TAIWAN TEA CORPORATION

INDIVIDUAL FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED

DECEMBER 31, 2024 AND 2023

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

Independent Auditors' Report

To Taiwan Tea Corporation

Opinion

We have audited the accompanying individual balance sheets of Taiwan Tea Corporation (the "Company") as of December 31, 2024 and 2023, and the related individual statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the individual financial statements, including the summary of material accounting policies.

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the individual financial positions of the Company as of December 31, 2024 and 2023, and their individual financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

The Company recognized operating revenue in the amount of NT$433,108 thousand in 2024. Revenue is primarily related to sales of goods and rental revenue. Due to each revenue transaction process and the timing of revenue recognition are different, is a key audit matter when conducting the audit of the individual financial statements.

The audit procedures we performed regarding revenue recognition included but not limited to: evaluate the appropriateness of the accounting policies regarding revenue recognition; understand the transaction and recognition process and perform tests of control on the effectiveness of control points established by management; perform comparative analysis of major customers to assess the reasonableness of the transaction amounts and counterparties; read and understand the contracts to identify the timing of revenue recognition; perform analytical review procedures on gross profit margin by categories; perform test of details, including select samples to inspect the purchase orders and delivery notes.

We also considered the appropriateness of the relevant disclosure included in Note 4 and Note 6 to the individual financial statements.

Impairment Valuation of non-financial assets

As of December 31, 2024, the Company’s property, plant and equipment and investments property amounted to NT$20,137,861 thousand, which accounted for 95% of its total assets, which is relatively material for the individual financial statements. Therefore, in accordance with IAS 36 *Impairment of Assets*, the management assesses whether the recoverable amount of non-financial assets is lower than the carrying amount when any such indicated exists. As the management's assessment of impairment of non-financial assets involves subjective judgments, is a key audit matter when conducting the audit of the individual financial statements.

The audit procedures we performed regarding impairment testing for non-financial assets included but not limited to: evaluate the appropriateness of accounting policies regarding non-financial assets; understand the process of management's impairment testing and perform tests of control on the effectiveness of control points; asses the objectivity and professional competency of external real estate appraisal firms and appraisal experts and understand whether the appraiser's expertise and competency are reliable in the professional field of its experience and reputation; evaluate the appropriateness of valuation method used by external appraisal expert and management; use internal experts to assist us in evaluating the prices of each comparable property used in the non-financial asset's assessment report issued by appraisal experts and assess whether the benchmarks are reasonable and compare similar prices obtained with publicly available information; recalculate the recoverable amounts assessed by management.

We also considered the appropriateness of the relevant disclosure included in Note 5, Note 6.(6) and Note 6.(7) to the individual financial statements.

Responsibilities of Management and Those Charged with Governance for the Individual Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual 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 auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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 individual financial statements, including the accompanying notes, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chang, Chih-Ming
Ma, Chun-Ting
Ernst & Young, Taiwan
March 13, 2025

Notice to Readers

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

Accordingly, the accompanying individual financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or standards on auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION

INDIVIDUAL BALANCE SHEETS

DECEMBER 31, 2024 AND DECEMBER 31, 2023

(Expressed in Thousands of Dollars)

ASSETS	Notes	December 31, 2024	December 31, 2023
CURRENT ASSETS			
Cash and cash equivalents	4 & 6.(1) & 12	$54,761	$151,293
Notes receivable, net	4 & 6.(3) & 12	4,829	6,054
Accounts receivable, net	4 & 6.(3) & 12	22,911	25,764
Accounts receivable from related parties, net	4 & 6.(3) & 7 & 12	2,588	1,978
Other receivables	6.(6) & 12	1,082	1,082
Current income tax assets	4	42	15
Inventories	4 & 6.(4) & 8	1,024,421	964,380
Prepayments	7	31,859	47,433
Other current assets		534	709
Total current assets		1,143,027	1,198,708
NONCURRENT ASSETS			
Financial assets at fair value through other comprehensive income - non-current	4 & 6.(2) & 12	1,714	479
Investments accounted for using equity method	4 & 6.(5)	3,994	-
Property, plant and equipment	4 & 6.(6) & 8	6,102,709	6,226,126
Rights - of - use assets	4 & 6.(18) & 7	4,649	5,252
Investments property, net	4 & 5 & 6.(7) & 8	14,035,152	14,060,089
Intangible assets	4 & 6.(8)	7,956	9,555
Defined benefit asset, net	4 & 6.(13)	6,102	1,388
Other non-current assets	6.(6) & 6.(9) & 7 & 8 & 12	74,695	78,534
Total non-current assets		20,236,971	20,381,423
TOTAL ASSETS		$21,379,998	$21,580,131

The accompanying notes are an integral part of the financial statements.

(continued)

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION

INDIVIDUAL BALANCE SHEETS

DECEMBER 31, 2024 AND DECEMBER 31, 2023

(Expressed in Thousands of Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2024	December 31, 2023
CURRENT LIABILITIES			
Short-term borrowings	6.(10) & 8 & 12	$110,000	$65,000
Short-term notes and bills payable	6.(11) & 8	60,000	60,000
Contract liabilities - current	4 & 6.(6) & 6.(16)	27,198	19,758
Notes payable	12	11	28
Accounts payable	12	10,225	12,910
Accounts payable to related parties	7	105	420
Other payables	6.(6) & 12	53,996	52,166
Leased liability - current	4 & 6.(18) & 7 & 12	2,031	1,682
Current portion of long-term debts	6.(12) & 8 & 12	358,900	251,500
Other current liabilities		64,265	8,993
Total current liabilities		686,731	472,457
NONCURRENT LIABILITIES			
Long-term borrowings	6.(12) & 8 & 12	4,569,935	4,811,835
Deferred tax liabilities	4 & 6.(22)	3,169,451	3,170,895
Leased liability - non-current	4 & 6.(18) & 7 & 12	2,704	3,623
Long-term deferred revenue		7,356	7,356
Guarantee deposits received	6.(14) & 12	409,603	408,665
Total non-current liabilities		8,159,049	8,402,374
TOTAL LIABILITIES		8,845,780	8,874,831
EQUITY	6.(15)		
Common stock		7,900,000	7,900,000
Capital surplus		2,197,948	2,197,948
Retained earnings			
Legal reserve		497,188	497,188
Special reserve		3,324,830	3,326,414
Unappropriated earnings (accumulated deficit)		(1,335,187)	(1,165,454)
Total retained earnings		2,486,831	2,658,148
Other equity		(50,561)	(50,796)
TOTAL EQUITY		12,534,218	12,705,300
TOTAL LIABILITIES AND EQUITY		$21,379,998	$21,580,131

