

Stock Symbol: 1742

**Taiwan Wax Products Co., Ltd.
Parent Company Only Financial
Statement
and
Independent Auditor's Report
2024 and 2023**

**Company Address: No.1, Chung Cheng Rd,
Minhsiung Industrial District, Chiayi Hsien,
Taiwan, R.O.C.**

Telephone Number: (05)221-9180

※Table of Contents※

Item	Page
I. Cover	1
II. Table of Contents	2
III. Independent Auditor's Report	3–7
IV. Parent Company Only balance Sheets	8–9
V. Parent Company Only statements of comprehensive income	10
VI. Parent Company Only statements of changes in equity	11
VII. Parent Company Only statements of cash flow	12–13
VIII. Notes to the Parent Company Only financial statements	
(I) Company History	14
(II) Approval date and procedures of the parent company only financial statements	14
(III) New standards, amendments and interpretations adopted	14–15
(IV) Summary of significant accounting policies	15–29
(V) Major sources of uncertainty in significant accounting judgments, estimates and assumptions	29
(VI) Description of Significant Accounting Items	29–55
(VII) Related party transactions	56–47
(VIII) Pledged assets	57
(IX) Significant Contingent Liabilities and Unrecognized Contractual Commitments	57
(X) Losses due to major disasters	57
(XI) Significant subsequent events	57
(XII) Others	57–58
(XIII) Notes Disclosure Items	
1. Significant transaction information	58, 60–62
2. transfer of investment business	59, 63–64
3. Mainland Investment Information	59, 65–66
4. Major Shareholders Information	59, 67
(XIV) Segment information	59
IX. Statements of significant accounts	68–82

Independent Auditor's Report

Benison (2025) Cai-Shen-Zi No. 24

Taiwan Wax Products Co., Ltd.:

Opinion

We have audited the accompanying parent company only financial statements of Taiwan Wax Products Co., Ltd., which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, as well as its individual financial performance and cash flows for the years then ended.

Basis for Opinion

We, the auditors, have conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the parent company only financial statements of Taiwan Wax Products Co., Ltd. for 2024 are as follows:

Purchase services for aquatic products

The transactions related to the purchase agency services for aquatic products in 2024 had significant financial implications, and therefore, it is identified as a key audit matter for the current year.

The principal audit procedures performed by our auditor in relation to this matter include:

1. Selecting samples from the detailed revenue ledger of the purchase agency services for aquatic products, and auditing the sales contracts, goods acceptance notes, invoices, and receipts, as well as verifying the corresponding procurement contracts, purchase orders, invoices, and payment vouchers.
2. Sending confirmation letters to major customers to confirm the accuracy of the accounts receivable balance at the year-end.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by securities issuers, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material

misstatement, whether due to the fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements may arise from fraud or error. Misstatements are considered material if, individually or in 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 Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with

relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor has determined the key audit matters for Taiwan Wax Company Co., Ltd.'s parent company only financial statements for the fiscal year 2024. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Benison Associated CPAs' Firm

Auditor:

Auditor:

Approval Document No.: (1998) Tai-Cai-Zheng (VI) No. 27051

Approved-certified No.: Jin-Guan-Zheng-Shen-Zi No. 1080339935

March 13, 2025

Taiwan Wax Products Co., Ltd.
Parent Company Only balance Sheets
December 31, 2024 and 2023

Unit: NTD thousands

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6(1))	\$ 71,502	4	\$ 86,457	2
1110	Financial assets measured at fair value through profit or loss - Current (Note 6(2))	87,126	5	48,856	1
1150	Notes receivable, net (Note 6(3))	1,015	-	673	-
1170	Accounts receivable, net (Note 6(3))	10,569	1	19,225	1
1200	Other receivables (Note 6(3))	1	-	535,214	14
1210	Other receivables - Related Parties (Note 6(3))	147,789	8	138,730	4
1220	Current Income Tax Assets (Note 6(27))	8,962	-	3,271	-
130X	Inventories (Note 6(4))	26,162	1	26,994	1
1410	Prepayments (Note 6(5))	2,981	-	10,823	-
1470	Other current assets (Note 6(6))	422,330	23	1,754,676	47
11XX	Total Current Assets	778,437	42	2,624,919	70
	Non-current Assets				
1517	Non-current financial assets measured at fair value through other comprehensive income (Note 6(7))	9,125	-	25,755	1
1550	Investments accounted for using equity method (Note 6(8))	107,371	6	201,536	5
1600	Property, plant and equipment (Note 6(9))	806,882	43	733,863	20
1755	Right-of-use assets (Note 6(10))	20,364	1	16,927	-
1760	Investment property, net (Note 6(11))	132,730	7	132,730	4
1990	Other non-current assets (Note 6(12))	12,089	1	10,139	-
15XX	Total Non-current Assets	1,088,561	58	1,120,950	30
	TOTAL	\$ 1,866,998	100	\$ 3,745,869	100

(continued on next page)

(Carried forward from previous page)

Code	LIABILITIES AND EQUITY	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	CURRENT LIABILITIES				
2100	Short-term loans (Note 6(13))	\$ 290,800	15	\$ 2,261,650	60
2130	Contract liabilities - current (Note 6(20))	1,391	-	490	-
2150	Accounts Payable	224	-	-	-
2170	Accounts Payable	309	-	409	-
2200	Other payables (Note 6(14))	9,438	1	8,966	-
2220	Other payables - related parties (Note 7(2))	35,000	2	15,000	-
2230	Current income tax liabilities (Note 6(27))	1,890	-	1,890	-
2280	Lease liabilities - current (Note 6(10))	3,893	-	2,971	-
2320	Long-term liabilities - current portion (Note 6(15))	12,832	1	53,323	3
2300	Other current liabilities	4,076	-	4,103	-
21XX	Total current liabilities	359,853	19	2,348,802	63
	NONCURRENT LIABILITIES				
2540	Long-term borrowings (Note 6(15))	72,977	4	49,321	1
2570	Deferred tax liabilities (Note 6(27))	29,033	2	29,033	1
2580	Lease liabilities - non-current (Note 6(10))	16,811	1	14,204	-
25XX	Total non-current liabilities	118,821	7	92,558	2
	Total Liabilities	478,674	26	2,441,360	65
	Equity				
3100	Capital Stock (Note 6(17))				
3110	Common shares	935,593	50	935,593	25
31XX	Total share capital	935,593	50	935,593	25
3200	Capital surplus (Note 6(17))				
3211	Capital surplus, additional paid-in capital arising from common shares	164,030	9	164,030	4
3220	Capital surplus - treasury stock transactions	1,068	-	1,068	-
3200	Total capital surplus	165,098	9	165,098	4
3300	Retained earnings (Note 6(17))				
3310	Legal Reserve	38,615	2	34,785	1
3320	Special Reserve	88,694	4	88,694	3
3350	Unappropriated earnings	162,593	9	83,708	2
33XX	Total retained earnings	289,902	15	207,187	6
3400	Other Equity				
3410	Exchange differences on translation of foreign operations' financial statements	11,636	1	8,907	-
3421	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	2,875	-	4,504	-
34XX	Total other equity	14,511	1	13,411	-
3500	Treasury shares (Note 6(17))	(16,780)	(1)	(16,780)	-
3XXX	Total Equity	1,388,324	74	1,304,509	35
	TOTAL Liabilities and Equity	\$ 1,866,998	100	\$ 3,745,869	100

(The attached notes are an integral part of the financial statements of this individual entity.)

Chairman: Je-Yin Lin

Manager: Je-Yin Lin

Accounting Director: Po-Yao Tseng

Taiwan Wax Products Co., Ltd.
Parent Company Only statements of comprehensive income
For the years ended December 31, 2024 and 2023

Unit: NTD thousands, except Earnings Per Share in NT\$

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(20))	\$ 215,458	100	\$ 252,738	100
5000	Operating Costs (Note 6(4), (24), and (25))	(164,032)	(76)	(136,666)	(54)
5900	Gross profit from operations	51,426	24	116,072	46
5910	Unrealized sales gains	(5)	-	(1,008)	-
5920	Realized sales gains	1,008	-	3,852	2
5950	Realized gross profit from operations	52,429	24	118,916	48
6000	Operating expenses (Note 6(24) and (25))				
6100	Selling expenses	(7,643)	(4)	(6,427)	(3)
6200	Administrative expenses	(32,584)	(14)	(32,657)	(13)
	Total operating expenses	(40,227)	(18)	(39,084)	(16)
6900	Net Operating Profit	12,202	6	79,832	32
7000	Non-operating income and expenses				
7100	Interest income	57,805	27	51,105	20
7010	Other income (Note 6(21))	2,733	1	2,387	1
7020	Other gains and losses (Note 6(22))	137,434	64	(22,446)	(9)
7050	Finance costs (Note 6(23))	(29,562)	(14)	(35,207)	(14)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6(8))	(97,897)	(45)	(37,369)	(15)
	Total non-operating income and expenses	70,513	33	(41,530)	(17)
7900	Net Profit before tax	82,715	39	38,302	15
7950	Income tax expense (Note 6(27))	-	-	-	-
8200	Net Profit for Current Year	82,715	39	38,302	15
8300	Other comprehensive income (loss)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized Valuation Gain (Loss) on Equity Instruments at Fair Value through Other Comprehensive Income	(2,125)	(1)	4,260	2
8349	Income tax related to items not reclassified to profit or loss	-	-	-	-
		(2,125)	(1)	4,260	2
8360	Items that may be reclassified to profit or loss in the future				
8361	Exchange differences on translation of foreign operations' financial statements	2,729	1	(1,849)	(1)
8367	Unrealized Valuation Gain (Loss) on Debt Instruments at Fair Value through Other Comprehensive Income	496	-	(496)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		3,225	1	(2,345)	(1)
	Other comprehensive income (loss) for the year (net of tax)	1,100	-	1,915	1
8500	Total comprehensive income	\$ 83,815	39	\$ 40,217	16
	Earnings Per Share (Note 6(18))				
9750	Basic	\$ 0.89		\$ 0.41	
9850	Diluted	\$ 0.89		\$ 0.41	

(The attached notes are an integral part of the financial statements of this individual entity.)

Chairman: Je-Yin Lin

Manager: Je-Yin Lin

Accounting Director: Po-Yao Tseng

Taiwan Wax Products Co., Ltd.
Parent Company Only statements of changes in equity
For the years ended December 31, 2024 and 2023

Unit: NTD thousands

		Retained earnings					Others			
Code		Capital stock	Capital surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Exchange differences on translation of foreign operations' financial statements	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Treasury stock	Total equity
A1	Balance on January 1, 2023	\$ 935,593	\$ 165,098	\$ 34,785	\$ 88,694	\$ 45,406	\$ 10,756	\$ 740	\$ (16,780)	\$ 1,264,292
D1	Net Income for 2023	-	-	-	-	38,302	-	-	-	38,302
D3	Other Comprehensive Income for 2023	-	-	-	-	-	(1,849)	3,764	-	1,915
Z1	Balance on December 31, 2023	\$ 935,593	\$ 165,098	\$ 34,785	\$ 88,694	\$ 83,708	\$ 8,907	\$ 4,504	\$ (16,780)	\$ 1,304,509
A1	Balance on January 1, 2024	\$ 935,593	\$ 165,098	\$ 34,785	\$ 88,694	\$ 83,708	\$ 8,907	\$ 4,504	\$ (16,780)	\$ 1,304,509
	Appropriation and distribution of net profit for 2023									
B1	Legal Reserve	-	-	3,830	-	(3,830)	-	-	-	-
D1	Net Income for 2024	-	-	-	-	82,715	-	-	-	82,715
D3	Other comprehensive income for 2024	-	-	-	-	-	2,729	(1,629)	-	1,100
Z1	Balance on December 31, 2024	\$ 935,593	\$ 165,098	\$ 38,615	\$ 88,694	\$ 162,593	\$ 11,636	\$ 2,875	\$ (16,780)	\$ 1,388,324

(The attached notes are an integral part of the financial statements of this individual entity.)

