of risk management

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

The Group adopts a comprehensive risk management and control system to identify all the Group'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 Group's financial position and financial performance.

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iii. Credit risk

In accordance with the Group's policy, the Group can only provide financial guarantees to subsidiaries wholly owned by the Group. As of December 31, 2024 and 2023, the Group did not provide any endorsements or guarantees.

Credit risk is the risk of financial loss to the Group 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 Group 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. 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.

iv. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation. In addition, the Group's unused loan facilities as of December 31, 2024 and 2023, were both NT\$0.

v. Market risk

The Group'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.

(i) Exchange rate risk

The Group'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

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assets and liabilities recognized in future business transactions. The Group 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.

(ii) Other market price risk

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

(23) Capital management

The Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group 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, other equity, and non-controlling interest). The Group's capital management strategy in 2024 is the same as that in 2023. The debt-to-equity ratios at the reporting date were as follows:

	2024.12.31	2023.12.31
Total liabilities	\$ 161,877	62,215
Less: Cash and cash equivalents	239,681	59,024
Net debt	\$ (77,804)	3,191
Total equity	\$ 450,942	182,971
Debt-to-equity ratio	(17.25)%	1.74%

The decrease in the debt-to-capital ratio on December 31, 2024 was mainly due to the revenue growth in 2024, which benefited from the good accounts receivable turnover rate, and the increase in cash and cash equivalents, resulting in a decrease in net liabilities. Due to the decrease in net liabilities, the improvement in profitability and the decrease in accounts receivable managed, the dividends paid in 2024 increased to NT\$26,460 thousand (no dividends paid in 2023).

(24) Financing activities of non-cash transactions

Changes in liabilities arising from financing activities were as follows:

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	<u>2024.1.1</u>	<u>Cash flow</u>	<u>Non-monetary changes</u>	<u>2024.12.31</u>
Lease liabilities	\$ 3,679	(2,146)	10,321	11,854
	<u>2023.1.1</u>	<u>Cash flow</u>	<u>Non-monetary changes</u>	<u>2023.12.31</u>
Long-term borrowings (including those due within a year)	\$ 34,968	(34,968)	-	-
Lease liabilities	10,451	(1,030)	(5,742)	3,679
Guarantee deposits received	9,044	(9,044)	-	-
Total liabilities from financing activities	\$ 54,463	(45,042)	(5,742)	3,679

7. Related Party Transactions

(1) The name and relationship of the related party

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

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Sun Yad Construction Co., Ltd. (hereinafter referred to as "Sun-Yad")	Parent company
Shang Yu Construction Co., Ltd. (hereinafter referred to as "Shang Yu")	Other related party
U-BEST INNOVATIVE TECHNOLOGY CO., LTD. (hereinafter referred to as "U-BEST")	Other related party
Boromi Optronics Corp.	Other related party
HSIN-LI CHEMICAL INDUSTRIAL CORP.	Other related party
Feei Cherng Develop Technology Co., Ltd	Other related party
Sen Tai Construction Co., Ltd.	Other related party
PONY LEATHER CORPORATION	Other related party
Huo Jui Investment Co. Lit.	Other related party
Metropolitan International Development Co., Ltd.	Other related party
<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Sun Yad Construction Co., Ltd. Employee Welfare Committee	Other related party
ZAVIO Inc. Employee Welfare Committee	Other related party

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U-BEST Innovative Technology Co., Ltd. Employee Welfare Committee	Other related party
HSIN-LI CHEMICAL INDUSTRIAL CORP. Employee Welfare Committee	Other related party

(2) Significant related-party transactions

i. Operating Revenue

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

	<u>2024</u>	<u>2023</u>
Parent - Sun-Yad	\$ 172,418	64,216
Other related party	68,154	9,373
	<u>\$ 240,572</u>	<u>73,589</u>

Except for the price of some sales orders which are negotiated according to the internal pricing, there is no homogeneity of non-related party transactions to compare. In addition, the revenue is collected in accordance with the agreed payment terms. Except for the construction projects, which are collected in accordance with the contract terms, there is no significant difference between the advertisement and health food monthly settlement 100% in cash and the general sales customers.

ii. Construction works:

The construction contract total and amounts collected according to the contract of the Group contracting works of the Parent - Sun-Yad and Other related party - U-BEST are as follows:

<u>Related party category</u>	<u>2024.12.31</u>		<u>2023.12.31</u>	
	<u>Contract price for signed contracts</u>	<u>Payment requested according to contracts</u>	<u>Contract price for signed contracts</u>	<u>Payment requested according to contracts</u>
Parent - Sun-Yad	\$ 1,488,290	186,167	172,857	66,249
Other related party - U-BEST	22,750	2,275	-	-
	<u>\$ 1,511,040</u>	<u>188,442</u>	<u>172,857</u>	<u>66,249</u>

The construction works contracted by the Group for related parties are based on the construction budget plus reasonable management fees and profits, and the contract price is submitted to the supervisor for approval. There is no non-related party transaction to compare the profit rate and payment terms of the Group's construction works.

iii. Receivables from related parties

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

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Notes to Consolidated Financial Statements (Continued)

<u>Account</u>	<u>Related party category</u>	<u>2024.12.31</u>	<u>2023.12.31</u>
Accounts receivable - related parties	Parent - Sun-Yad	\$ 28,671	56,262
Accounts receivable - related parties	Other related party - Shang Yu	2,766	22,050
Accounts receivable - related parties	Other related parties - others	9,133	-
		<u>\$ 40,570</u>	<u>78,312</u>

iv. Contract assets and liabilities - current

The breakdown of the Group's contract assets and liabilities - current is as follows:

<u>Account</u>	<u>Related party category</u>	<u>2024.12.31</u>	<u>2023.12.31</u>
Contract assets - current	Other related party - U-BEST	<u>\$ 705</u>	<u>-</u>
Contract liabilities - current	Parent - Sun-Yad	<u>\$ 2,851</u>	<u>2,033</u>

v. Property transactions

The Group acquired computer equipment and computer peripherals from other related parties in 2024 for an amount of NT\$105 thousand and NT\$94 thousand, respectively, and recognized them in the "Property, plant and equipment" account. As of December 31, 2024, the amount of NT\$149 thousand had not been paid and was recognized in the "Other payables - related party". There was no such transaction in 2023.

vi. Loans from related parties

		<u>2024.12.31</u>				
	<u>Date of the highest balance used</u>	<u>Highest balance of actual usage</u>	<u>Ending balance of actual usage</u>	<u>Annual interest rate</u>	<u>Interest expense</u>	<u>Interest payable at the ending of period</u>
Parent - Sun-Yad	2024.01	\$ 10,000	-	3%	25	-
		<u>2023.12.31</u>				
	<u>Date of the highest balance used</u>	<u>Highest balance of actual usage</u>	<u>Ending balance of actual usage</u>	<u>Annual interest rate</u>	<u>Interest expense</u>	<u>Interest payable at the ending of period</u>
Parent - Sun-Yad	2023.07	\$ 10,000	<u>10,000</u>	3%	46	<u>21</u>

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vii. Leases

The Group 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, 2024 and 2023, the balances of net right-of-use assets were NT\$524 thousand and NT\$873 thousand, respectively.

The refundable deposits on December 31, 2024 and 2023 were both NT\$97 thousand, recognized in the "Other non-current assets".

As of December 31, 2024 and 2023, the balances of lease liabilities were NT\$545 thousand and NT\$898 thousand, respectively.

Interest expenses of NT\$17 thousand and NT\$25 thousand were recognized in 2024 and 2023, respectively.

viii. Dividends received

The Group received cash dividends of NT\$142 thousand from Sun-Yad, its parent company, in 2023.

(3) Transactions related to key management

Key management personnel compensation comprised:

	2024	2023
Short-term employee benefits	\$ 8,172	5,090

8. Pledged Assets

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

Asset Name	Subject asset pledged as collateral	2024.12.31	2023.12.31
Time deposit certificate (Note)	Credit card machine deposit	\$ 4,000	-

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

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2024 and 2023, the Group had signed a construction contract for decoration work for an amount of NT\$108,212 thousand and NT\$79,518 thousand, respectively, and the amount of NT\$87,517 thousand and NT\$21,543 thousand, respectively, that had not been completed and priced.

10. Significant disaster loss: None.

11. Significant Subsequent Events

The Company's extraordinary shareholders' meeting on January 17, 2025 approved the change of the par value of the shares to NT\$0.5, with a total of 294,000 thousand shares issued,

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Notes to Consolidated Financial Statements (Continued)

and the change of registration was completed on January 22, 2025.