The accompanying notes are an integral part of the financial statements.

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Thousands of Dollars, Except for Earnings per Share)

	Notes	For the Years Ended December 31 2024	2023
OPERATING REVENUE	4 & 6.(16) & 7	$433,108	$379,507
OPERATING COSTS	6.(18) & 6.(19)	(271,116)	(241,460)
GROSS PROFIT		161,992	138,047
OPERATING EXPENSES			
Selling and marketing	6.(19) & 7	(74,044)	(78,387)
General and administrative	6.(18) & 6.(19) & 7	(145,381)	(178,493)
Research and development	6.(19) & 7	(3,072)	(5,562)
Expected credit (gains) losses	6.(17)	140	(182)
Total operating expenses		(222,357)	(262,624)
OPERATING LOSS		(60,365)	(124,577)
NON-OPERATING INCOME AND EXPENSES			
Interest income	6.(20) & 12	387	368
Other income	6.(20) & 7	15,034	11,597
Other gains and losses	6.(20)	(2,574)	(56,190)
Financial costs	6.(6) & 6.(20) & 7	(127,636)	(123,587)
Share of profits and loss of associates and joint ventures accounted for using equity method	4 & 6.(5)	(6)	-
Total non-operating income and expenses		(114,795)	(167,812)
LOSS BEFORE INCOME TAX		(175,160)	(292,389)
INCOME TAX (EXPENSE) INCOME	4 & 6.(22)	70	4,919
NET LOSS		(175,090)	(287,470)
OTHER COMPREHENSIVE INCOME (LOSS)	6.(13) & 6.(21) & 12		
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		3,773	(807)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		235	7,396
Other comprehensive income for the period, net of income tax		4,008	6,589
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		$(171,082)	$(280,881)
EARNINGS (LOSSES) PER SHARE (NT$)			
Basic earnings (losses) per share	6.(23)		
Continuing operating loss after tax, net		$(0.22)	$(0.36)
Net Loss		$(0.22)	$(0.36)
Diluted earnings (losses) per share			
Continuing operating loss after tax, net		$(0.22)	$(0.36)
Net Loss		$(0.22)	$(0.36)

The accompanying notes are an integral part of the financial statements.

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Thousands of Dollars)

Item	Common Stock	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Special Reserve	Retained Earnings: Unappropriated Earnings (Accumulated Deficit)	Others: Unrealized gain (losses) on financial assets measured at Fair Value through Other Comprehensive Income	Total Equity
Balance as of January 1, 2023	$7,900,000	$2,197,948	$497,188	$3,333,058	$(890,838)	$(51,175)	$12,986,181
Net loss for the year ended December 31, 2023	-	-	-	-	(287,470)	-	(287,470)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(807)	7,396	6,589
Total comprehensive income	-	-	-	-	(288,277)	7,396	(280,881)
Disposal of equity instruments designated at fair value through other comprehensive income	-	-	-	-	7,017	(7,017)	-
Reversal of special reserve, which previously set aside for the first-time adoption of IFRS	-	-	-	(6,644)	6,644	-	-
Balance as of December 31, 2023	$7,900,000	$2,197,948	$497,188	$3,326,414	$(1,165,454)	$(50,796)	$12,705,300
Balance as of January 1, 2024	$7,900,000	$2,197,948	$497,188	$3,326,414	$(1,165,454)	$(50,796)	$12,705,300
Net loss for the year ended December 31, 2024	-	-	-	-	(175,090)	-	(175,090)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	3,773	235	4,008
Total comprehensive income	-	-	-	-	(171,317)	235	(171,082)
Reversal of special reserve, which previously set aside for the first-time adoption of IFRS	-	-	-	(1,584)	1,584	-	-
Balance as of December 31, 2024	$7,900,000	$2,197,948	$497,188	$3,324,830	$(1,335,187)	$(50,561)	$12,534,218

The accompanying notes are an integral part of the financial statements.

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Thousands of Dollars)

	For the Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$(175,160)	$(292,389)
Adjustments:		
Income and adjustment items :		
Depreciation	98,934	93,669
Amortization	1,817	1,944
Expected credit loss (gain)	(140)	182
Interest expense	127,636	123,587
Interest income	(387)	(368)
Dividend income	(25)	(57)
Share of loss (gain) of associates and joint venture accounted for using equity method	6	-
Loss (gain) on disposal of property, plan and equipment	691	(111)
Property, plant and equipment transferred to expense	832	2,070
Gain on disposal of investment properties	(13,293)	(36,522)
Impairment loss of non-financial assets	15,063	92,638
Other item (Amortization of other non-current assets)	1,358	1,401
Changes in operating assets and liabilities:		
Decrease (increase) in contract assets - current	-	3,647
Decrease (increase) in notes receivable	1,225	(1,955)
Decrease (increase) in accounts receivable	2,993	(1,123)
Decrease (increase) in accounts receivable from related parties	(610)	1,953
Decrease (increase) in other receivable	-	75
Decrease (increase) in inventories	2,934	(17,678)
Decrease (increase) in prepayments	17,394	19,192
Decrease (increase) in other current assets	175	42
Increase (decrease) in contract liabilities - current	7,440	56
Increase (decrease) in notes payable	(17)	(121)
Increase (decrease) in accounts payable	(2,685)	(893)
Increase (decrease) in accounts payable to related parties	(315)	420
Increase (decrease) in other payables	25	(29,740)
Increase (decrease) in other current liabilities	55,272	(892)
Increase (decrease) in defined benefit liability, net	(941)	(1,876)
Cash from operating activities	140,222	(42,849)
Income taxes (paid) refund	(1,401)	(1,076)
Net cash provided by (used in) operating activities	138,821	(43,925)

The accompanying notes are an integral part of the financial statements.