Chairman: Je-Yin Lin

Manager: Je-Yin Lin

Accounting Director: Po-Yao Tseng

Taiwan Wax Products Co., Ltd.
Parent Company Only statements of cash flow
For the years ended December 31, 2024 and 2023

Code		2024	Unit: NTD thousands 2023
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Profit Before Tax for the Year	\$ 82,715	\$ 38,302
A20010	Revenue and Expense Items		
A20100	Depreciation Expense of Property, Plant and Equipment and Right-of-Use	17,550	16,817
A20400	Net Gain on Financial Assets and Liabilities at Fair Value through Profit or Loss	(3,537)	(9,170)
A20900	Finance Costs	29,562	35,207
A21200	Interest Income	(57,805)	(51,105)
A21300	Dividend Income	(1,017)	(1,398)
A22400	Share of losses of subsidiaries, associates and joint ventures accounted for using equity method	97,897	37,369
A22500	Loss (Gain) on Disposal and Retirement of Property, Plant and Equipment	3,642	(171)
A23100	Loss on Disposal of Investments	312	-
A23700	Impairment Loss on Non-financial Assets	-	10,439
A23800	Gain on Reversal of Impairment Loss on Non-financial Assets	(2,442)	-
A23800	Gain from Recovery of Inventory Write-downs and Obsolescence	(319)	(27,606)
A23900	Unrealized sales gains	5	1,008
A24000	Realized sales gains	(1,008)	(3,852)
A24100	Unrealized Foreign Exchange (Gain) Loss	(8,795)	57,262
A30000	Changes in Operating Assets/Liabilities		
A31130	Notes Receivable	(342)	2,688
A31150	Accounts Receivable	8,662	78,242
A31180	Other Receivables	535,213	(188,452)
A31190	Other Receivables from Related Parties	(1,126)	88,019
A31200	Inventory	1,151	24,878
A31230	Prepayments	7,842	(2,266)
A31240	Other Current Assets	(415,110)	269,594
A32125	Contract Liabilities	901	401
A32130	Accounts Payable	224	-
A32150	Accounts Payable	(100)	266
A32180	Other Payables	2,400	(1,209)
A32230	Other Current Liabilities	(27)	(49,487)
A33000	Cash Generated from Operations	296,448	325,776
A33100	Interest Received	57,805	51,105
A33200	Dividends Received	1,017	1,398
A33300	Interest Paid	(31,490)	(34,076)
A33500	Income Taxes Paid	(5,691)	(3,271)
AAAA	Net Cash Inflow from Operating Activities	318,089	340,932

(Continued on next page)

(Carried forward from previous page)

Code		2024	2023
	Cash Flows from Investing Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(15,001)
B00020	Disposal of Financial Assets at Fair Value through Other Comprehensive Income	14,689	-
B00100	Acquisition of Financial Assets at Fair Value through Profit or Loss	(90,595)	(10,965)
B00200	Disposal of financial assets at fair value through profit or loss	55,862	8,274
B02700	Acquisition of property, plant, and equipment	(89,726)	(203,997)
B02800	Disposal of property, plant, and equipment	2,442	171
B03700	Increase in deposits for guarantee	(2,750)	-
B03800	Decrease in deposits for guarantee	800	7,000
B06500	Increase in Other Financial Assets	-	(1,224,201)
B06600	Decrease in Other Financial Assets	1,747,456	-
B BBB	Net Cash Inflow (Outflow) from Investing Activities	1,638,178	(1,438,719)
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	682,200	2,327,096
C00200	Decrease in short-term borrowings	(2,653,050)	(1,222,966)
C01700	Repayment of long-term borrowings	(16,835)	(16,830)
C03700	Increase in other payables - related parties	20,000	15,000
C04020	Principal repayment of lease liabilities	(4,393)	(3,535)
C CCC	Net Cash (Outflow) Inflow from Financing Activities	(1,972,078)	1,098,765
D DDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	856	(2,398)
E EEE	Decrease in Cash and Cash Equivalents	(14,955)	(1,420)
E00100	Cash and Cash Equivalents at Beginning of Year	86,457	87,877
E00200	CASH AND CASH EQUIVALENT, END OF YEAR	\$ 71,502	\$ 86,457

(The attached notes are an integral part of the financial statements of this individual entity.)

Chairman: Je-Yin Lin

Manager: Je-Yin Lin

Accounting Director: Po-Yao Tseng

Taiwan Wax Products Co., Ltd.

Notes to the Parent Company Only financial statements

For the years ended December 31, 2024 and 2023

(All amounts are in New Taiwan dollars thousands unless otherwise indicated)

I. Company History:

- (I) Taiwan Wax Products Co., Ltd. (hereinafter referred to as the “Company”) was established on August 24, 1987 in accordance with the R.O.C. Company Law and other related regulations, and is principally engaged in the manufacture of various wax raw materials and finished products, the sale and purchase of optoelectronic equipment, the sale and purchase of aquatic products, and the provision of brokerage services.
- (II) The Company's shares were approved by the competent authorities for trading on the ROC Over-the-Counter Securities Exchange in May 2004.
- (III) These individual financial statements are presented in New Taiwan dollars, the functional currency of the Company.

II. Date and procedure for approval of financial statements:

This individual financial report was approved by the Board of Directors on March 13, 2025.

III. Application of newly issued and revised standards and interpretations:

- (I) Initial adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations (SIC) (collectively referred to as “IFRS accounting standards”) endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)
The application of the amended IFRS accounting standards endorsed and issued into effect by the FSC will not cause significant changes to the accounting policies of the Company.
- (II) IFRS accounting standards endorsed by the FSC applicable in 2025

<u>New Releases / Amendments / Revised Criteria and Interpretations</u>	<u>IASB Effective date of publication</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025.

Upon initial application of the amendment, comparative periods shall not be restated, and the effects shall be recognized in retained earnings or foreign currency translation differences from foreign operations (as appropriate) in

equity at the date of initial application, as well as in the related affected assets and liabilities.

(III) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

New Releases / Amendments / Revised Criteria and Interpretations	IASB Effective date of issuance (Note 1)
“Annual Improvements to IFRSs Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Dependent on Nature-based Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Disposal of or Contribution to Assets between an Investor and its Affiliates or Joint Ventures”	Undetermined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual periods beginning after the respective dates.

As of the approval date of these parent company only financial statements, the Company continues to evaluate the impact of these amendments to standards and interpretations on its financial position and performance. Any relevant impacts will be disclosed upon completion of the assessment.

IV. Summary of significant accounting policies:

(I) Follow the statement

These individual financial statements have been prepared in accordance with the Guidelines

Governing the Preparation of Financial Reports by Securities Issuers.

(II) Programming Basis

1. The individual financial statements have been prepared on the historical cost basis, except for financial instruments carried at fair value.
2. Fair value measurements are categorized into Levels 1 to 3 based on the degree of observability and significance of the relevant inputs:
 - (1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities available at the measurement date.
 - (2) Level 2 inputs: Inputs other than those quoted in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 - (3) Level 3 inputs: Unobservable inputs of assets or liabilities.
3. In preparing the individual financial statements, the Company uses the equity method for its investment in subsidiaries. In order to make the profit or loss for the , other comprehensive income and equity in the individual financial statements the same as the profit or loss for the , other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the individual basis and the consolidated basis are adjusted for “investments accounted for under the equity method”, “share of profit or loss of subsidiaries, affiliates and joint ventures recognized under the equity method”, “share of other comprehensive income and loss of subsidiaries, affiliates and joint ventures recognized under the equity method” and related equity items. The “share of other comprehensive income of subsidiaries, affiliates and joint ventures recognized under the equity method” and related equity items.

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

1. Mobile assets include:
 - (1) Assets held primarily for trading purposes;
 - (2) Assets expected to be realized within 12 months of the balance sheet date; and
 - (3) Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).
2. Current liabilities include:
 - (1) liabilities held primarily for trading purposes;
 - (2) Liabilities due for settlement within 12 months after the balance sheet date (which

are classified as current liabilities even if long-term refinancing or debt restructuring agreements have been completed after the balance sheet date but before the financial statements are authorized for issue), and

- (3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.
3. Current assets or liabilities that are not classified as current assets or liabilities are classified as non-current assets or non-current liabilities. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the Company's equity instruments do not affect its classification as current or non-current if the Company classifies the option as an equity instrument.

(IV) Foreign Currency

1. When preparing the financial statements, traders in currencies other than the Company's functional currency (foreign currency) are recorded in the functional currency based on the exchange rate on the transaction date.
2. Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.
3. Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss for the current period, except for those arising from changes in fair value recognized in other comprehensive income.
4. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates prevailing on the dates of transactions and are not retranslated.
5. In preparing the parent company only financial statements, the assets and liabilities of foreign operations (including those of subsidiaries operating in countries or currencies different from those of the Company) are translated into New Taiwan dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate for the period, and the resulting exchange differences are included in other comprehensive income.

(V) Inventory

Inventories include raw materials, supplies, finished goods and work-in-process. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

(VI) Investment Subsidiaries

1. The Company uses the equity method to account for its investment in subsidiaries; a subsidiary is an entity over which the Company has control.
2. Under the equity method, the original investment is recognized at cost, and the carrying amount of the investment after the acquisition date increases or decreases based on the Company's share of the profit or loss of the subsidiary and other comprehensive income or loss and profit distribution. In addition, changes in the Company's other equity in subsidiaries are recognized in proportion to the Company's ownership interest.
3. When a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is accounted for as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.
4. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are in substance a component of the Company's net investment in the subsidiary), the Company continues to recognize losses in proportion to its equity in the subsidiary.
5. The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business at the date of acquisition is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business at the date of acquisition over the acquisition cost is recorded as current income.

6. When assessing impairment, the Company considers the cash-generating unit as a whole and compares its recoverable amount with its carrying amount. If the recoverable amount of an asset subsequently increases, the reversal of the impairment loss is recognized as a gain, provided that the carrying amount of the asset after the reversal of the impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, less amortization. Impairment losses attributable to goodwill are not reversed in subsequent periods.
7. When control over a subsidiary is lost, the Company measures its remaining investment in the former subsidiary at fair value at the date of loss of control. The difference between the fair value of the remaining investment and the carrying amount of the investment at the date of loss of control, if any, is recognized in profit or loss for the current period. In addition, all amounts recognized in other comprehensive income or loss related to the subsidiary are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities.
8. Unrealized gains or losses on downstream transactions with subsidiaries are eliminated in the individual financial statements. Gains or losses arising from counter-current and side-stream transactions with subsidiaries are recognized in the individual financial statements only to the extent that they are not related to the Company's interest in the subsidiary.

(VII) Property, plant and equipment

1. Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.
2. Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include fees for professional services and borrowing costs that qualify for capitalization. Upon completion and attainment of their intended use, these assets are classified into the appropriate categories of property, plant and equipment and depreciation is commenced.
3. Except for owned land, which is not depreciated, all other property, plant, and equipment are depreciated on a straight-line basis over their estimated useful lives, with each significant components depreciated separately. If the lease term is shorter than the useful life, depreciation is provided over the lease term. The Company reviews the estimated

useful lives, residual values and depreciation methods at least at the end of each and defers the effect of changes in applicable accounting estimates.

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

(VIII) Investment real estate

1. Investment real estate is real estate held to earn rentals or for capital appreciation or both. Investment real estate also includes land held for future use that is currently undetermined.
2. Investment property owned by the Company is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on a straight-line basis.
3. When investment property is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(IX) Impairment of property, plant and equipment, right-of-use assets, investment property and contract cost-related assets

1. The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and investment property may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units on a reasonably consistent basis.
2. Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.
3. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.
4. An impairment loss is recognized for inventories, property, plant and equipment and intangible assets recognized under customer contracts in accordance with the inventory impairment rules and the above provisions. The carrying amount of the assets related to

contract costs is included in the respective cash-generating unit for the purpose of assessing the impairment of the cash-generating unit.

5. When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had the impairment loss not been recognized in prior s for the asset, cash-generating unit or contract cost-related asset. Reversals of impairment losses are recognized in profit or loss.

(X) Financial Instruments

1. Financial assets and financial liabilities are recognized in the individual balance sheets when the Company becomes a party to the contractual provisions of the instrument.
2. When financial assets and financial liabilities are recognized at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial Assets

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

A. Type of measurement

The financial assets held by the Company are classified as financial assets at fair value through profit or loss (FVTPL), financial assets at amortized cost, debt instruments at fair value through other comprehensive income (FVTOCI), and equity instruments at fair value through other comprehensive income (FVTOCI).

a. Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are mandatorily measured at fair value through profit or loss. Financial assets that are mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated by the Company as measured at fair value through other comprehensive income or loss, and investments in debt instruments that do not qualify for classification

as measured at amortized cost or at fair value through other comprehensive income or loss.

Financial assets carried at fair value through profit or loss are measured at fair value, and any gain or loss arising from their remeasurement (excluding any dividends or interest arising from the financial assets) is recognized in profit or loss. Please refer to Note 6(29) for the determination of fair value.

b. Financial assets measured at amortized cost

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

- (a) are held within an operating model whose objective is to hold financial assets to collect contractual cash flows; and
- (b) The terms of the contracts give rise to cash flows on specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other financial assets, and refundable deposits) are, after initial recognition, measured at amortized cost, which is the total carrying amount determined using the effective interest method less any impairment loss. Any foreign currency exchange gains or losses are recognized in profit or loss.

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

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

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

where an active market for the financial assets has disappeared due to financial difficulties.

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

c. Debt instruments at fair value through other comprehensive income (FVTOCI).

The Company classifies debt instrument investments as financial assets at fair value through other comprehensive income (FVTOCI) when both of the following conditions are met:

- (a) The assets are held within a business model whose objective is achieved by both controlling contractual cash flows and selling financial assets; and
- (b) The terms of the contracts give rise to cash flows on specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Debt instruments at fair value through other comprehensive income are measured at fair value. Changes in the carrying amount are recognized in profit or loss for interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses or reversals. All other changes in carrying amount are recognized in other comprehensive income and reclassified to profit or loss upon disposal of the investment.

d. Equity instruments at fair value through other comprehensive income (FVTOCI)

Upon initial recognition, the consolidated Company may make an irrevocable decision to designate investments in equity instruments that are neither held for trading nor for contingent consideration for an acquisition in a business transaction to be measured at fair value through other comprehensive income (FVTOCI).