12. Others

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

By nature	By function	2024			2023		
		Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense							
Salary expenses		6,890	27,633	34,523	1,646	8,832	
Labor/national health insurance expenses		688	3,010	3,698	139	867	
Pension expenses		278	1,113	1,391	58	336	
Directors' remuneration		-	8,172	8,172	-	5,096	
Other personnel expenses		114	1,686	1,800	47	293	
Depreciation expense		554	4,187	4,741	127	2,827	
Amortization expense		4,868	252	5,120	-	115	

13. Disclosure of notes

(1) Information on significant transactions:

In accordance with the Regulations Governing the Preparation Company's Reports by Securities Issuers, the Group shall disclose the following information regarding material transactions in 2024:

i. Lending funds to others:

Unit: NT\$ thousand

No.	Lending company	Borrowing party	Transaction item	Whether it is a related party	Highest balance during the period	Balance, ending	Actual usage during the period	Range of interest rate	Nature of loaning (Note 1)	Transaction amount	Reason for short-term financing needs	Allowance for Impairment Loss	Collateral		Limit of loaning to individual borrower (Note 2)	Maximum limitation on fund financing (Note 2)
													Name	Value		
0	The Company	ZAVIO Inc.	Other receivables - related parties	Yes	50,000	50,000	25,000	3%	2	-	Operating capital	-	None	-	111,599	178,559

No.	Lending company	Borrowing party	Transaction item	Whether it is a related party	Highest balance during the period	Balance, ending	Actual usage during the period	Range of interest rate	Nature of loaning (Note 1)	Transaction amount	Reason for short-term financing needs	Allowance for Impairment Loss	Collateral		Limit of loaning to individual borrower (Note 2)	Maximum limitation on fund financing (Note 2)
													Name	Value		
1	The Company	Yun Kang Century Co., Ltd.	Other receivables - related parties	Yes	15,000	15,000	-	3%	2	-	Operating capital	-	None	-	111,599	178,559
2	The Company	Yuan Qiao Limited	Other receivables - related parties	Yes	15,000	15,000	-	3%	2	-	Operating capital	-	None	-	111,599	178,559

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

- i. Those with business contact.
- ii. Those necessary for short-term financing

(Note 2) Individual and total maximum funding loan limits

- i. Capital loaned to other parties should not exceed 50% of the Company's net worth, of which the sum loaned to an individual enterprise should not exceed 25% of the Company's net worth.
- ii. Capital loaned to other entities for capital requirements should not exceed 40% of the Company's net worth.
- iii. 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.

(Note 3) preparation transactions have been fully eliminated when preparing consolidated financial statements.

- ii. Providing endorsements or guarantees for others: None.
- iii. 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):

Unit: Shares/NT\$ thousand

Holding company name	Marketable securities type and name	Relationship with the issuer	Financial statement account	Ending				Highest shareholding in the period	Remark
				Number of shares	Carrying amount	Shareholding percentage	Fair value		
The Company	Common shares of U-BEST Innovative Technology Co., Ltd.	Other related party	Financial assets measured at fair value through profit or loss - current	-	-	-	-	320,000	-
The Company	Common shares of Shin Kong Financial Holding Co., Ltd.	-	Financial assets measured at fair value through profit or loss - current	2,100,000	24,780	0.01 %	24,780	2,100,000	-
The Company	Yuanta U.S. Treasury 20+ Year Bond ETF	-	Financial assets measured at fair value through profit or loss - current	700,000	20,055	-	20,055	700,000	-
The Company	Cathay US Treasury 20+ YR ETF	-	Financial assets measured at fair value through profit or loss - current	870,000	25,909	-	25,909	1,170,000	-
The Company	Common shares of U-BEST Innovative Technology Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income/loss - non-current	-	-	-	-	2,997,000	-
The Company	Common shares of	Other related	Financial assets	-	-	-	-	1,775,000	-

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	HSIN-LI CHEMICAL INDUSTRIAL CORP.	party	at fair value through other comprehensive income/loss - non-current						
The Company	Common shares of Sun Yad Construction Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income/loss - non-current	-	-	-	-	258,291	-

Holding company name	Marketable securities type and name	Relationship with the issuer	Financial statement account	Ending				Highest shareholding in the period	Remark
				Number of shares	Carrying amount	Shareholding percentage	Fair value		
The Company	Common shares of Feei Cherng Develop Technology Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income/loss - non-current	-	-	-	-	240,000	-
The Company	Common shares of HuaHan Insurance Broker Co., Ltd.	-	Financial assets at fair value through other comprehensive income/loss - non-current	540,000	50,200	13.50 %	50,200	540,000	-

iv. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more:

Unit: NTD thousand

Buying and selling company	Securities type and name	Account	Counterparty	Relationship	Beginning		Buy		Sell			Ending		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Cost of face value	Profit or loss on disposal	Number of shares	Amount
The Company	Common shares of U-BEST Innovative Technology Co., Ltd.	Financial assets at fair value through other comprehensive income/loss	-	Other related party	2,997,000	39,965	-	-	2,997,000	63,958	39,965	23,993	-	-
The Company	Common shares of U-BEST Innovative Technology Co., Ltd.	Financial assets at fair value through profit or loss	-	Other related party	-	-	320,000	7,098	320,000	7,886	7,098	788	-	-
The Company	Common shares of HSIN-LI CHEMICAL INDUSTRIAL CORP.	Financial assets at fair value through other comprehensive income/loss	-	Other related party	1,775,000	33,959	-	-	1,775,000	38,836	33,959	4,877	-	-
The Company	Cathay US Treasury 20+YR ETF	Financial assets at fair value through profit or loss	-	-	-	-	1,170,000	38,065	300,000	9,799	9,907	(108)	870,000	25,909

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

vi. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

vii. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20

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percent of paid-in capital or more:

Unit: NT\$ thousand

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	Percentage of total purchase (sale)	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	172,418	51.26%	According to	-	-	28,671	53.84%
The Company	U-BEST Innovative Technology Co., Ltd	Other related party	Sale of goods	34,012	10.11%	According to	-	-	3,647	6.85%

viii. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.

ix. Trading in derivative instruments: None.

x. Business dealings and key transactions between parent company and subsidiaries:

No.	Name of transaction party	Transaction party	Relationship with transaction party (Note 1)	Transaction details			Percentage of consolidated total revenue or total assets	Remark
				Item	Amount	Transaction terms		
0	The Company	ZAVIO Inc.	1	Accounts receivable - related parties	281	Per the contract	0.05%	(Note 2)
				Other receivables - related parties	25,041		4.09%	(Note 2)
				Sales revenue	2,904		0.46%	(Note 2)
				Rental revenue	11		- %	(Note 2)
				Interest revenue	404		0.06%	(Note 2)
1	The Company	Yuan Qiao Limited	1	Interest revenue	13	Per the contract	- %	(Note 2)
2	The Company	Yun Kang Century Co., Ltd.	1	Accounts receivable - related parties	260	Per the contract	0.04%	(Note 2)
				Sales revenue	247		0.04%	(Note 2)

(Note 1): Relationship with the transacting party is denoted as follows:

- i. Parent company to a subsidiary.
- ii. A subsidiary to the parent company.
- iii. A subsidiary to a subsidiary.

(Note 2): Fully eliminated when preparing consolidated financial statements.

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

Information on the Group's investees for 2024 is as follows (excluding those in Mainland China):

Unit: Shares/NT\$ thousand

Name of Investor	Name of investee	Location	Main business	Initial investment amount		End of term holding			Mid-term highest shareholding or investment status	Current profit/loss of investee	Current investment profit/loss recognized	Remarks
				End of current period (2024.12.31)	End of last year (2023.12.31)	Number of shares	Percentage	Carrying amount				
The Company	ZAVIO Inc.	Taiwan	Sales of garment and security surveillance products	68,274	68,274	1,576,937	100.00%	106,481	100%	90,106	90,106	(Note 1)
The Company	Yuan Qiao Limited	Taiwan	Restaurants	19,200	14,900	-	80.00%	18,173	82.78%	29	21	(Note 1)
The Company	Yun Kang Century Co., Ltd.	Taiwan	Wholesale of foods and groceries	22,500	-	1,500,000	100.00%	44,573	100.00%	22,073	22,073	(Note 1)(Note 2)

(Note 1) Fully eliminated when preparing consolidated financial statements.

(Note 2) The current profit and loss refers to the profit and loss from October 1 to December 31, 2024.

(3) Information on investments in the Mainland China:

(4) Information on major shareholders:

Unit: Shares

Name of major shareholder	Share	Number of shares held	Shareholding percentage
Sun Yad Construction Co., Ltd.		2,507,367	17.05%
Huo Jui Investment Co. Lit.		1,313,530	8.93%
Chi Hang Investment Co., Ltd.		1,308,229	8.89%
HSIN-LI CHEMICAL INDUSTRIAL CORP.		1,054,000	7.17%

Note: (i) 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.