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English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Thousands of Dollars)

	For the Years Ended December 31	
	2024	**2023**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,000)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	7,298
Acquisition of investments accounted for using the equity method	(4,000)	-
Acquisition of property, plant and equipment:		
Cost paid	(48,889)	(21,016)
Proceeds from disposal of property, plant and equipment	20,454	114
Decrease in guarantee deposits paid	401	864
Acquisition of intangible assets	(218)	(138)
Acquisition of investment properties:		
Cost paid	-	(82)
Proceeds from disposal of investment properties	17,023	58,211
Increase in other non-current assets	(1,481)	(3,072)
Increase in prepayment for business facilities	(258)	(4,462)
Interest received	387	368
Dividends received	25	57
Net cash provided by (used in) investing activities	(17,556)	38,142
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	45,000	15,000
Increase in short-term notes and bills payable	-	60,000
Proceeds from long-term debt	25,306,000	16,448,000
Repayments of long-term debt	(25,440,500)	(16,883,800)
Increase in guarantee deposits received	938	403,395
Lease principal repayment	(1,719)	(1,126)
Interest paid	(127,516)	(123,773)
Net cash used in financing activities	(217,797)	(82,304)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(96,532)	(88,087)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	151,293	239,380
CASH AND CASH EQUIVALENTS, END OF YEAR	$54,761	$151,293

The accompanying notes are an integral part of the financial statements.

Taiwan Tea Corporation
Notes to Individual Financial Statements
For the Years Ended December 31, 2024 and 2023
(Amounts expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. HISTORY AND ORGANIZATION

Taiwan Tea Corporation (the "Company") as successor of Mitsui & Co., Ltd was established with four subsidiaries responsible for agriculture, fishery, forestry and animal husbandry in 1950. The Company was privatized since the government implemented the Land-to-the-Tiller Policy in 1952. The Company diversified its operations into production and marketing of tea and other agricultural products, leisure industry, import/export trading (including food and wine), interior design, renovation and construction and real estate management and development. On February 1962, the Company was approved and listed on Taiwan Stock Exchange (TWSE). The Company's major operating center is registered in No.3, Zhonghua Rd., Hukou Township, Hsinchu Country 303, Taiwan (R.O.C.).

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The individual financial statements of the Company for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on March 13, 2025.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

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

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

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

(a) Lack of Exchangeability – Amendments to IAS 21

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

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

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	IFRS 18 "Presentation and Disclosure in Financial Statements"	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

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

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

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

(b) IFRS 17 "Insurance Contracts"

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

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

The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2024 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

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

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

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

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

The amendments include:

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

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

(1)Amendments to IFRS 1
The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.
(2)Amendments to IFRS 7
The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

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

(4) Amendments to IFRS 9

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

(5) Amendments to IFRS 10

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

(6) Amendments to IAS 7

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

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

The amendments include:

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

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

4. Summary of material accounting policies

(1) Statement of compliance

The financial statements of the Company for the years ended December 31, 2024 and 2023 have been prepared in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee as endorsed by FSC of the Republic of China.

(2) Basis of preparation

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

(3) Foreign currency transactions

The Company’s financial statements are presented in NT$.

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

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

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

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

(4) Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial instruments

Financial instruments: Recognition and Measurement.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Recognition and Measurement of Financial assets

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

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

(a) the Company’s business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

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

i the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

ii the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets measured at fair value though other comprehensive income

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

i the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

ii the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

i A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

ii When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income should be reclassified from equity to profit or loss as a reclassification adjustment.

iii Interest revenue calculated by using the effective interest method (effective interest rate times the carrying amount of the financial asset) or the method stated below should be recognized in profit or loss.

(i) Purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.
(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently become credit-impaired financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

B. Impairment of financial assets

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

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

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

The loss allowance is measures as follow:

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

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

(7) Fair value measurement

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

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

(8) Inventories

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

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

Inventories cost is based on weighted average cost basis. Work in progress and finished goods include cost of direct labor and a proportion of manufacturing overheads based on normal operating capacity. Inventories valuation is based on lower of cost or net realizable value and the comparison is made on each individual item.

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

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

(9) Investments accounted for using the equity method

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

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

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

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

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

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

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

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

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

(10) Property, plant and equipment

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

The Company’s forest is mostly under conservation. Felling is restricted or forbidden and should be approved by the authority. The Company is not intended to fell and sell the forest by the sake of environment conversation. Therefore, the forest was recognized as land (land attachment).

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

Buildings	
Wooden	5~10 years
Metal	10~20 years
Brick	20~30 years
Reinforced Concrete	40~60 years
Machinery and equipment	3~20 years
Transportation equipment	5~11 years
Office equipment	5~11 years
Other equipment	3~20 years
Right-of-use assets	1~5 years
Leasehold improvements	The shorter of lease terms or economic useful lives
Tea tree	20~40 years
Fruit tree	50 years
Coffee tree	20 years

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

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

(11) Investment property

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

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

Buildings	30～50 years

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

The Company transfers to or from investment properties when there is a change in use for these assets.

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

(12) Leases

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

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

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

Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

<u>Company as a lessor</u>

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

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

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

(13) Intangible assets

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

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

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

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

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

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life.