Equity instruments at fair value through other comprehensive income (FVTOCI) are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon

disposal of the investment, the accumulated gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from equity instruments at fair value through other comprehensive income (FVTOCI) are recognized in profit or loss when the Company's right to receive payment is established, unless the dividends clearly represent a recovery of part of the investment cost.

B. Impairment of financial assets

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

An allowance for loss is recognized for accounts receivable on the basis of expected credit losses over the period of time. An allowance for loss is recognized for accounts receivable on the basis of expected credit losses over the period of time. If there is no significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over 12 months, and if there is a significant increase, an allowance for loss is recognized on the basis of expected credit losses over the remaining period.

Expected credit losses are the weighted-average credit losses weighted by the risk of default. 12-month expected credit losses represent expected credit losses arising from possible defaults within 12 months after the reporting date of the instrument, and expected credit losses over the life of the instrument represent expected credit losses arising from all possible defaults during the expected life of the instrument. For internal credit risk management purposes, the Company determines, without regard to the collateral held, that a default on a financial asset has occurred in the following circumstances:

- a. There is internal or external information indicating that the debtor is unlikely to be able to pay its debts.
- b. The Company's financial assets are overdue for more than 90 days unless there is reasonable and supportable information indicating that a delayed default basis is more appropriate. The carrying amount of all financial assets is reduced by an allowance account for impairment losses.

C. Exclusion of financial assets

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

The difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss when the financial asset is derecognized as a whole at amortized cost.

(2) Equity Tools

The debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

Retirement of the Company's own equity instruments is recognized and derecognized under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

(3) Financial liabilities

A. Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

B. Exclusion of financial liabilities

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

(XI) Revenue Recognition

After the Company identifies performance obligations in customer contracts, the transaction price is apportioned to each performance obligation and revenue is recognized when each performance obligation is satisfied.

1. Merchandise sales revenue

Sales revenue is derived from the sale of various wax product finished goods. The Company recognizes revenue and accounts receivable at the point of sale because the customer has the right to set the price and use the merchandise and bears the primary

responsibility for the resale of the merchandise and the risk of obsolescence when the merchandise meets the agreed-upon model, such as the point of shipment and the destination delivery model. The Company recognizes revenue and accounts receivable at that point in time. Merchandise is sold at a fixed price under a contract.

2. Labor income

Labor income is derived from services provided on behalf of the Company, and the related income is recognized when the services are rendered. The Company does not acquire control of the merchandise until it is transferred to the customer and is not primarily responsible for the completion of the contract. The Company provides merchandise purchase services as an agent and recognizes net income when control of the merchandise is transferred to the customer and there is no subsequent obligation.

(XII) Leasing

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

(1) The Company is the lessor

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct costs incurred in acquiring an operating lease are added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or rate are recognized as income in the period in which they occur.

(2) The Company is the lessee

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

Right-of-use assets are measured initially at cost (including the original measurement of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently measured at cost less accumulated depreciation

and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately in the individual balance sheets. Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term. Lease obligations are measured initially at the present value of the lease payments. If the interest rate implied by the lease is readily determinable, lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If a change in the lease term results in a change in future lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the individual balance sheets.

(XIII) Borrowing Costs

1. Borrowing costs directly attributable to the acquisition, construction or production of an asset that meets the criteria are included as part of the cost of the asset until substantially all of the activities necessary to bring the asset to its intended use or sale condition have been completed.
2. Investment income earned on specific borrowings that are temporarily invested prior to the incurrence of qualifying capital expenditures is deducted from the cost of borrowings that qualify for capitalization.
3. Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XIV) Employee Benefits

1. Short-term Employee Benefits

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

2. Post-employment benefits

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

(XV) Income Tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

- (1) The current income is determined in accordance with the Income Tax Law of the R.O.C. and is used to calculate the income tax payable.
- (2) Income tax on undistributed earnings calculated in accordance with the ROC Income Tax Act is recognized in the when the shareholders resolve to retain the earnings.
- (3) Adjustments to prior years' income tax payable are included in the current period's income tax.

2. Deferred income tax

- (1) Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income. Deferred income tax assets and liabilities are not recognized for temporary differences arising from the initial recognition of assets and liabilities that have no effect on either taxable income or accounting profit.
- (2) Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the temporary differences and loss carryforwards can be utilized.
- (3) Deferred income tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and the temporary differences are expected to reverse in the foreseeable future.
- (4) The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the assets. The carrying amount of deferred income tax assets not previously recognized as deferred income tax assets is reviewed at each balance sheet date and increased to the extent that it is more likely than not that sufficient taxable income will be available to allow recovery of all or

part of the assets.

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

3. Current and deferred income taxes

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

V. Major sources of uncertainty in significant accounting judgments, estimates and assumptions:

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

Key sources of estimation and assumption uncertainty

(I) Income Tax

The Company does not recognize deductible temporary differences and unused loss carry forwards for deferred income tax assets in the balance sheet, see Note 6(27). The ability to realize deferred income tax assets depends on whether it is probable that sufficient future profits will be realized or taxable temporary differences will be realized.

VI. Description of Significant Accounting Items

(I) Cash and cash equivalents

Item	December 31, 2024	December 31, 2023
Cash in hand	\$ 206	\$ 186
Demand Deposit and Checking Deposit	71,296	86,271
	<u>\$ 71,502</u>	<u>\$ 86,457</u>

(II) Financial assets measured at fair value through profit or loss - Current

Item	December 31, 2024	December 31, 2023
------	-------------------	-------------------

Mandatory measurement through
profit or loss at fair value

Non-derivative financial assets

- Domestic listed (over-the-counter) company shares	\$	25,624	\$	38,775
- Mutual Fund Certificates		61,502		10,081
	\$	87,126	\$	48,856

(III) Notes receivable, accounts receivable and other receivables

1. The breakdown is as follows:

Item	December 31, 2024	December 31, 2023
<u>Notes Receivable</u>		
Measured by post-amortized cost		
Total Carrying Cost	\$ 1,015	\$ 673
Less: Allowance for losses	--	--
	\$ 1,015	\$ 673
Occurred as a result of business	\$ 1,015	\$ 673

Accounts Receivable

Measured by post-amortized cost

Total carrying amount	\$ 10,569	\$ 19,225
Less: Allowance for losses	--	--
	\$ 10,569	\$ 19,225

Other Receivables

Amounts receivable for purchase services - unrelated parties	\$ --	\$ 535,213
Receivables from purchasing services - related parties		
(Note 7(2))	145,893	137,838
Related parties (Note 7(2))	1,896	892

Others	<u>1</u>	<u>1</u>
	<u>\$ 147,790</u>	<u>\$ 673,944</u>

2. Accounts receivable and accounts receivable for purchase services

The average credit period for merchandise sales ranges from 30 to 180 days, on a monthly basis, and receivables are non-interest-bearing. The Company's policy is to deal only with customers whose credit ratings meet the Company's requirements and to obtain adequate guarantees, if necessary, to mitigate the risk of financial loss due to default. Credit rating information is obtained from publicly available financial information and historical transaction records for major customers. The Company continuously monitors credit risk and counterparty credit ratings, and spreads the total transaction amount among different customers with qualified credit ratings, and reviews and approves counterparty credit limits annually to manage credit risk.

To mitigate credit risk, the Company's president is responsible for the credit limit determination and credit approval process. In addition, the Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for losses on receivables based on expected credit losses over the life of the receivables. The expected credit losses over the period of continuation are calculated using an allowance matrix, which takes into account the customer's past default history, current financial condition and the economic conditions of the industry. Since the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days past due to determine the expected credit loss rate.

If there is evidence that the counter-party is in serious financial difficulty and the Company cannot reasonably expect to recover the amount, the Company directly eliminates the related receivables, but continues the recovery activities and recognizes the amount recovered in profit or loss as a result of the recovery.

The Company measured the allowance for losses on receivables based on the allowance matrix as follows:

December 31, 2024

	Not overdue	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-90 days	Over 90 days past due	Total
Expected credit loss ratio	--	--	--	--	--	--
Total carrying amount	\$ 156,335	\$ 127	\$ --	\$ --	\$ --	\$ 156,462
Allowance for Losses (Lifetime Expected Credit Losses)	--	--	--	--	--	--
Cost after amortization	\$ 156,335	\$ 127	\$ --	\$ --	\$ --	\$ 156,462

December 31, 2023

	Not overdue	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-90 days	Over 90 days past due	Total
Expected credit loss ratio	--	--	--	--	--	--
Total carrying amount	\$ 691,683	\$ 593	\$ --	\$ --	\$ --	\$ 692,276
Allowance for Losses (Lifetime Expected Credit Losses)	--	--	--	--	--	--
Cost after amortization	\$ 691,683	\$ 593	\$ --	\$ --	\$ --	\$ 692,276

There was no change in the allowance for losses on accounts receivable in 2024 and 2023.

(IV) Net Inventory

- The breakdown is as follows:

Item	December 31, 2024	December 31, 2023
Finished products	\$ 24,050	\$ 23,358
Work in progress	477	--
Supplies	203	380
Inventory in transit	1,432	3,256
	<u>\$ 26,162</u>	<u>\$ 26,994</u>

- The nature of cost of goods sold is as follows:

	2024	2023
Cost of inventories sold	\$ 151,589	\$ 151,114

Gain from Recovery of Inventory	(319)	(27,606)
Write-downs and Obsolescence		
Solar Leasing Costs	12,762	13,158
	<u>\$ 164,032</u>	<u>\$ 136,666</u>

The reversals of inventory write-downs in 2024 and 2023 resulted from increases in the selling prices in specific markets for those inventories.

(V) Prepayments

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepaid Fees	\$ 2,351	\$ 1,889
Prepayment	--	8,292
Retained tax credit	630	642
	<u>\$ 2,981</u>	<u>\$ 10,823</u>

(VI) Other Current Assets

1. The breakdown is as follows:

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Temporary Payment	\$ 420,300	\$ 5,190
Other Financial Assets	2,029	1,749,485
Others	1	1
	<u>\$ 422,330</u>	<u>\$ 1,754,676</u>

2. The above provisional payments were made on behalf of the purchases.
3. The other financial assets mentioned above are set up as a reserve for borrowing, please refer to Note 8.

(VII) Financial assets at fair value through other comprehensive income or loss - non-current

1. The breakdown is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Investments in equity instruments</u>		
Domestic privately placed shares of		
TPEx-listed companies		
Private Placement of Common		
Shares by YJN CO., LTD.	<u>\$ 9,125</u>	<u>\$ 11,250</u>
<u>Debt Instrument Investments</u>		

Foreign bonds

AT&T Inc.	\$	--	\$	7,352
ALTRIA Group Inc.		--		7,153
		--		14,505
	\$	9,125	\$	25,755

2. In January 2022, the Company subscribed to 1,000,000 privately placed common shares of YJN Co., Ltd. (formerly: HOLD JINN ELECTRONICS CO., LTD.) at NT\$6.25 per share, totaling NT\$6,250 thousand, with a three-year lock-up period. At the shareholders' meeting on June 19, 2023, YJN Co., Ltd. approved a 50%, capital reduction to offset losses, with December 8, 2023 set as the record date for the capital reduction. The registration process and share issuance procedures for the capital reduction were completed in the first quarter of 2024. As of December 31, 2024, the Company holds 500,000 shares. The Company invests in the private placement of common shares of the listed company for medium- to long-term strategic purposes and expects to make profits through long-term investment. The Company's management believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and therefore has elected to designate these investments as measured at fair value through other comprehensive income.
3. In May 2023, the Company purchased 6-year USD corporate bonds issued by AT&T Inc. and ALTRIA Group Inc., with coupon rates of 4.35% and 4.8%, respectively.
4. For information regarding credit risk management and impairment assessment of debt instruments at fair value through other comprehensive income (FVTOCI), please refer to Note 6(29).
5. For information regarding the pledged debt instruments at fair value through other comprehensive income (FVTOCI), please refer to Note 8.