(ii) 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

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presentation information, please refer to the MOPS.

14. Segment information

- (1) The management of the Group has identified the reportable segments based on the information reported to the chief operating decision maker for the decision making. Decision makers of the Group manage business affairs at the company level.

The decision makers of the Group evaluate the performance of the operating segments based on the profit (loss) before tax. This measurement excludes the impact of extraordinary income and expenses of each operating segment. The accounting policies of the operating segments are the same as the summary of significant accounting policies described in Note 4 of the consolidated financial statements.

Information and reconciliation of the Group's operating segments are as follows:

	2024					
	Myson Century, Inc	ZAVIO Inc.	Yuan Qiao Limited	Yun Kang Century Co. Co., Ltd.	Adjustment and elimination	Total
Revenue:						
Revenue from external customer	\$ 333,186	202,947	39,726	52,371	-	628,230
Inter-segment revenue	3,151	-	-	-	(3,151)	-
Total revenue	<u>\$ 336,337</u>	<u>202,947</u>	<u>39,726</u>	<u>52,371</u>	<u>(3,151)</u>	<u>628,230</u>
Reportable segment profit or Loss	<u>\$ 268,291</u>	<u>90,106</u>	<u>29</u>	<u>22,073</u>	<u>(112,200)</u>	<u>268,299</u>
Assets of reportable segment	<u>\$ 514,326</u>	<u>148,080</u>	<u>33,693</u>	<u>71,797</u>	<u>(155,077)</u>	<u>612,819</u>
	2023					
	Myson Century, Inc	ZAVIO Inc.	Yuan Qiao Limited	Adjustment and elimination	Total	
Revenue:						
Revenue from external customer	\$ 66,774	6,910	11,669	-	-	85,353
Total revenue	<u>\$ 66,774</u>	<u>6,910</u>	<u>11,669</u>	<u>-</u>	<u>-</u>	<u>85,353</u>
Reportable segment profit or Loss	<u>\$ 31,050</u>	<u>193</u>	<u>(1,313)</u>	<u>960</u>	<u>-</u>	<u>30,890</u>
Assets of reportable segment	<u>\$ 236,942</u>	<u>17,136</u>	<u>24,501</u>	<u>(33,393)</u>	<u>-</u>	<u>245,186</u>

The profit (loss) of reportable segment for 2024 and 2023 shall eliminate inter-segment profit

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(loss) of NT\$112,200 thousand and (NT\$960) thousand, respectively.

The assets of reportable segment for 2024 and 2023 shall eliminate inter-segment assets of NT\$155,077 thousand and NT\$33,393 thousand, respectively.

(2) Information on product and service categories

The information of the Group's revenue from external customers is as follows:

<u>Name of product and service</u>	<u>2024</u>	<u>2023</u>
Engineering work revenue	\$ 122,318	64,216
Sales revenue	392,306	-
Advertisement Service Income	68,700	-
Catering revenue	39,726	11,669
System module	-	6,910
Sale of building materials	829	2,558
Others	4,351	-
Total	<u>\$ 628,230</u>	<u>85,353</u>

(3) Information on the regions

Disclosure of regional information is as follows. Income location is determined based on customers' geographic presence, whereas location of non-current assets is determined based on the asset's physical presence.

<u>By region</u>	<u>2024</u>	<u>2023</u>
Revenue from external customer:		
Taiwan	\$ 628,230	85,258
USA	-	95
Total	<u>\$ 628,230</u>	<u>85,353</u>
Non-current assets:		
Taiwan	\$ 142,105	9,942
Total	<u>\$ 142,105</u>	<u>9,942</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, and refundable deposits (booked in the "Current assets and non-current assets" account), but exclude non-current assets of financial instruments.

(4) Information on major customers:

Details of customers that accounted for more than 10% of the Group's net operating revenues reported in the Consolidated Statement of Comprehensive Income for 2024 and 2023:

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	2024		2023	
	Amount	As a percentage of net operating revenue	Amount	As a percentage of net operating revenue
Sun Yad Construction Co., Ltd.	<u>\$ 172,418</u>	<u>27%</u>	<u>64,216</u>	<u>75%</u>