The Company's accounting policies on intangible asset are summarized below:

	Computer software
Useful life	Finite use life
Amortization method used	Amortized on a straight-line basis over the estimated useful life
Internally generated or externally acquired	Externally acquired

(14) Impairment of non-financial assets

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

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

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

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

(15) Revenue recognition

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

Sale of goods

The Company manufactures and sells tea products and sells real estate. Sales are recognized when the control of the goods is transferred to the customer and the goods are delivered to the customers. At this time, the customer have the right to decide the sale and price of the product, and are capable to prevent other enterprise to manage the use or receive the benefits of the product.

The Company provides its customer with no warranty with the purchase of the products.

The credit period of the Company's sale of goods is from 30 to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Construction Revenue

The Company provides maintenance services for the sale of interior construction. Most of the contracts of the Company is customized by the need of customers. The Company has the right to the completion ration of the construction. Accordingly, the Company may recognize the revenue by the completion ratio of the construction. Usually, the contracts have a fixed consideration. Contractual considerations are collected throughout the time list which are negotiated with the customers. When the Company provide the services to customers which exceed the amount paid from the customer, the contacts should be recognized as contract assets. However, when the amount paid from the customer exceed service provided by the Company, the contacts should be recognized as contract liabilities. For some of the contracts, customers pay the amount according to the bill provided by the Company, and the Company can recognize as revenue.

The period between the transfers of contractual product or service to the customer and the payments by customers is usually within one year, thus, no price was modified by time value of money.

(16) Borrowing costs

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

(17) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(18) Post-employment benefits

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

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

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

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

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

(19) Income tax

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

Current income tax

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

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

Deferred tax

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

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

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

B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

(1) Judgment

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

A. Operating lease commitment － Company as the lessor

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

(2) Estimates and assumptions

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

A. Impairment of non-financial asset

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

B. Fair value of investment property

As the fair value of investment property disclosed on the balance sheet cannot be determined from active market, instead the fair value is estimated through valuation methods including sales comparison, land development analysis approach, income approach and cost approach. Changes in assumptions about these valuation methods could affect the disclosed fair value of the investment property and impairment testing. Please refer to Note 6 and 12 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As at	
	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$520	$734
Checking deposits	881	613
Demand deposits	53,360	149,946
Total	$54,761	$151,293

The above cash and cash equivalents were not pledged as collateral or restricted for uses.

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

	As at	
	December 31, 2024	December 31, 2023
Equity instrument investments measured at fair value through other comprehensive income:		
Unlisted companies’ stocks	$1,714	$479

Financial assets at fair value through other comprehensive income were not pledge.

The Company’s dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are as follow:

	For the years ended December 31,	
	2024	2023
Related to investments held at the end of the reporting period		
Dividends recognized during the period	$25	$57

(3) Notes receivable, accounts receivable and account receivable - related parties

	As at	
	December 31, 2024	December 31, 2023
Notes receivable	$4,829	$6,054
Less: loss allowance	-	-
Notes receivable, net	$4,829	$6,054
Accounts receivable	$23,052	$26,045
Less: loss allowance	(141)	(281)
Accounts receivable, net	$22,911	$25,764
Accounts receivable - related parties	$2,588	$1,978
Less: loss allowance	-	-
Accounts receivable - related parties, net	$2,588	$1,978

A. The notes receivable and accounts receivable were from operations.

B. The notes receivable and accounts receivable were not pledged.

C. Accounts receivables are generally on 30-to-90-day terms (excluding construction). The terms of the construction are dependent on the scale and complexity of the projects. Receivables are collected according to the progress of the construction and reserves are collected at the end of the warranty period according to the contracts. As of December 31, 2024 and 2023, total carrying amount of accounts receivable were NT$25,640 thousand and NT$28,853 thousand, respectively. Please refer to Note 6.(17) for more details on loss allowance of accounts receivable for the years ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(4) Inventories

	As at	
	December 31, 2024	December 31, 2023
Property - land	$768,669	$704,704
Merchandise inventory	16,144	14,882
Finished goods	35,829	29,061
Work in process	29,182	29,110
Raw materials	159,480	171,740
Supplies	14,356	14,883
Goods in transit	761	-
Total net value	$1,024,421	$964,380

A. Please refer to Note 8 for more details on inventories above pledged as security.

B. The expenses relevant to inventory were recognized in operating cost in 2024 and 2023 as follows:

	For the years ended December 31,	
	2024	2023
Cost of inventory sold	$229,015	$200,683
Loss on scrap of inventory	360	746
Gain or loss on physical count, net	16	(5)
Loss on decline in market value of inventory	1,553	3,853
Unallocated manufacturing overhead	307	18,505
Total	$231,251	$223,782

C. The Company did not recognize gain from price recovery of inventory for the year ended December 31, 2024 and 2023.

(5) Investments accounted for using the equity method

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

	As at			
	December 31, 2024		December 31, 2023	
Investees	Carrying amount	Percentage of owneship (%)	Carrying amount	Percentage of owneship (%)
Investments in associates:				
Qiao Song Health Co., Ltd.	$3,994	40.00%	$-	-%

Investments in associates

A. The investments in associates of the Company were not significant. The summary financial information of related party is listed below:

	For the years ended December 31	
	2024	2023
Profit or loss from continuing operations	$(15)	$-
Other comprehensive income (post-tax)	-	-
Total comprehensive income	$(15)	$-

Judgments in determining that the Company only has significant influence: Although the Company holds 40% of the voting rights of Qiao Song Health Co., Ltd., since another individual investor holds 60% of the voting rights, they can absolutely dominate the operational decisions of Qiao Song Health Co., Ltd.. Therefore, the Company has no control of Qiao Song Health Co., Ltd. and only has significant influence.