(VIII) Investments accounted for using the equity method

1. The details are as follows

Item	December 31, 2024	December 31, 2023
Investment Subsidiaries	\$ 107,371	\$ 201,536

2. Investment Subsidiaries:

- (1) The details are as follows

Carrying amount

Name of Investee Company	December 31, 2024	December 31, 2023
TAI-WAX HOLDING CO., LTD.	\$ --	\$ --
TAI-WAX (THAILAND) CO., LTD.	--	--
Guan Da Green Energy Co., Ltd.	102,500	100,113
Gong Che Yan Fresh Seafood Co., Ltd.	7,881	8,897
Jinghai Aquatic Products (Shanghai) Co., Ltd.	(3,010)	92,526
	<u>\$ 107,371</u>	<u>\$ 201,536</u>

	Percentage of ownership interest and voting rights	
Name of Investee Company	December 31, 2024	December 31, 2023
TAI-WAX HOLDING CO., LTD.	100%	100%
TAI-WAX (THAILAND) CO., LTD.	100%	100%
Guan Da Green Energy Co., Ltd.	100%	100%
Gong Che Yan Fresh Seafood Co., Ltd.	100%	100%
Jinghai Aquatic Products (Shanghai) Co., Ltd.	100%	100%

- (2) The operation of the cultural and creative business of TAI-WAX HOLDING CO., LTD. is not as expected. After evaluation, TAI-WAX HOLDING CO., LTD. expects that the intangible assets related to the cultural and creative business are not likely to generate cash inflows in the future. The Company recognized an impairment loss of NT\$51,055 thousand for its investment in TAI-WAX HOLDING CO., LTD. in 2016, which is included in the parent company only statement of income under the equity method for subsidiaries, affiliates and joint ventures.
- (3) As the profitability of TAI-WAX (THAILAND) CO., LTD. was not as expected, the Company's board of directors resolved to liquidate the subsidiary on December 27, 2016. Therefore, the Company recognized an impairment loss of NT\$502 thousand on its investment in TAI-WAX (THAILAND) CO., LTD. in the parent company only statement of income under the equity method for subsidiaries, affiliates and joint ventures.
- (4) Sub-subsidiary Company Panxing Trading (Shanghai) Co., Ltd., due to lower-than-expected profitability, was resolved for dissolution and liquidation by the Board of Directors of our company on December 27, 2016. Upon evaluation, it was determined

that Panxing Trading (Shanghai) Co., Ltd. was unable to generate cash inflows from its fixed assets. Therefore, in the fiscal year 2016, our company recognized an impairment loss of NT\$3,032 million on the investment in the subsidiary company Panxing Trading (Shanghai) Co., Ltd., and recorded it under the equity method for subsidiaries, associated companies, and joint ventures in the individual comprehensive income statement. Subsequently, on November 5, 2019, the Board of Directors of our company passed a resolution to proceed with the dissolution and liquidation of Panxing Trading (Shanghai) Co., Ltd.

(IX)Property, plant and equipment

	December 31, 2024	December 31, 2023
Self-use	\$ 640,857	\$ 556,549
Business Leasing	166,025	177,314
	<u>\$ 806,882</u>	<u>\$ 733,863</u>

1. Self-use

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
<u>Cost:</u>						
January 1, 2024	\$ 411,369	\$ 69,112	\$ 840,896	\$ 37,116	\$ 128,734	\$ 1,487,227
Adding	--	--	1,045	--	88,681	89,726
Discipline	--	(10,149)	(827,403)	(592)	--	(838,144)
December 31, 2024	<u>\$ 411,369</u>	<u>\$ 58,963</u>	<u>\$ 14,538</u>	<u>\$ 36,524</u>	<u>\$ 217,415</u>	<u>\$ 738,809</u>
<u>Accumulated depreciation and impairment:</u>						
January 1, 2024	\$ --	\$ 56,835	\$ 840,856	\$ 32,987	\$ --	\$ 930,678
Depreciation	--	708	146	922	--	1,776
Discipline	--	(6,507)	(827,403)	(592)	--	(834,502)
December 31, 2024	<u>\$ --</u>	<u>\$ 51,036</u>	<u>\$ 13,599</u>	<u>\$ 33,317</u>	<u>\$ --</u>	<u>\$ 97,952</u>
Net Balance as of December 31, 2024	<u>\$ 411,369</u>	<u>\$ 7,927</u>	<u>\$ 939</u>	<u>\$ 3,207</u>	<u>\$ 217,415</u>	<u>\$ 640,857</u>

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
<u>Cost:</u>						
January 1, 2023	\$ 298,488	\$ 69,112	\$ 841,756	\$ 33,622	\$ 47,839	\$ 1,290,817
Adding	112,881	--	--	3,494	80,895	197,270
Discipline	--	--	(860)	--	--	(860)
December 31, 2023	<u>\$ 411,369</u>	<u>\$ 69,112</u>	<u>\$ 840,896</u>	<u>\$ 37,116</u>	<u>\$ 128,734</u>	<u>\$ 1,487,227</u>
<u>Accumulated depreciation and impairment:</u>						
January 1, 2023	\$ --	\$ 56,076	\$ 841,520	\$ 32,169	\$ --	\$ 929,765
Depreciation	--	759	196	818	--	1,773
Discipline	--	--	(860)	--	--	(860)
December 31, 2023	<u>\$ --</u>	<u>\$ 56,835</u>	<u>\$ 840,856</u>	<u>\$ 32,987</u>	<u>\$ --</u>	<u>\$ 930,678</u>

Net Balance as of December 31, 2023	\$	411,369	\$	12,277	\$	40	\$	4,129	\$	128,734	\$	556,549
---	----	---------	----	--------	----	----	----	-------	----	---------	----	---------

2. Business Leasing

	Assets for Lease
<u>Cost:</u>	
Balance on January 1, 2024	\$ 252,853
Adding	--
Reclassification	--
Balance on December 31, 2024	\$ 252,853
<u>Accumulated depreciation and impairment:</u>	
Balance on January 1, 2024	\$ 75,539
Depreciation	11,289
Impairment loss	--
Balance on December 31, 2024	\$ 86,828
Net Balance as of December 31, 2024	\$ 166,025

	Assets for Lease
<u>Cost:</u>	
Balance on January 1, 2023	\$ 246,126
Adding	6,727
Reclassification	--
Balance on December 31, 2023	\$ 252,853
<u>Accumulated depreciation and impairment:</u>	
Balance on January 1, 2023	\$ 53,684
Depreciation	11,416
Impairment loss	10,439
Balance on December 31, 2023	\$ 75,539
Net Balance as of December 31, 2023	\$ 177,314

3. In April 2024, the Company sold machinery and equipment for NT\$2,442 thousand, resulting in a reversal of previously recognized impairment losses of NT\$2,442 thousand. In June 2023, certain solar power generation equipment was assessed as no longer usable, resulting in reduced future cash flows. Consequently, an impairment loss of NT\$10,439 was recognized.

4. Depreciation expenses are provided on a straight-line basis over the following years:

Buildings	
Factory main building	35 to 55 years
Auxiliary Equipment	5 to 25 years
Machinery and Equipment	3 to 12 years
Assets for Lease	16 to 20 years
Other Equipment	3 to 10 years

5. Our company has entered into a Solar Photovoltaic Power Generation System Power Purchase Agreement with Taiwan Power Company (Taipower). According to the agreement, starting from the date of interconnection of both systems, all electricity generated by our company's power generation system will be sold to Taipower. The contract duration is 20 years, and it is accounted for as an operating lease in accordance with IFRIC 4 "Determining Whether an Arrangement Contains a Lease" and IFRS 16 "Leases." The rental payment is calculated based on the actual electricity generated and the verified feed-in tariff announced by the regulatory authority. Therefore, there are no future minimum lease payments that are non-cancellable.
6. Please refer to Note 8 for the amount of property, plant and equipment leased under self-use and operating leases that are pledged as collateral for loans.

(X) Lease Agreement

1. Right-of-use assets

Item	December 31, 2024	December 31, 2023
Carrying amount of right-to-use assets		
Transportation Equipment	\$ 6,932	\$ 2,697
Other Equipment	13,432	14,230
	<u>\$ 20,364</u>	<u>\$ 16,927</u>

Item	2024	2023
Increase in the use of right assets	<u>\$ 7,922</u>	<u>\$ --</u>
Depreciation expense on right-of-use assets		
Transportation Equipment	\$ 3,687	\$ 2,830
Other Equipment	798	798
	<u>\$ 4,485</u>	<u>\$ 3,628</u>

2. Leasing Liabilities

Item	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Mobile	<u>\$ 3,893</u>	<u>\$ 2,971</u>
Non-mobile	<u>\$ 16,811</u>	<u>\$ 14,204</u>

The discount rate range for lease liabilities is as follows:

Item	December 31, 2024	December 31, 2023
Transportation Equipment	1.33%–1.93%	1.33%, 1.45%
Other Equipment	1.45%	1.45%

3. Other Leasing Information

(1) Please refer to Notes 6(9) for the agreements to lease the Company's own property, plant and equipment and investment property under operating leases.

(2) Other Leasing Information

Item	2024	2023
Short-term lease and low-value		
asset lease charges	\$ 1,205	\$ 1,205
Total cash (outflow) from leases	\$ 5,901	\$ 5,013

The Company has elected to apply a recognition exemption to certain equipment leases that qualify as low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

(XI) Net investment property

1. The breakdown is as follows:

	Land
<u>Cost:</u>	
Balance on January 1, 2024	\$ 132,730
Add	--
Balance on December 31, 2024	\$ 132,730
<u>Accumulated depreciation and impairment:</u>	
Balance on January 1, 2024	\$ --
Depreciation	--
Balance on December 31, 2024	\$ --
Net Balance as of December 31, 2024	\$ 132,730
	Land
<u>Cost:</u>	
Balance on January 1, 2023	\$ 132,730

Add	--
Balance on December 31, 2023	\$ 132,730
<u>Accumulated depreciation and impairment:</u>	
Balance on January 1, 2023	\$ --
Depreciation	--
Balance on December 31, 2023	\$ --
Net Balance as of December 31, 2023	\$ 132,730

- The fair value of investment properties was not appraised by independent valuers, but was evaluated by the Company's management with reference to market evidence of transaction prices for similar properties. The fair value determined by these evaluations was NT\$603,492 thousand as of December 31, 2024 and December 31, 2023.
- For the amount of investment property pledged as collaterals for loans, please refer to Note 8.

(XII) Other non-current assets

Item	December 31, 2024	December 31, 2023
Deposit Guarantee	\$ 9,185	\$ 7,235
Others	2,904	2,904
	<u>\$ 12,089</u>	<u>\$ 10,139</u>

(XIII) Short-term borrowings

- The details are as follows:

Item	December 31, 2024	December 31, 2023
Secured Loans	<u>\$ 290,800</u>	<u>\$ 2,261,650</u>
Interest Rate Range	2.28%–2.39%	1.75%–2.20%

- Please refer to Note 8 for the guarantee provided by the Company.

(XIV) Other Payables

Item	December 31, 2024	December 31, 2023
Payroll	\$ 3,647	\$ 2,204
Compensation to employees	844	391
Directors' Remuneration Payable	1,054	450
Other expenses payable	3,893	5,921

	<u>\$</u>	<u>9,438</u>	<u>\$</u>	<u>8,966</u>
--	-----------	--------------	-----------	--------------

(XV) Long-term loans

1. The breakdown is as follows:

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Secured Loans	\$ 85,809	\$ 102,644
Less: Classified as part due within 1 year	(12,832)	(53,323)
Long-term loans	<u>\$ 72,977</u>	<u>\$ 49,321</u>

2. In 2019, the Company obtained a new bank loan of NT\$60,000 thousand, repayable over 5 years with monthly principal payments of NT\$350 thousand and the remaining balance due at maturity. However, when the loan matured in April 2024, the Company refinanced the remaining balance of NT\$39,350 thousand. As of December 31, 2024, the interest rate was 2.37%, and the loan is repayable over 9 years with monthly principal and interest payments of NT\$405 thousand. Pursuant to the loan agreement, our company has granted the bank a mortgage on the rights under the Solar Photovoltaic Power Generation System Power Purchase Agreement with Taipower and the solar power generation equipment (recognized as leased assets). Please refer to Note 8 for details.
3. In 2020, the Company obtained a new bank loan of NT\$50,000 thousand. As of December 31, 2024 and December 31, 2023, the interest rates were 2.44% and 2.32%, respectively. The loan is repayable over 5 years with monthly principal payments of NT\$833 thousand. Pursuant to the loan agreement, our company has granted the bank a mortgage on the self-use and leased real estate, factories, and equipment. Please refer to Note 8 for details.
4. In 2022, the Company obtained a new bank loan of NT\$50,000 thousand. As of December 31, 2024 and December 31, 2023, the interest rates were 2.32% and 2.20%, respectively. The loan is repayable over 15 years with monthly principal and interest payments. Pursuant to the loan agreement, our company has granted the bank a mortgage on the solar power generation equipment (recognized as leased assets). Please refer to Note 8 for details.

(XVI) Post-employment benefit plans

1. Confirmation of the transfer plan

The Company's pension plan under the Labor Pension Act is a government-administered defined contribution pension plan that contributes 6% of employees' monthly salaries to the individual accounts of the Bureau of Labor Insurance.

(XVII) Equity

1. Common shares (Unit: NT\$)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Number of shares	<u>200,000,000</u>	<u>200,000,000</u>
Authorized capital	<u>\$ 2,000,000,000</u>	<u>\$ 2,000,000,000</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Number of shares issued and fully paid	<u>93,559,300</u>	<u>93,559,300</u>
Issued Share Capital	<u>\$ 935,593,000</u>	<u>\$ 935,593,000</u>

- (1) The Company's shareholders approved the issuance of privately placed common shares at the Annual General Meetings held on June 22, 2016, June 22, 2017, June 25, 2019, and July 20, 2021, for 7,550,000 shares, 8,750,000 shares, 16,500,000 shares, and 10,000,000 shares, respectively. These shares were fully subscribed as of October 3, 2016, April 9, 2018, August 22, 2019, and October 14, 2021, respectively, and the registration of these changes was approved by the competent authority.
- (2) The Company's shareholders approved a capital reduction to offset losses in 2017 and a stock dividend distribution in 2021. After the capital reduction, the privately placed common shares issued in 2016 mentioned above were reduced to 4,838,905 shares. Additionally, in 2022, 5,968,436 shares were issued as stock dividends for the privately placed common shares, bringing the total to 46,057,341 shares.

2. Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>may be used to make up losses, to</u>		
<u>make cash payments or to</u>		
<u>capitalize</u>		
Stock Issuance Premium	\$ 164,030	\$ 164,030
Treasury Stock Trading	— 1,068	— 1,068

<u>\$</u>	<u>165,098</u>	<u>\$</u>	<u>165,098</u>
-----------	----------------	-----------	----------------

Such capital surplus may be used to offset losses or, when the Company has no losses, to distribute cash or be capitalized, provided that each capitalization is limited to a certain percentage of the paid-in capital.

3. Retained earnings and dividend policy

- (1) In accordance with the Company's Articles of Incorporation, if there is any surplus in the annual accounts, the Company shall pay tax and make up for the accumulated deficit, and then set aside 10% as legal reserve, and set aside or reverse the rest as special reserve as required by law; if there is any remaining balance, the Board of Directors shall, together with the accumulated undistributed earnings, prepare a proposal for distribution of earnings and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders. For the Company's employee and director compensation distribution policy as stipulated in the Articles of Incorporation, please refer to Note 6(26).
- (2) The legal reserve should be appropriated until the remaining balance reaches the Company's paid-in capital. If the Company has no deficit, the portion of the legal reserve that exceeds 25% of the paid-in capital may be appropriated to capital and distributed in cash.
- (3) When the Company first adopted the IFRSs recognized by the FSC, it chose to apply the exemptions of IFRS 1 "First-time Adoption of International Financial Reporting Standards" and recorded an unrealized revaluation increment of NT\$176,947 thousand in land under stockholders' equity, and provided a special reserve of the same amount in accordance with the related administrative regulations. When the related assets are disposed of or reclassified, the special reserve may be reversed and distributed in proportion to the special reserve. However, since the increase in retained earnings resulting from the conversion was insufficient, only NT\$88,694 thousand of the increase in retained earnings from the conversion is provided for as special reserve. As of December 31, 2024 and 2023, the balance of this special reserve was NT\$88,694 thousand.
- (4) At the shareholders' meeting held on June 14, 2023, the Company approved the loss offsetting proposal for 2022. As there was a loss in 2022, no earnings distribution

was made.

- (5) The appropriation of earnings for 2023, as approved by the shareholders at the annual general meeting held on June 21, 2024, was as follows

	2023
Legal Reserve	\$ 3,830

- (6) On March 13, 2025, the Company's Board of Directors proposed the following earnings distribution for the fiscal year 2024, which is subject to approval at the shareholders' meeting scheduled for June 3, 2025.

	2024
Legal Reserve	\$ 8,272

4. Treasury stock

Reason for recovery

Transfer of shares to
employees (in
thousands)

Number of Shares as of January 1 and
December 31, 2024

888

Reason for recovery

Transfer of shares to
employees (in
thousands)

Number of Shares as of January 1 and
December 31, 2023

888

In 2022, the Company transferred 600 thousand shares to employees at NT\$18.88 per share with a buyback cost of NT\$11,328 thousand, which was delivered to employees as of December 31, 2022. The Company recognized employee compensations cost of NT\$1,062 thousand on the date of grant and recognized capital surplus - treasury stock transactions of NT\$1,062 thousand on the date of stock delivery to employees.

Treasury stock held by the Company is not pledged under the Securities and Exchange Act, and is not entitled to dividend distribution or voting rights.

(XVIII) Earnings per Share

The weighted-average number of shares of common shares and earnings per share used in the calculation of earnings per share were as follows

Net Profit for Current Year

	2024	2023
Net Profit for Current Year	\$ 82,715	\$ 38,302

Number of Shares

Weighted number of common shares for

basic earnings per share calculation	92,671	92,671
--------------------------------------	--------	--------

Effect of potential common shares with
dilution:

Employee Compensation	54	48
-----------------------	----	----

Weighted number of common shares for

the purpose of diluted earnings per share	92,725	92,719
---	--------	--------

If the Company has the option to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the Board of Directors' resolution on the number of shares to be issued for employee compensation in the following .

(XIX) Cash Flow Information

Changes in liabilities from financing activities

2024

	January 1, 2024	Cash flow	Change in non-cash Lease Modifications	December 31, 2024
Short-term borrowings	2,261,650	(1,970,850)		
Long-term loans	\$ 102,644	\$ (16,835)	\$ --	\$ 290,800
Other payables - related parties	15,000	20,000	--	85,809
Leasing Liabilities	17,175	(4,393)		
			7,922	35,000
	<u>\$ 2,396,469</u>	<u>\$ (1,972,078)</u>	<u>\$ 7,922</u>	<u>\$ 20,704</u>
				<u>\$ 432,313</u>

2023

	January 1, 2023	Cash flow	Change in non-cash Lease Modifications	December 31, 2023
--	-----------------	-----------	---	-------------------

Short-term borrowings	1,157,520	1,104,130		
	\$	\$	\$	--
Long-term loans	119,474	(16,830)		\$ 2,261,650
Other payables - related parties	--	15,000	--	102,644
Leasing Liabilities	20,710	(3,535)	--	15,000
			--	17,175
	<u>\$ 1,297,704</u>	<u>\$ 1,098,765</u>	<u>\$ --</u>	<u>\$ 2,396,469</u>

(XX) Net Sales Revenue

1. The breakdown is as follows:

Item	2024	2023
Customer Contract Revenue		
Wax product sales revenue	\$ 171,504	\$ 147,901
Revenue from purchase agency services (Note 7(2))	21,035	81,189
Lease income		
Lease income from optical equipment	22,919	23,648
	<u>\$ 215,458</u>	<u>\$ 252,738</u>

2. Description of Customer Agreement

(1) Note 4(11) shows the revenue from customer contracts.

(2) Lease income is detailed in Notes 6(9).

3. Contract Balance

	December 31, 2024	December 31, 2023	January 1, 2023
Contractual liabilities - sales of goods	\$ 1,391	\$ 490	\$ 89

The change in contractual liabilities mainly arises from the difference between the point at which performance obligations are met and the point at which customers pay.

4. Revenue recognized in 2024 and 2023 that was included in the contract liabilities balance at the beginning of the period amounted to NT\$490 thousand and NT\$59 thousand, respectively.

(XXI) (21) Other Income

Item	2024	2023
Dividend Income	\$ 1,017	\$ 1,398
Other Income - Others (Note 7(2))	1,716	989
	<u>\$ 2,733</u>	<u>\$ 2,387</u>

(XXII) Other interests and losses

Item	2024	2023
Net foreign currency exchange gain	\$ 135,409	\$ (21,348)
(loss)		
Gains on financial assets at fair value		
through profit or loss	3,537	9,170
Reversals of impairment loss on non-	2,442	(10,439)
financial assets		
(Loss) gain on disposal of property,	(3,642)	171
plant and equipment		
Loss on Disposal of Investments	(312)	--
	<u>\$ 137,434</u>	<u>\$ (22,446)</u>

(XXIII) Finance Costs

Item	2024	2023
Interest on bank loans	\$ 29,259	\$ 34,934
Interest on lease liabilities	303	273
	<u>\$ 29,562</u>	<u>\$ 35,207</u>

(XXIV) Depreciation and amortization

Item	2024	2023
Property, Plant and Equipment	\$ 13,065	\$ 13,189
Right-of-use assets	4,485	3,628
	<u>\$ 17,550</u>	<u>\$ 16,817</u>

Item	2024	2023
Depreciation expense is summarized by		
function		
Operating Costs	\$ 12,922	\$ 12,964

Operating Expenses	4,628	3,853
	<u>\$ 17,550</u>	<u>\$ 16,817</u>
(XXV) Employee Benefits		
Item	2024	2023
Short-term Employee Benefits	\$ 24,398	\$ 24,160
Post-employment benefits	870	919
Separation Benefits	--	--
	<u>\$ 25,268</u>	<u>\$ 25,079</u>
Item	2024	2023
Summary by Function		
Operating Costs	\$ 7,592	\$ 7,499
Operating Expenses	<u>17,676</u>	<u>17,580</u>
	<u>\$ 25,268</u>	<u>\$ 25,079</u>

(XXVI) Employee remuneration and directors' remuneration

1. The Company allocates employee remuneration and directors' remuneration at rates of no less than 1% and no more than 3%, respectively, of the profit before income tax and before deducting the amounts of employee and directors' remuneration. However, when the company has losses, it should make up for them first. The estimated employee remuneration and directors' remuneration for 2024 and 2023 were resolved by the Board of Directors on March 13, 2025, and March 14, 2024, respectively, as follows:

Estimated Ratio

	2024	2023
Employee Compensation	1%	1%
Directors' Compensation	1%	1.15%

Amount

	2024	2023
Employee Compensation	<u>\$ 844</u>	<u>\$ 391</u>
Directors' Compensation	<u>\$ 844</u>	<u>\$ 450</u>

2. If there is a change in the amount of the annual financial report after the date of its issuance, the change in the accounting estimate is treated as an adjustment in the following.

3. The actual distribution amounts of employee and director remuneration for 2023 and 2022 did not differ from the amounts recognized in the parent company only financial statements for 2023 and 2022.
4. For information regarding employee and director remuneration resolved by the Board of Directors, please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(XXVII) Income Tax

1. The major components of income tax recognized in profit or loss are as follows:

	2024	2023
Current income tax		
Generated in Current Year	\$ --	\$ --
Deferred income tax		
Generated in Current Year	--	--
Income tax expense recognized in profit or loss	\$ --	\$ --

2. The reconciliation of accounting income to income tax expense is as follows:

	2024	2023
Net Profit before tax	\$ 82,715	\$ 38,302
Income tax expense at statutory tax rate on net income before income tax	\$ 16,543	\$ 7,660
Non-deductible expenses for tax purposes	95	462
Tax-free income	(1,122)	(2,114)
Unallocated surplus plus levy	--	--
Unrecognized deductible temporary differences	3,731	12,316
Unrecognized loss carry forward	(19,247)	(18,324)
Income tax expense recognized in profit or loss	\$ --	\$ --

3. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

<u>2024</u>	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensi ve income	Current Payments	Ending Balance
<u>Deferred income tax liabilities</u>					
Land Value Added Tax	\$ (29,033)	\$ --	\$ --	\$ --	\$ (29,033)

<u>2023</u>	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive income	Current Payments	Ending Balance
<u>Deferred income tax liabilities</u>					
Land Value Added Tax	\$ (29,033)	\$ --	\$ --	\$ --	\$ (29,033)

4. The amount of deductible temporary and unused loss carryforwards for deferred income tax assets not recognized in the balance sheet is as follows

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Loss Deduction Credit		
Expiring in 2024	\$ --	\$ 13,465
Expiring in 2025	--	62,710
Expiring in 2026	2,254	22,314
Expiring in 2028	31,673	31,673
Expiring in 2032	15,930	23,015
	<u>\$ 49,857</u>	<u>\$ 153,177</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Temporary differences can be reduced		
Allowance for loss on decline in value of inventories	\$ 5,408	\$ 5,727
The equity method is used to recognize the profit or loss of subsidiaries	421,357	322,089
Impairment loss on machinery and equipment and assets leased to others	30,952	44,195
Others	(7,947)	59,103
	<u>\$ 449,770</u>	<u>\$ 431,114</u>

5. Income tax return approval situation

The Company's income tax returns have been examined and cleared by the tax authorities through 2022.

(XXVIII) Capital risk management

Based on the characteristics of the current operating industry and its future development, and taking into account factors such as changes in the external environment, the Company plans its operating capital requirements (including research and development expenses and debt repayment) for future periods in order to ensure sustainable operations, to reward its shareholders and to take into account the interests of other stakeholders, and to maintain an optimal capital structure to enhance shareholder value.

(XXIX) Financial Instruments

1. Fair Value Information

(1) Fair value information - financial instruments not carried at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities not carried at fair value approximate their fair values.

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

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through profit or loss - Current</u>				
Domestic listed stocks	\$ 25,624	\$ --	\$ --	\$ 25,624
Mutual Fund	61,502	--	--	61,502
Certificates				
	<u>\$ 87,126</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 87,126</u>

Financial assets at fair value through other comprehensive income or loss - non-current

Investments in equity instruments

Domestic listed stocks	<u>\$ 9,125</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,125</u>
------------------------	-----------------	--------------	--------------	-----------------

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through profit or loss - Current</u>				
Domestic listed stocks	\$ 38,775	\$ --	\$ --	\$ 38,775
Mutual Fund	10,081	--	--	10,081
Certificates				
	<u>\$ 48,856</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 48,856</u>

Financial assets at fair value through other comprehensive income or loss - non-current

Investments in equity instruments

Domestic listed stocks	\$ 11,250	\$ --	\$ --	\$ 11,250
------------------------	-----------	-------	-------	-----------

Debt Instrument

Investments

Foreign USD Bonds	--	14,505	--	14,505
	<u>\$ 11,250</u>	<u>\$ 14,505</u>	<u>\$ --</u>	<u>\$ 25,755</u>

2. Types of Financial Instruments

Financial Assets

Financial assets at fair value through profit or loss

December 31, 2024 December 31, 2023

Mandatory measurement through profit or loss at fair value	\$	87,126	\$	48,856
Financial assets carried at amortized cost (Note 1)		242,090		2,537,019
Financial assets at fair value through other comprehensive income or loss - non-current		9,125		25,755
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost (Note 2)		416,035		2,385,624

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits.