B. There is no public quote for investments in associates.

C. The abovementioned associates had no contingent liabilities or capital commitments as of December 31, 2024. No investments in the associates were pledged.

(6) Property, plant and equipment

	As at	
	December 31, 2024	December 31, 2023
Owner occupied property, plant and equipment	$6,102,709	$6,226,126
Property, plant and equipment leased out under operating leases	-	-
Total	$6,102,709	$6,226,126

A. Owner occupied property, plant and equipment

	Land and land improvements	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvement	Bearer plant	Other equipment	Construction in progress	Total
Cost									
As at January 1, 2024	$4,373,048	$817,109	$302,175	$18,913	$1,300	$967,827	$311,260	$58,776	$6,850,408
Additions (Note1)	1,299	135	1,460	-	-	126	1,032	46,522	50,574
Disposals	(27,447)	(16,466)	(16,234)	(4,065)	(1,300)	(179)	(22,833)	(1,833)	(90,357)
Transfers	1,875	-	-	-	-	-	164	(2,039)	-
Other changes (Note2)	-	-	-	-	-	-	-	(64,476)	(64,476)
As at December 31, 2024	$4,348,775	$800,778	$287,401	$14,848	$-	$967,774	$289,623	$36,950	$6,746,149
As at January 1, 2023	$4,342,116	$804,976	$207,895	$22,373	$1,300	$967,630	$307,618	$114,558	$6,768,466
Additions	191	-	-	-	-	197	4,340	19,563	24,291
Disposals	(218)	(105)	(1,525)	(3,460)	-	-	(3,192)	(46,866)	(55,366)
Transfers	-	9,148	15,200	-	-	-	1,951	(26,299)	-
Other changes (Note3)	30,959	3,090	-	-	-	-	-	(2,180)	31,869
Transfer of Prepaid Equipment Fund	-	-	80,605	-	-	-	543	-	81,148
As at December 31, 2023	$4,373,048	$817,109	$302,175	$18,913	$1,300	$967,827	$311,260	$58,776	$6,850,408
Depreciation and impairment:									
As at January 1, 2024	$29,155	$151,903	$75,170	$13,706	$1,300	$133,727	$218,361	$960	$624,282
Depreciation	1,326	17,888	23,639	1,525	-	15,229	16,627	-	76,234
Impairment loss	-	-	-	-	-	10,303	-	1,833	12,136
Disposals	(6,335)	(16,466)	(16,234)	(4,065)	(1,300)	(146)	(22,833)	(1,833)	(69,212)
As at December 31, 2024	$24,146	$153,325	$82,575	$11,166	$-	$159,113	$212,155	$960	$643,440
As at January 1, 2023	$12,924	$125,062	$57,976	$14,629	$867	$102,249	$202,463	$1,489	$517,659
Depreciation	830	18,525	16,823	1,783	433	15,192	18,060	-	71,646
Impairment loss	6,391	8,421	1,896	754	-	16,286	498	46,866	81,112
Disposals	(218)	(105)	(1,525)	(3,460)	-	-	(3,189)	(46,866)	(55,363)
Transfers	-	-	-	-	-	-	529	(529)	-
Other changes (Note3)	9,228	-	-	-	-	-	-	-	9,228
As at December 31, 2023	$29,155	$151,903	$75,170	$13,706	$1,300	$133,727	$218,361	$960	$624,282
Net carrying amount as at:									
As at December 31, 2024	$4,324,629	$647,453	$204,826	$3,682	$-	$808,661	$77,468	$35,990	$6,102,709
As at December 31, 2023	$4,343,893	$665,206	$227,005	$5,207	$-	$834,100	$92,899	$57,816	$6,226,126

Note1 : The new part of construction in progress in this year has not been inspected and accepted, so the relevant balance has not been paid, which amount is $1,685 thousand.

Note2 : The Construction-In-Progress was reclassified as Inventory - Land in the amount of 62,716 thousand and Other Deferred Expenses of 312 thousand. The difference is due to reclassification from other categories.

Note3 : The Other Non-Current Assets - Land registered to another person's name carries a net valuation of 20,656 thousand (cost value of 29,884 thousand less accumulated impairment of 9,228 thousand), also, the agricultural facilities of Xiongkong Tea Factory, included under Other Non-Current Assets, have been reallocated as 3,090 thousand. The difference is due to reclassification from other categories.

B. Accumulated impairment

As at December 31, 2024 and 2023, the accumulated impairment of the Company's property, plant and equipment is as follows:

	As at	
Item	December 31, 2024	December 31, 2023
Land and land improvements	$18,343	$23,349
Buildings	36,380	38,800
Machinery and equipment	15,640	24,107
Transportation equipment	342	1,097
Bearer plant	85,746	75,454
Other equipment	110,975	112,696
Construction in progress	960	960
Total	$268,386	$276,463

The evidence obtained in the Company's internal report in 2024 and 2023, showed that the economic benefits of the assets were not as expected, and some property, plant and equipment were written down to their recoverable amounts, and as a result impairment loss amount of NT$12,136 thousand (including a write-off loss of NT$1,833 thousand in the current year) and NT$81,112 thousand (including a write-off loss of NT$46,866 thousand in the previous year) has been recognized in the statement of comprehensive income. This has been recognized in the statement of comprehensive income. The recoverable amount was based on fair value less costs of disposal and measured using the income approach. The fair value is weighted by the comparison approach, the land development analysis approach and the cost approach, which has been categorized within Level 3 of the fair value hierarchy.

The key assumptions the Company used to measure the fair value less costs of disposal are as follows:

(i) Comparison approach: estimated by the price per ping (about 3.3 square meters).

(ii) Land development analysis approach: It is developed and improved according to the legal use and use intensity of the land. Under normal circumstances, the total sales amount after development is expected, the profit rate is 15%~27%, the cost required for development or construction, and the capital interest of the total cost required for development or construction Comprehensive interest rate 25.10%

(iii) Cost approach: Refers to the method of obtaining the reconstruction cost or replacement cost of the survey and appraisal target on the price date, deducting the accumulated depreciation amount or other deductible parts, to calculate the price of the survey and appraisal target.

The accumulated impairment of the Company was reduced by NT$20,213 thousand in 2024, out of which NT$1,833 thousand represented provision for impairment written off during the year and NT$18,380 thousand stood for impairment provided in previous years but written off in the current year. The accumulated impairment of the Company was reduced by NT$47,063 thousand in 2023, out of which NT$46,866 thousand represented provision for impairment written off during the year and NT$197 thousand stood for impairment provided in previous years but written off in the current year

C. The Company did not capitalize any interest for the years ended December 31, 2024 and 2023.

D. The Company's property, plant and equipment is under pledge for bank loan. Please refer to Note 8 for more details.

E. Advance receipts for land

The Securities & Futures Institute on March 25, 1995 issued Order No. Taiwan-Financial-Securities-11592, which sets out the following provisions for compliance: gain on sale of land should be recognized after transfer ownership and hand over indeed of land. As at December 31, 2024 and 2023, the amount of the price received by the Company, which is related to transaction of land expected to complete transfer ownership and hand over the land within a year are NT$26,775 thousand and NT$19,408 thousand, which is recognized as contract liabilities.

F. The Company's land at Tongluo Township Miaoli County was acquired by The Science Park Bureau according to Article 11 of the Land Expropriation Act. and was transferred in 2001. Some of the compensation payable to the lessee was still under discussion. Therefore, the compensation payable to the lessee and the receivable from the Miaoli County Government were recorded as estimates. Adjustments can be made should there be any difference. As at December 31, 2024 and 2023, the compensation receivable from the Miaoli County Government was both NT$654 thousand, recognized as other receivable. As at December 31, 2024 and 2023, the compensation payable to the lessee was both NT$2,075 thousand, recognized as other payable. As of the report date, the discussion of the compensation has not been completed.

G. Following the relevant regulations, the Company had employed other people's names to register agricultural land for the time being, and these lands were set to be pledged by the Company. As at December 31, 2024 and 2023, the lands that were yet to be registered for property rights are worth are NT$26,994 thousand, and were recognized in 'Property, Plant, and Equipment' and 'Investment Property' as per its use.

H. On May 31, 2023, the Company entered into a land utilization and lease agreement with an external third-party company, who to lease land from the Company.

For the year ended 2024 and 2023, the Company has already received royalties amounting to NT$46,349 thousand and NT$8,111 thousand, which is recorded under other operating revenue.

(7) Investment property

The Company has entered into commercial property leases on its owned investment properties with terms of between 1 and 10 years.

	Land	Buildings	Total
Cost			
As at January 1, 2024	$16,433,521	$1,072,761	$17,506,282
Addition - subsequent expenditure	-	-	-
Disposal	(4,487)	-	(4,487)
Transfer from inventories, property, plant and equipment and other account	(259)	-	(259)
As at December 31, 2024	$16,428,775	$1,072,761	$17,501,536
As at January 1, 2023	$16,437,966	$1,072,761	$17,510,727
Addition - subsequent expenditure	82	-	82
Disposal	(21,998)	-	(21,998)
Transfer from inventories, property, plant and equipment and other account	17,471	-	17,741
As at December 31, 2023	$16,433,521	$1,072,761	$17,506,282
Depreciation and impairment:			
As at January 1, 2024	$2,740,827	$705,366	$3,446,193
Depreciation	-	20,948	20,948
Disposal	(757)	-	(757)
As at December 31, 2024	$2,740,070	$726,314	$3,466,384
As at January 1, 2023	$2,729,723	$684,418	$3,414,141
Depreciation	-	20,948	20,948
Impairment losses	(309)	-	(309)
Transferred from accumulated impairment-other non-current assets	11,413	-	11,413
As at December 31, 2023	$2,740,827	$705,366	$3,446,193
Net carrying amount as at:			
December 31, 2024	$13,688,705	$346,447	$14,035,152
December 31, 2023	$13,692,694	$367,395	$14,060,089

As of December 31, 2024 and 2023, the accumulated impairment of the Company's investment property is as follows:

	As at	
Item	December 31, 2024	December 31, 2023
Land and land improvements	$2,740,070	$2,740,827
Buildings	319,890	319,890
Total	$3,059,960	$3,060,717

For the year ended December 31, 2024, the Company's accumulated impairment losses decreased by NT$757 thousand, resulting from the disposal of investment properties.

For the year ended December 31, 2023, the carrying amount of certain investment properties for lease have been written down to their recoverable amount, and as a result, impairment loss amount of NT$11,413 thousand has been recognized in the statement of comprehensive income. The recoverable amount was based on fair value less costs of disposal. The fair value was measured using a weighted average of the income approach, sales comparison, land development analysis approach and the comparison approach, which has been categorized within Level 3 of the fair value hierarchy.

(i) Income approach: considering the market rent or average income that a property can be expected to earn under current market conditions, the vacancy rate7%~12%, additional cost of renovations 25%~30% and the capitalization rate, which is 2.03%.

(ii) Comparison approach: estimated by the price per ping (about 3.3 square meters).

(iii) Land development analysis approach: It is developed and improved according to the legal use and use intensity of the land. Under normal circumstances, the total sales amount after development is expected, the profit rate is 15%~27%, the cost required for development or construction, and the capital interest of the total cost required for development or construction Comprehensive interest rate 25.10%

	For the years ended December 31,	
	2024	2023
Rental income from investment property	$37,138	$9,992
Less: Direct operating expenses from investment property generating rental income	(5,524)	(132)
Direct operating expenses from investment property not generating rental income	(2,270)	(6,811)
Total	$29,344	$3,049

A. The Company's investment property was pledged as collateral for bank loan, refer to Note 8 for more details.

B. The Company possesses investment property measured at fair value amounting to NT$25,402,530 thousand and NT$23,230,487 thousand on December 31, 2024 and 2023, respectively. The fair values of investment property valued by an independent external appraisal expert based on market evidence and comparison method, were NT$12,770,511 thousand and NT$10,374,838 thousand, respectively. The fair values of investment property valued by internal self-estimation on the basis of market evidence and comparison method, which input is estimated by the price of square meters, were NT$12,632,019 thousand and NT$12,855,649 thousand, respectively.