3. Financial risk management objectives and policies:

The Company's financial management department serves each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with the Company's operations through internal risk reporting that analyzes risk exposures based on risk level and breadth. These risks include market risk, credit risk and liquidity risk.

The significant financial activities of the Company are reviewed by the Board of Directors in accordance with the relevant regulations and internal control system. During the execution of the financial plans, the Company must comply with the relevant financial operating procedures regarding overall financial risk management and segregation of duties and responsibilities.

(1) Market Risk

The principal financial risks to which the Company is exposed as a result of its operating activities are the risk of changes in foreign currency exchange rates (see A below) and the risk of changes in interest rates (see B below).

There has been no change in the Company's exposure to market risk of financial instruments and the way it manages and measures such exposure.

A. Exchange rate risk

The Company engages in foreign currency-denominated sales and purchase

transactions, which expose the Company to exchange rate risk.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date, please refer to Note 12(1).

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The sensitivity analysis includes only outstanding foreign currency monetary items and adjusts for a 1% change in the exchange rate translated at the end of the period.

The following table details the sensitivity analysis for a 1% increase and decrease in the New Taiwan dollar (functional currency) against the U.S. Dollar. 1% is the sensitivity ratio used by key management within the Company to report exchange rate risk and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates.

The positive numbers in the table below represent the decrease in pre-tax income when the NTD strengthens by 1% against the U.S. dollar, and the negative impact on pre-tax income when the NTD depreciates by 1% against the U.S. Dollar.

	The Impact of the Dollar	
	2024	2023
Profit and Loss	\$ 1,993	\$ 24,887

These receivables and payables are primarily due to the Company's outstanding U.S. dollar denominated receivables and payables that are not cash flow hedged as of the balance sheet date.

B. Interest Rate Risk

The Company borrows funds at floating interest rates and therefore incurs interest rate risk.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows

	December 31, 2024	December 31, 2023
Subject to fair value interest rate risk		
-Financial Assets	\$ --	\$ 14,505
Cash flow rate risk		
-Financial Assets	\$ 73,301	\$ 1,835,733
-Financial liabilities	376,609	2,364,294

The sensitivity analysis below is based on the interest rate risk of the non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is

outstanding for the reporting period. The rate of change used in reporting interest rates internally to key management is a 1% increase or decrease, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates increase/decrease by 1%, with all other variables remaining constant, the Company's pre-tax net profit for fiscal year 2024 would decrease/increase by NT\$3,033 thousand, primarily due to the Company's net position in variable-rate bank deposits and variable-rate borrowings.

If interest rates increase/decrease by 1%, with all other variables remaining constant, the Company's pre-tax net profit for fiscal year 2023 would decrease/increase by NT\$5,286 thousand, primarily due to the Company's net position in variable-rate bank deposits and variable-rate borrowings.

(2) Credit Risk

Credit risk refers to the risk of financial loss resulting from the default of contractual obligations by counter-parties. As of the balance sheet date, the Company's maximum exposure to credit risk of financial loss due to non-performance of obligations and financial guarantees by counter-parties mainly arises from the carrying amount of financial assets recognized in individual balance sheets.

Business units manage customer credit risk in accordance with the Company's customer credit risk policies, procedures and controls. The credit risk of all customers is evaluated by taking into account the customer's financial condition, ratings from credit rating agencies, historical transaction experience, the current economic environment and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance receipts) at appropriate times to reduce the credit risk of specific customers.

The company selects counterparties with investment grade ratings and establishes individual limits to reduce financial credit risk. The company regularly monitors and reviews market conditions and adjusts limits based on the creditworthiness of counterparties.

The company's investment policy aims to pursue returns while safeguarding principal and maintaining liquidity. This policy requires investments in investment-grade securities and sets maximum credit exposure limits for individual bond issuers.

The company evaluates whether credit risk has significantly increased since initial recognition based on financial market conditions, changes in external credit ratings of debt instrument issuers, and other significant information.

(3) Liquidity risk

The Company manages and maintains sufficient cash to support its operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

The analysis of the remaining contractual maturities of non-derivative financial liabilities has been prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest possible date on which the Company can be required to make repayment. Accordingly, the Company's bank loans that may be required to be repaid immediately are listed in the table below at the earliest possible date, regardless of the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

	Within 6 months (inclusive)	Over 6 months to 1 year	More than 1 year
December 31, 2024			
Non-derivative financial liabilities			
Non-interest- bearing liabilities	\$ 44,845	\$ --	\$ --
Leasing Liabilities	1,765	1,290	16,919
Variable Rate Instrument	301,273	5,238	81,759
	<u>\$ 347,883</u>	<u>\$ 6,528</u>	<u>\$ 98,678</u>
	Within 6 months (inclusive)	Over 6 months to 1 year	More than 1 year
December 31, 2023			
Non-derivative financial liabilities			
Non-interest- bearing liabilities	\$ 22,321	\$ --	\$ --
Leasing Liabilities	1,736	1,462	15,961
Variable Rate Instrument	2,282,926	42,318	55,789
	<u>\$ 2,306,983</u>	<u>\$ 43,780</u>	<u>\$ 71,750</u>

VII. Related Party Transactions

(I) Name and relationship of related parties

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
TAI-WAX HOLDING CO., LTD .	Subsidiaries
TAI-WAX (THAILAND) CO., LTD.	Subsidiaries
Guan Da Green Energy Co., Ltd.	Subsidiaries
Gong Che Yan Fresh Seafood Co., Ltd.	Subsidiaries
Panxing Trading (Shanghai) Co., Ltd.	Sun Corporation
Jinghai Aquatic Products (Shanghai) Co., Ltd.	Subsidiaries
Qiu Xiang Lin	Second-degree relatives of the Chairman

(II) Significant transactions with related parties

1. Revenue from purchase agency services (recorded as operating income)

<u>Type/Name of Related Party</u>	<u>2024</u>	<u>2023</u>
Jinghai Aquatic Products (Shanghai) Co., Ltd.	\$ 1,395	\$ 36,370

2. Other Income

<u>Type/Name of Related Party</u>	<u>2024</u>	<u>2023</u>
Subsidiaries	\$ 1,500	\$ 850

3. Other Receivables

<u>Type/Name of Related Party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Jinghai Aquatic Products (Shanghai) Co., Ltd.	\$ 145,893	\$ 137,838
Subsidiaries	1,896	892
	\$ 147,789	\$ 138,730

4. Land

<u>Type/Name of Related Party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Qiu Xiang Lin	\$ --	\$ 112,881

5. Other Payables

<u>Type/Name of Related Party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
-----------------------------------	--------------------------	--------------------------

Subsidiaries	\$ 35,000	\$ 15,000
--------------	-----------	-----------

(III) Key management compensation information:

Item	2024	2023
Short-term Employee Benefits	\$ 5,140	\$ 5,969

VIII. Pledged assets

(I) The breakdown is as follows:

	December 31, 2024	December 31, 2023
Other Financial Assets - Mobile	\$ 2,029	\$ 1,749,485
Financial assets at fair value through other comprehensive income or loss - non-current	--	14,505
Property, plant and equipment		
Land	214,283	214,283
Buildings	5,843	9,924
Assets for Lease	159,925	170,796
Investment real estate		
Land	98,676	98,676
	\$ 480,756	\$ 2,257,669

(II) The above assets are pledged as collaterals for loans.

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(I) Significant commitments: None.

(II) Contingent items: None.

X. Major disaster damage: None.

XI. Significant post-term events: None.

XII. Other:

(I) Information on foreign currency assets and liabilities with significant effect

- The following information is expressed in foreign currencies, and the exchange rates disclosed are the rates at which the foreign currencies were translated into the functional currency of the Company. Assets and liabilities denominated in foreign currencies that have a significant effect are as follows:

December 31, 2024

Foreign Currency	Exchange rate	Carrying amount
------------------	---------------	-----------------

<u>Foreign currency assets</u>				
Monetary items				
USD	\$	6,078	32.785 (USD: NTD)	\$ 199,265
Non-monetary items				
Investments accounted for using the equity method				
Renminbi		(671)	4.478 (RMB: NTD)	(3,005)
<u>December 31, 2023</u>				

		<u>Foreign Currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>				
Monetary items				
USD	\$	81,051	30.705 (USD: NTD)	\$ 2,488,665
Non-monetary items				
Investments accounted for using the equity method				
Renminbi		21,616	4.327 (RMB: NTD)	93,534

2. Foreign currency exchange (gains) (losses) with significant impact (unrealized) were as follows:

	<u>2024</u>		<u>2023</u>	
Foreign Currency	Exchange rate	Net exchange (loss) gain	Exchange rate	Net exchange (loss) gain
USD	32.785 (USD: NTD)	\$ 8,795	30.705 (USD: NTD)	\$ (57,262)

(II) In May 2024, our company was informed that the Taiwan Chiayi District Prosecutors Office has indicted the Company's Chairman, Vice President, and former Financial Manager for alleged violations of the Securities and Exchange Act between July 2018 and October 2022. As of December 31, 2024, court proceedings have not yet commenced. The Company has assessed that the transactions during this period did not cause any losses to the company, and currently, the company's operations have not been affected in any way.

(III) Jinghai Aquatic Products (Chongqing) Co., Ltd., on behalf of Jinghai Aquatic Products (Shanghai) Co., Ltd., has filed a civil lawsuit against Shanghai Tengyu Trading Co., Ltd. and Shanghai Xiawan Supply Chain Management Co., Ltd. for failing to fulfill payment obligations according to the repayment agreement. The case was heard on January 14, 2025, at the People's Court of Fuling District, Chongqing City, and a ruling has not yet been issued.

XIII. Notes Disclosure Items

- (I) Information on major transactions and

(II) transfer of investment business:

1. Loan of funds to others: Detailed table (I)
2. Endorsement for others: Detailed table (II)
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures): Detailed table (III)
4. Cumulative purchase or sale of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: None
5. Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None
6. Disposal of immovable property amounting to at least NT\$300 million or 20% of the paid-in capital: None
7. Purchase or sale of goods with related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Detailed table (IV)
9. Engaged in derivatives trading: None
10. Information on investee companies: Detailed table (V)

(III) Mainland Investment Information:

1. Information on investee companies: Detailed table (VI)
2. Significant transactions with Mainland China investees:
 - (1) Purchases and related payables: None
 - (2) Sales and related receivables: Detailed table (VII)
 - (3) Property transactions: None
 - (4) Note endorsement guarantee or provision of collateral: None
 - (5) Information and Financial Communication: None
 - (6) Other transactions that had a significant effect on the current period's profit or loss or financial position: None

(IV) Information on major shareholders: Name, amount and percentage of shares held by shareholders with more than 5% ownership: Detailed table (VIII)

XIV. Segment information

The Company has disclosed the relevant operating segment information in the consolidated financial statements in accordance with the regulations.

Table (I)

Loans to others

Unit: NTD thousands/USD thousands

No. (Note 1)	Name of lender	Name of borrower	Account	Related party	Maximum balance for the period	Ending Balance	Actual usage Amount	Interest Rate Range	Nature of Fund Lending	Business Transaction Amount	Reasons for Short-term financing	Allowance for doubtful accounts	Collateral		Individual funding limits (Note 3)	Maximum limit for fund financing. (Note 2)
													Name	Value		
0	Taiwan Wax Products Co., Ltd.	Guan Da Green Energy Co., Ltd.	Amounts due from related parties	Y	50,000	50,000	--	--	Short-term Financing	--	Operating turnover	--	--	--	138,832	277,665
1	Guan Da Green Energy Co., Ltd.	Taiwan Wax Products Co., Ltd.	Amounts due from related parties	Y	35,000	35,000	35,000	--	Short-term Financing	--	Repayment of Loans	--	--	--	41,000	41,000

Note 1: The issuer is entered as 0; the investee companies are numbered in order by company, starting at 1.

Note 2: The total amount of the Company's loans to external parties shall not exceed 20% of the Company's net worth.

The total amount of Kuan Ta's external loans shall not exceed 40% of the company's net worth.

Note 3: The amount of individual loans to the Company is limited to 10% of the Company's net worth.

The amount of Kuan Ta's individual loans shall not exceed 40% of the company's net worth.

Table (II)

Endorsements Guarantees for others:

Unit: NTD thousands

No. (Note 1)	Endorser's company name	Endorsed guarantee recipient.		Limits on amount of guarantees and endorsemen ts for a specific enterprise (Note 3)	Highest balance for guarantee and endorsement s during the period	Balance of guarantees and endorsement s, end of year	Actual usage amount	Amount of property pledged for guarantee and endorsement s	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amounts for guarantees and endorsement s (Note 3)	Parent company endorseme nts/guarant ees to subsidiary	Subsidiary endorseme nts/guarant ees to the parent company	Endorseme nts/guarant ees to third parties on behalf of companies in Mainland China
		Company Name	Relations hip (Note 2)										
0	Taiwan Wax Products Co., Ltd.	Guan Da Green Energy Co., Ltd.	2	416,497	50,000	50,000	--	--	3.60%	416,497	Y	--	--

Note 1: The description of the number column is as follows:

1. The issuer fills in 0.
2. The investee companies are numbered in order by company, starting at 1.

Note 2: The relationship between the endorser and the endorsed guarantor is as follows:

1. Companies that have business dealings.
2. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
3. A company that directly or indirectly holds more than 50% of the voting shares of the company.
4. The company directly and indirectly holds more than 90% of the voting shares of the intercompany.
5. A company that is mutually insured by the contract between interbank or co-builders based on the needs of the contracted work.
6. Companies that are guaranteed by all shareholders in proportion to their shareholdings due to joint investment.
7. Interbank engagement in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act. ©

- Note 3:
1. The Company's endorsement and guarantee for a single enterprise shall not exceed 30% of the Company's net worth.
 2. The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's net worth.

Table (III)

Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and jointly controlled entities):

Unit: NTD thousands/share

Companies held	Type and Name Securities Held		Relationship with the issuer of securities	Account items	End of period				Remarks
	Type	Name			Number of shares (units)	Carrying amount	Shareholding Ratio	Fair value	
Taiwan Wax Products Co., Ltd.	Stock	DACOME INTERNATIONAL LTD.	None	Financial assets measured at fair value through profit or loss - Current	526,000	13,413	1.57 %	13,413	--
Taiwan Wax Products Co., Ltd.	Stock	DAILY POLYMER CORP.	None	Financial assets measured at fair value through profit or loss - Current	891	21	0.00 %	21	--
Taiwan Wax Products Co., Ltd.	Stock	CROWELL DEVELOPMENT CORP.	None	Financial assets measured at fair value through profit or loss - Current	18,000	765	0.00 %	765	--
Taiwan Wax Products Co., Ltd.	Stock	CHUNG HUNG STEEL CORPORATION	None	Financial assets measured at fair value through profit or loss - Current	50,000	888	0.00 %	888	--
Taiwan Wax Products Co., Ltd.	Stock	RIGHT WAY INDUSTRIAL CO., LTD.	None	Financial assets measured at fair value through profit or loss - Current	45,000	585	0.01 %	585	--
Taiwan Wax Products Co., Ltd.	Stock	JEAN CO., LTD.	None	Financial assets measured at fair value through profit or loss - Current	102,241	2,576	0.04 %	2,576	--
Taiwan Wax Products Co., Ltd.	Stock	CKM APPLIED MATERIALS CORP.	None	Financial assets measured at fair value through profit or loss - Current	80,000	2,764	0.10 %	2,764	--
Taiwan Wax Products Co., Ltd.	Stock	THINKING ELECTRONIC INDUSTRIAL CO., LTD.	None	Financial assets measured at fair value through profit or loss - Current	7,000	1,060	0.01 %	1,060	--
Taiwan Wax Products Co., Ltd.	Stock	HU LANE ASSOCIATE INC.	None	Financial assets measured at fair value through profit or loss - Current	5,125	902	0.00 %	902	--
Taiwan Wax Products Co., Ltd.	Stock	PHOENIX SILICON INTERNATIONAL CORP.	None	Financial assets measured at fair value through profit or loss - Current	10,000	1,395	0.01 %	1,395	--
Taiwan Wax Products Co., Ltd.	Stock	FEEDBACK TECHNOLOGY CORP.	None	Financial assets measured at fair value through profit or loss - Current	10,000	1,255	0.02 %	1,255	--
Taiwan Wax Products Co., Ltd.	Beneficiary Certificates	Cathay US Bond ETF Umbrella Fund's 20+ Year US Treasury Bond Index Securities Investment Trust Fund	None	Financial assets measured at fair value through profit or loss - Current	800,000	23,824	-- %	23,824	--
Taiwan Wax Products Co., Ltd.	Beneficiary Certificates	Yuanta Japan Leaders Equity Fund - Accumulation Type	None	Financial assets measured at fair value through profit or loss - Current	17,079,369	37,678	-- %	37,678	--
Gong Che Yan Fresh Seafood Co., Ltd.	Stock	FEEDBACK TECHNOLOGY CORP.	None	Financial assets measured at fair value through profit or loss - Current	5,000	670	0.00 %	627	
Gong Che Yan Fresh Seafood Co., Ltd.	Beneficiary Certificates	Cathay US Bond ETF Umbrella Fund's 20+ Year US Treasury Bond Index Securities Investment Trust Fund	None	Financial assets measured at fair value through profit or loss - Current	50,000	1,489	-- %	1,489	
Taiwan Wax Products Co., Ltd.	Stock	YJN CO., LTD. (Former Name: HOLD JINN ELECTRONICS CO., LTD.)	None	Investments in equity instruments measured at fair value through other comprehensive income or loss - non-current	500,000	9,125	1.15 %	9,125	--

Table (IV)

Receivables from related parties amounting to at least NT\$100 million or 20 percent of the paid-in capital:

Unit: NTD thousands

Companies with accounts receivable	Counterparty Name	Relationships	Balance of receivables from related parties	Turnover rate	Overdue amounts due from related parties		Subsequent recoveries of amounts due from related parties	Allowance for doubtful accounts	Remarks
					Amount	Processing Method			
Taiwan Wax Products Co., Ltd.	Jinghai Aquatic Products (Shanghai) Co., Ltd.	Subsidiaries	Other Receivables 145,893	--	--	--	19,737 (Note)	--	--

Note: Amount received as of March 3, 2025.

Table (V)

Name of Investee Company, location and other related information (excluding Mainland China Investee Company)

Unit: NTD thousands/Foreign currency thousands

Name of Investor Company	Name of Investee Company	Location	Main Business	Original investment amount		Held at the end of the period			Profit (loss) of investees in the current period	Gain (loss) of investees recognized in the current period	Remarks
				End of the period	Year-end of previous year	Number of shares	Percentage (%)	Carrying amount			
Taiwan Wax Products Co., Ltd.	TAI-WAX HOLDING CO., LTD.	Cecil	Formula Wax and Cultural Creative Products Sales	112,659 (USD 3,730)	112,659 (USD 3,730)	3,730,000	100.00%	--	--	--	
Taiwan Wax Products Co., Ltd.	TAI-WAX (THAILAND) CO., LTD.	Thailand	Formula Wax and Cultural Creative Products Sales	5,580 (THB 6,000)	5,580 (THB 6,000)	60,000	100.00%	--	--	--	
Taiwan Wax Products Co., Ltd.	Guan Da Green Energy Co., Ltd.	Taiwan	Sales and installation of solar energy equipment	100,000	100,000	--	100.00%	102,500	2,387	2,387	
Taiwan Wax Products Co., Ltd.	Gong Che Yan Fresh Seafood Co., Ltd.	Taiwan	Sales of aquatic and agricultural products	20,000	20,000	--	100.00%	7,881	(1,016)	(1,016)	

Table (VI)

Transfer of investment to China

Unit: NT\$, USD thousand

Name of Mainland China Investee Company	Main Business	Paid-in capital	Investment Mode	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount exported from Taiwan at the end of the current period	Profit/Loss of the Invested Company during the current period.	Percentage of shares held directly or indirectly by the Company	Investment gains and losses recognized during the period	Carrying value of investments at the end of the period	Cumulative repatriation of investment income for the period ended
					Export	Take back						
Panxing Trading (Shanghai) Co., Ltd.	Sales of Formula Wax and Cultural Creative Products	31,968 (USD 1,000)	Note 1	31,968 (USD 1,000)	--	--	31,968 (USD 1,000)	--	100.00%	--	--	--
Jinghai Aquatic Products (Shanghai) Co., Ltd.	Sales of aquatic products	288,476 (USD 10,000)	Note 2	288,476 (USD 10,000)	--	--	288,476 (USD 10,000)	(99,268)	100.00%	(99,268)	(3,010)	--
Jinghai Aquatic Products (Chongqing) Co., Ltd.	Sales of aquatic products	--	Note 2	--	--	--	--	(1,304)	100.00%	(1,304)	(1,311)	--

Cumulative amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission of the Ministry of Economic Affairs	Investment quota in Mainland China according to the Investment Commission of the Ministry of Economic Affairs
320,444	455,712 (USD13,900)(Note 3)	832,994

Note 1: Reinvestment in Mainland China through a third-party subsidiary, TAI-WAX HOLDING CO.

Note 2: Directly invest in mainland China.

Note 3: Translated at the spot rate on the balance sheet date.

Table (VII)

The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information

Unit: NTD thousands

Name of Mainland China Investee Company	Transaction Type	Revenue from purchase agency services		Price	Trading Conditions		Accounts receivable		Unrealized gross profit	Remarks
		Amount	Percentage		Payment Terms	Comparison with general trading	Amount	Percentage		
Jinghai Aquatic Products (Shanghai) Co., Ltd.	Revenue from purchase agency services	1,395	6.63%	There are no significant differences	90 days - 180 days	There are no significant differences	145,893	100.00%	5	--

Table (VIII)

Major Shareholders Information

Name of Major Shareholders	Shares	
	Number of shares held (shares)	Shareholding Ratio
Yuanjin Co.	14,599,719	15.60 %
E-Long Investment Co.	8,932,304	9.54 %
Shangpin Investment Co.	8,776,256	9.38 %
Lingru Huang	7,588,703	8.11 %
Zongyuan Huang	6,498,385	6.94 %

Note 1: The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of common and preferred shares held by shareholders of 5% or more of the Company that have been delivered without physical registration (including treasury stock). The number of shares recorded in the Company's individual financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of preparation of the calculations.

Table of Contents for Statements of Significant Accounts

ITEM	No./Index
Statement of Asset, Liability, and Equity Items	
Statement of Cash and Cash Equivalents	Statement 1
Financial assets measured at fair value through profit or loss - Current	Statement 2
Statement of Notes Receivable	Statement 3
Statement of Accounts Receivable	Statement 4
Statement of Other Receivables	Note 6(3)
Statement of Inventory	Statement 5
Statement of Prepaid Expenses	Note 6(5)
Statement of Other Current Assets	Note 6(6)
Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value	Statement 6
Schedule of non-current assets	
Statement of Equity Method Investments Changes	Statement 7
Statement of Property, Plant, and Equipment Changes	Note 6(9)
Statement of Accumulated Depreciation of Property, Plant, and Equipment Changes	Note 6(9)
Statement of Operating Lease Assets Changes	Statement 8
Statement of Accumulated Depreciation of Operating Lease Assets Changes	Statement 9
Statement of Investment Properties Changes	Note 6(11)
Statement of Other Non-current Assets	Note 6(12)
Statement of Short-term Borrowings	Statement 10
Statement of Other Payables	Note 6(14)
Statement of Long-term Borrowings	Statement 11
Statement of Lease Liabilities	Statement 12
Statement of Deferred Tax Liabilities	Note 6(27)
Statement of Income Items	
Statement of Net Operating Revenue	Statement 13
Statement of Cost of Sales	Statement 14
Statement of Manufacturing Expenses	Statement 15
Statement of Operating Expenses	Statement 16
Statement of Net Other Income and Expenses	Note 6(22)
Statement of Financial Expenses	Note 6(23)
Current employee benefits, depreciation, depletion and amortization expenses categorized by function	Statement 17

Taiwan Wax Products Co., Ltd.
Statement of Cash and Cash Equivalents
December 31, 2024

Statement 1 Unit: NTD thousands (Except as indicated)

Item	Summary	Amount
Cash in hand	Note 1	\$ 206
Checking account balance		24
Current account deposit		18,489
Foreign currency current account deposit	Note 2	52,783
		\$ 71,502

Note 1: Including 2,000 RMB, 1,000 Hong Kong Dollars, 2,000 Australian Dollars, and 2,000 Thai Baht, with exchange rates of 4.478, 4.222, 20.39, and 0.9623, respectively.

Note 2: Including 1,608 thousand US Dollars and 13 thousand RMB, with exchange rates of 32.785 and 4.478, respectively.

Taiwan Wax Products Co., Ltd.

Financial assets measured at fair value through profit or loss - Current

December 31, 2024

Statement 2

Unit: NTD thousands

Financial instrument name	Number of shares or units	Face value (dollars)	Total amount	Acquisition cost	Fair value		Fair value attributable to changes in credit risk	Remarks
					Unit price	Total amount		
Stock								
DACOME INTERNATIONAL LTD.	526,000	\$ 10	--	\$ 16,760	\$ 25.50	\$ 13,413	--	
DAILY POLYMER CORP.	891	10	--	19	23.10	21	--	
CROWELL DEVELOPMENT CORP.	18,000	10	--	379	42.50	765		
CHUNG HUNG STEEL CORPORATION	50,000	10	--	2,994	17.75	888	--	
RIGHT WAY INDUSTRIAL CO., LTD.	45,000	10	--	965	13.00	585		
JEAN CO., LTD.	102,241	10	--	3,143	25.20	2,576		
CKM APPLIED MATERIALS CORP.	80,000	10	--	3,152	34.55	2,764	--	
THINKING ELECTRONIC INDUSTRIAL CO., LTD.	7,000	10	--	1,252	151.50	1,060		
HU LANE ASSOCIATE INC.	5,125	10	--	813	176.00	902	--	
					Fair value			
Financial instrument name	Number of shares or units	Face value (dollars)	Total amount	Acquisition cost	Unit price	Total amount	Fair value attributable to changes in credit risk	Remarks
Stock								
PHOENIX SILICON INTERNATIONAL CORP.	10,000	10	--	\$ 1,068	\$ 139.50	\$ 1,395	--	
FEEDBACK TECHNOLOGY CORP.	10,000	10	--	1,355	125.50	1,255	--	
Beneficiary Certificates			--					
Cathay US Bond ETF Umbrella Fund's 20+ Year US Treasury Bond Index Securities Investment Trust Fund	800,000	--	--	25,940	29.78	23,824	--	
Yuanta Japan Leaders Equity Fund - Accumulation Type	17,079,369	--	--	39,732	2.21	37,678	--	
				<u>\$ 97,572</u>		<u>\$ 87,126</u>		

Taiwan Wax Products Co., Ltd.