C. The Company’s investment property contains several items about land development and recreation industry which principally take place at Taipei, New Taipei city, Taoyuan, Miaoli, Nantou, etc. Additionally, business office located on Sec. 1 Zhongxiao W Road acquired Food and Beverage Service Activities authority.

(8) Intangible assets

	Computer software
Cost:	
As at January 1, 2024	$20,197
Addition - acquired separately	218
As at December 31, 2024	$20,415
As at January 1, 2023	$18,539
Addition - acquired separately	138
Transfer from advance payment in equipment	1,520
As at December 31, 2023	$20,197
Amortization and Impairment:	
As at January 1, 2024	$10,642
Amortization	1,817
As at December 31, 2024	$12,459
As at January 1, 2023	$8,698
Amortization	1,944
As at December 31, 2023	$10,642

	Computer software
Net carrying amount as at:	
December 31, 2024	$7,956
December 31, 2023	$9,555

Amortization expense of intangible asset under the statement of comprehensive income:

	For the years ended December 31,	
	2024	2023
Operating Costs	$385	$375
Operating Expenses	1,432	1,569
Total	$1,817	$1,944

(9) Other non-current assets

	As at	
	December 31, 2024	December 31, 2023
Advance payments in equipments	$1,835	$960
Refundable deposits	60,118	60,519
Other non-current assets - others	12,742	17,055
Total	$74,695	$78,534

Other non-current assets are mainly land development projects, involving capitalized personnel expenses and progress payment.

The evidence obtained in the Company's internal report in 2024 and 2023, showed that the economic benefits of the assets were not as expected, and as a result impairment loss amount of NT$2,927 thousand and NT$11,526 thousand have been recognized on some other non-current assets. This has been recognized in the statement of comprehensive income.

The key assumptions the Company used to measure the fair value less costs of disposal are as follows:

A. Comparison approach: estimated by the price per ping. (About 3.3 square meters).

B. Land development analysis approach: It is developed and improved according to the legal use and use intensity of the land. Under normal circumstances, the total sales amount after development is expected, the profit rate is 15%~27%, the cost required for development or construction, and the capital interest of the total cost required for development or construction Comprehensive interest rate 25.10%.

C. Cost approach: Refers to the method of obtaining the reconstruction cost or replacement cost of the survey and appraisal target on the price date, deducting the accumulated depreciation amount or other deductible parts, to calculate the price of the survey and appraisal target.

(10) Short-term borrowings

	As at	
	December 31, 2024	December 31, 2023
Credit loans	$110,000	$65,000
Available credit limit	$46,254	$83,262
Interest rates	2.020%~6.638%	1.895%~6.914%

The interest rates were based on NTD, EUR and US letter of credit loans' ranges. Please refer to Note 8 regarding the Company's assets that were pledged as collateral.

(11) Short-term notes and bills payable

A. As follows :

As at December 31, 2024

Loans	Maturity Date	Interest Rate (%)	Carrying amount
Commercial paper	September 8, 2025	1.752%~1.902%	$-
Commercial paper	August 22, 2025	1.380%~1.600%	60,000
		Total	$60,000
		Available credit limit	$50,000

As at December 31, 2023

Loans	Maturity Date	Interest Rate (%)	Carrying amount
Commercial paper	September 8, 2024	1.908%~2.00%	$-
Commercial paper	August 22, 2024	1.948%	60,000
		Total	$60,000
		Available credit limit	$50,000

B. The commercial paper that was guaranteed by financial institution with maximum maturity date of 180 days and one year contract due time was issued by the Company.

C. For information relating to the Company's assets that were pledged as collateral, please refer to Note 8.

(12) Long-term borrowings

Creditor	As at December 31, 2024	Maturity and terms of repayment
Chang Hwa Bank	300,000	The contract will be due on February 22, 2028 and since February 22, 2025 interest payment was amortized quarterly.
Mega Bills	1,082,000	The contract will be due on February 7, 2027 and capital employment and repayment are under the Note Issuance Facility.
Hua Nan Bank	11,395	The contract will be due on May 22, 2029 for repayment and since June 22, 2019 interest payment was amortized monthly.
Hua Nan Bank	90,000	The contract will be due on June 7, 2025 and capital employment and repayment are under the Note Issuance Facility.
Hua Nan Bank	39,140	The contract will be due on September 28, 2027. Since December 28, 2020 the payment was amortizes quarterly (NT$3,580 thousand per term), and the balance was paid off in the final term.
Taiwan Business Bank	470,000	The contract will be due on April 17, 2025 and capital employment and repayment are under the Note Issuance Facility.
Mega Bank	300,000	The contract will be due on February 7, 2027 for repayment.
Mega Bank	437,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1^{ST} ~12^{TH} term NT$30,000 thousand, 13^{TH} term NT$257,000 thousand.)
Mega Bank	90,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1^{ST} ~12^{TH} term NT$15,000 thousand, 13^{TH} term NT$60,000 thousand.)
Land Bank of Taiwan	2,047,000	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021 will be the first term, and the following payment was made semi-annually with a total of 7 terms (1^{ST}~2^{ND} NT$69,000 thousand, 3^{RD} ~6^{TH} NT$115,000 thousand, 7^{TH} NT$1,702,000 thousand.)
Land Bank of Taiwan	62,300	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021 will be the first term, and the following payment was made semi-annually with a total of 7 terms (1^{ST}~2^{ND} NT$2,100 thousand, 3^{RD} ~6^{TH} NT$3,500 thousand, 7^{TH} NT$51,800 thousand.)
Subtotal	4,928,835	
Less: current portion	(358,900)	
Total	$4,569,935	
Authorized credit limit	$6,348,600	
Available credit limit	$680,800	
Interest rate range	1.890%~2.886%	

In 2024, the new loan issued amounting to NT$25,306,000 thousand and principal repayment amounting to NT$25,440,500 thousand.