Statement of Notes Receivable

December 31, 2024

Statement 3		Unit: NTD thousands	
Customer's Name	Summary	Amount	Remarks
Unrelated parties:			
Customer code			
22004		\$ 331	Disclosure
			amount exceeds
23005		226	5% of the
			account balance
22037		226	
22021		226	
Others		6	
		1,015	
Less: Allowance for losses		--	
		\$ 1,015	

Taiwan Wax Products Co., Ltd.
Statement of Accounts Receivable
December 31, 2024

Statement 4		Unit: NTD thousands	
Customer's Name	Summary	Amount	Remarks
Unrelated parties:			
Customer code			
21012		\$ 2,138	Items listed are those exceeding 5% of the account balance
21014		1,996	
22059		1,774	
21086		942	
11112		645	
23029		571	
Others		2,503	
		10,569	
Less: Allowance for losses		--	
		\$ 10,569	

Taiwan Wax Products Co., Ltd.

Statement of Inventory

December 31, 2024

Statement 5

Unit: NTD thousands

Item	Summary	Amount		Remark
		Cost	Net Realizable Value	
Inventory of goods	Carving wax, etc.	\$ 1,619	\$ --	
Finished products	Stone wax, etc.	24,292	29,118	
Work in progress	Hydrogenated hard palm oil, etc.	781	596	
Raw materials	Color masterbatch and resin pellets	79	--	
Supplies	Formulation wax, etc.	3,367	581	
In-transit materials	In-transit imported wax	1,432	1,432	
		31,570	\$ 31,727	
Less: Allowance for inventory impairment		(5,408)		
Net amount		\$ 26,162		

Taiwan Wax Products Co., Ltd.

Statement of Financial Assets at Fair Value through Other Comprehensive Income - Non-current

December 31, 2024

Statement 6

Unit: NTD thousands

Financial instrument name	Number of shares or units	Face value (dollars)	Total amount	Interest rate	Acquisition cost	Accumulated impairment loss	Fair value		Remarks
							Unit price	Total amount	
Stock									
YJN CO., LTD., (Former Name: HOLD JINN ELECTRONICS CO., LTD.)	500,000	\$ 10	\$ --	--	\$ 6,250	\$ --	\$ 18.25	\$ 9,125	

Taiwan Wax Products Co., Ltd.
Statement of Equity Method Investments Changes
From January 1 to December 31, 2024

Statement 7

Name	Opening balance		Increase during the period		Decrease during the period		Ending Balance			Equity value/market price	Unit: NTD thousands Collateral or pledge provided	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding Ratio	Amount			
TAI-WAX HOLDING CO., LTD.	3,730,000	\$ --	--	\$ --	--	\$ --	3,730,000	100.00%	\$ --	\$ --	None	
TAI-WAX (THAILAND) CO., LTD.	60,000	--	--	--	--	--	60,000	100.00%	--	--	None	Note
Guan Da Green Energy Co., Ltd.	--	100,113	--	2,387	--	--	--	100.00%	102,500	102,500	None	
Gong Che Yan Fresh Seafood Co., Ltd.	--	8,897	--	--	--	1,016	--	100.00%	7,881	7,881	None	
Jinghai Aquatic Products (Shanghai) Co., Ltd.	--	92,526	--	--	--	95,536	--	100.00%	(3,010)	(3,005)	None	
		<u>\$ 201,536</u>		<u>\$ 2,387</u>		<u>\$ 96,552</u>			<u>\$ 107,371</u>			

Note: Subsidiary TAI-WAX (THAILAND) CO., LTD. is primarily engaged in the sales of formulated wax and cultural creative products. Due to lower-than-expected profitability, it was resolved by the Board of Directors of our company on December 27, 2016 to initiate the process of dissolution and liquidation.

Taiwan Wax Products Co., Ltd.

Statement of Operating Lease Assets Changes

December 31, 2024

Statement 8 Item	Opening balance	Increase during the period	Decrease during the period	Unit: NTD thousands Ending Balance	Remar ks
Transportation Equipment	\$ 8,175	\$ 7,922	\$ (2,600)	\$ 13,497	
Other Equipment	15,959	--	--	15,959	
	<u>\$ 24,134</u>	<u>\$ 7,922</u>	<u>\$ (2,600)</u>	<u>\$ 29,456</u>	

Taiwan Wax Products Co., Ltd.

Statement of Accumulated Depreciation of Operating Lease Assets Changes

December 31, 2024

Statement 9 Item	Opening balance	Increase during the period	Decrease during the period	Unit: NTD thousands Ending Balance	Remar ks
Transportation Equipment	\$ 5,478	\$ 3,687	\$ (2,600)	\$ 6,565	
Other Equipment	1,729	798	--	2,527	
	<u>\$ 7,207</u>	<u>\$ 4,485</u>	<u>\$ (2,600)</u>	<u>\$ 9,092</u>	

Taiwan Wax Products Co., Ltd.
Statement of Short-term Borrowings
December 31, 2024

Statement 10 Loan Type	Ending Balance	Loan Term	Interest Rate Range	Range Financing Amount	Unit: NTD thousands Collateral or Guarantee	Remarks
Secured Loans						
Hua Nan Commercial Bank	\$ 290,800	2024.10.30–2025.03.14	Note	600,000	Land and Buildings	

Note: The interest rate range is 2.28% to 2.39%.

Taiwan Wax Products Co., Ltd.
Statement of Long-term Borrowings
December 31, 2024

Statement 11 Creditor	Summary	Loan amount	Contract period	Interest Rate Range	Unit: NTD thousands Collateral or guarantee	Remarks
Panhsin Bank	Secured Loans	\$ 36,716	2024.04.24–2033.04.24	Note	Assets for Lease	
Hua Nan Commercial Bank	Secured Loans	5,833	2020.07.08–2025.07.08	Note	Land and Buildings	
First Commercial Bank	Secured Loans	43,260	2022.08.30–2037.08.30	Note	Assets for Lease	
		85,809				
	Less: Classified as part due within 1 year	(12,832)				
		<u>\$ 72,977</u>				

Note: The interest rate range is 2.32% to 2.44%.

Taiwan Wax Products Co., Ltd.

Statement of Lease Liabilities

December 31, 2024

Statement 12 Item	Summary	Lease term	Discount rate	Unit: NTD thousands Amount	Remarks
Transportation Equipment	--	24-36 months	1.33%– 1.93%	\$ 6,974	
Other Equipment	Utilization of solar power system equipment	240 months	1.45%	13,730	
				20,704	
	Less: Classified as current portion			(3,893)	
	Lease liabilities - Non-current			\$ 16,811	

Taiwan Wax Products Co., Ltd.

Statement of Net Operating Revenue

From January 1 to December 31, 2024

Statement 13 Item	Quantity	Amount	Unit: NTD thousands Remarks
Customer Contract Revenue			
Wax product sales revenue	3,285,568KG	\$ 171,504	
Revenue from purchase agency services	--	21,035	
Lease income			
Lease income from optical equipment	--	22,919	
Customer Contract Revenue		\$ 215,458	

Taiwan Wax Products Co., Ltd.
Statement of Cost of Sales
From January 1 to December 31, 2024

Statement 14

Unit: NTD thousands

Item	Amount	
	Subtotal	Total
Opening Inventory of Goods	\$ 1,621	
Add: Net Purchases (during the period)	--	
Less: Closing Inventory of Goods	(1,619)	
Cost of Goods Sold		\$ 2
Opening Inventory of Materials	79	
Add: Net Purchases (during the period)	--	
Less: Closing Inventory of Materials	(79)	
Direct Raw Material Consumption for the Period		--
Opening Inventory of Materials	3,544	
Add: Net Purchases (during the period)	1,485	
Less: Closing Inventory of Materials	(3,367)	
Indirect Raw Material Consumption for the Period		1,662
Direct Labor		--
Manufacturing Expenses		11,089
Total Manufacturing Cost		12,753
Opening Work-in-Progress		304
Add: Net Production (during the period)		139,733
Less: Closing Work-in-Progress Inventory		(781)
Cost of Finished Goods		152,009
Opening Finished Goods Inventory		23,917
Add: Net Production (during the period)		3
Less: Closing Finished Goods Inventory		(24,292)
Less: Transfer to Advertising Expenses, etc.		(48)
Production and Sales Cost		151,589
Add: Loss on Inventory Write-down and Obsolete Items		(319)
Add: Solar Energy Lease Costs		12,762
Operating Costs		\$ 164,032

Taiwan Wax Products Co., Ltd.
Statement of Manufacturing Expenses
From January 1 to December 31, 2024

Statement 15			Unit: NTD thousands
Item	Summary	Amount	Remarks
Indirect labor		\$ 6,354	Clients with
			amounts exceeding
Insurance expenses		1,010	Items exceeding 5%
			of the balance
Tax and duties		811	
Depreciation		732	
Energy costs		596	
Others		1,586	
		<u>\$ 11,089</u>	

Taiwan Wax Products Co., Ltd.
Statement of Operating Expenses
From January 1 to December 31, 2024

Statement 16				Unit: NTD thousands
Item	Selling expenses	Administrative expenses	Total	Remarks
Salary expenses	\$ 3,009	\$ 12,443	\$ 15,452	Clients with
Freight expenses	2,813	2	2,815	amounts exceeding
Depreciation expenses	--	4,628	4,628	5% of the account balance
Other expenses	1,821	15,511	17,332	
	<u>\$ 7,643</u>	<u>\$ 32,584</u>	<u>\$ 40,227</u>	

Taiwan Wax Products Co., Ltd.

Current employee benefits, depreciation, depletion and amortization expenses categorized by function

For the years ended December 31, 2024 and 2023

Statement 17

Unit: NTD thousands

	2024			2023		
	Items classified as operating costs	Items classified as operating expenses	Total	Items classified as operating costs	Items classified as operating expenses	Total
Employee benefits expense						
Salary expense	\$ 6,354	\$ 13,793	\$ 20,147	\$ 6,217	\$ 13,992	\$ 20,209
Labor and health insurance expenses	768	1,166	1,934	765	1,214	1,979
Pension expenses	292	578	870	318	601	919
Director remuneration	--	1,659	1,659	--	1,310	1,310
Other employee benefits expense	178	480	658	199	463	662
	<u>\$ 7,592</u>	<u>\$ 17,676</u>	<u>\$ 25,268</u>	<u>\$ 7,499</u>	<u>\$ 17,580</u>	<u>\$ 25,079</u>
Depreciation expenses	<u>\$ 12,922</u>	<u>\$ 4,628</u>	<u>\$ 17,550</u>	<u>\$ 12,964</u>	<u>\$ 3,853</u>	<u>\$ 16,817</u>
Amortization expense	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Note 1: The average number of employees in our company for 2024 and 2023 was 35 and 36, respectively, in addition to 7 and 8 directors who are not concurrently employed as staff members.

Note 2: The average employee benefits expense for 2024 and 2023 was 843 million and 849 million, respectively.

Note 3: The average employee salary expense for 2024 and 2023 was 720 million and 722 million, respectively. Average employee compensation expenses increased by (0.31)% over the two-year period.

Note 4: The Company's Compensation policy:

1. Director's Compensation Policy:

In accordance with the Company's articles of incorporation and the regulations of the Remuneration Committee, as recommended by the Remuneration Committee and approved by the Board of Directors.

(1) Director's Remuneration: In accordance with Article 18-2 of the Company's articles of incorporation: "The Company shall allocate no less than 1% of its profits for employee compensation and no more than 3% for director remuneration."

(2) Independent Director's Compensation: Payment of transportation and miscellaneous expenses.

(3) Transportation and Miscellaneous Expenses: Payment of transportation and miscellaneous expenses.

2. Executive's Compensation Policy:

The remuneration for executives is determined by the Remuneration Committee, which consists of three independent directors appointed by the Board of Directors. The committee formulates policies, systems, standards, and structures for performance evaluation and remuneration. The compensation for executives is determined based on industry benchmarks, and bonus payments are contingent upon the Company's earnings and performance.

3. Employee's Compensation Policy:

The main components of employee compensation include base salary, bonuses, and employee benefits. The base salary is determined based on job responsibilities, taking into account market conditions, company financial status, and organizational structure. Bonuses and employee benefits are linked to the Company's annual earnings and individual performance evaluations. Additionally, the Company may adjust salaries annually based on market salary trends and business conditions.