Creditor	As at December 31, 2023	Maturity and terms of repayment
Chang Hwa Bank	$50,000	The contract will be due on September 30, 2026 for repayment.
Chang Hwa Bank	300,000	The contract will be due on February 22, 2028 for repayment.
Mega Bills	1,130,000	The contract will be due on February 8, 2025 and capital employment and repayment are under the Note Issuance Facility.
Hua Nan Bank	13,975	The contract will be due on May 22, 2029 for repayment and since June 22, 2019 interest payment was amortized monthly.
Hua Nan Bank	90,000	The contract will be due on May 26, 2025 and capital employment and repayment are under the Note Issuance Facility.
Hua Nan Bank	53,460	The contract will be due on September 28, 2027. Since December 28, 2020 the payment was amortizes quarterly (NT$3,580 thousand per term), and the balance was paid off in the final term.
Taiwan Business Bank	450,000	The contract will be due on February 1, 2025 and capital employment and repayment are under the Note Issuance Facility.
Mega Bank	497,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1ST ~12TH term NT$30,000 thousand, 13TH term NT$257,000 thousand.)
Mega Bank	180,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1ST ~12TH term NT$15,000 thousand, 13TH term NT$60,000 thousand.)
Land Bank of Taiwan	2,231,000	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021 will be the first term, and the following payment was made semi-annually with a total of 7 terms (1ST~2ND NT$69,000 thousand, 3RD ~6TH NT$115,000 thousand, 7TH NT$1,702,000 thousand.)
Land Bank of Taiwan	67,900	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021 will be the first term, and the following payment was made semi-annually with a total of 7 terms (1ST~2ND NT$2,100 thousand, 3RD ~6TH NT$3,500 thousand, 7TH NT$51,800 thousand.)
Subtotal	5,063,335	
Less: current portion	(251,500)	
Total	$4,811,835	
Authorized credit limit	$6,328,600	
Available credit limit	$882,800	
Interest rate range	1.760%~2.748%	

In 2023, the new loan issued amounting to NT$16,448,000 thousand and principal repayment amounting to NT$16,883,800 thousand.

Refer to Note 8 for collateral for long-term borrowings.

(13) Post-employment benefits

A. Defined contribution plan

The defined contribution plan of the Company's Employee Retirement Plan is regulated according to the provisions of the Labor Pension Act. In accordance with the Act, contributions made by the employer cannot be lower than 6% of the participant's monthly wages. Therefore, The Company makes 6% contributions of the monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance on a regular basis.

For the years ended December 31, 2024 and 2023, the expenses related to defined contribution plan amounted to NT$6,517 thousand and NT$7,562 thousand, respectively.

B. Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 8.58% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandating, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$0 thousand to its defined benefit plan during the 12 months beginning after December 31, 2024.

As at December 31, 2024 and 2023, the defined benefit plan of the Company was expected to be expired in 2033 and 2032, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2024 and 2023:

	For the years ended December 31,	
	2024	2023
Current period service costs	$163	$162
Interest income or expense	(28)	(17)
Past service costs	83	-
Total	$218	$145

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As at	
	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$35,319	$35,190
Plan assets at fair value	(41,421)	(36,578)
Other non-current liabilities - Accrued pension liabilities recognized on the balance sheets	$(6,102)	$(1,388)

Reconciliation of liability of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As at January 1, 2023	$37,816	$(38,135)	$(319)
Current period service costs	162	-	162
Net interest expense (income)	481	(498)	(17)
Subtotal	38,459	(38,633)	(174)
Remeasurements of the net defined benefit liability asset:			
Actuarial gains and losses arising from changes in financial assumptions	313	-	313
Experience adjustments	822	-	822
Return on plan assets	-	(328)	(328)
Subtotal	1,135	(328)	807
Payments from the plan	(4,404)	4,404	-
Contribution by employer	-	(2,021)	(2,021)
As at December 31, 2023	$35,190	$(36,578)	$(1,388)
Current period service costs	163	-	163
Net interest expense (income)	415	(443)	(28)
Past service cost and gains and losses arising from settlements	(93)	176	83
Subtotal	35,675	(36,845)	(1,170)
Remeasurements of the net defined benefit liability asset:			
Actuarial gains and losses arising from changes in financial assumptions	-	-	-
Experience adjustments	920	-	920
Return on plan assets	(1,276)	(3,417)	(4,693)
Subtotal	(356)	(3,417)	(3,773)
Payments from the plan	-	-	-
Contribution by employer	-	(1,159)	(1,159)
As at December 31, 2024	$35,319	$(41,421)	$(6,102)

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

	As at	
	December 31, 2024	December 31, 2023
Discount rate	1.65%	1.20%
Expected rate of salary increases	2.00%	2.00%

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

	Effect on the defined benefit obligation			
	2024		2023	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%	$-	$674	$-	$776
Discount rate decrease by 0.25%	696	-	802	-
Future salary increase by 0.25%	692	-	794	-
Future salary decrease by 0.25%	-	673	-	772

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

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

(14) Guarantee deposits received

	As at	
	December 31, 2024	December 31, 2023
Guarantee deposits received	$409,603	$408,665

The Company received a performance deposit of NT$400,000 thousand from the land use and lease contract. Please refer to Note 6.(6).H for details.

(15) Equities

A. Common stock

The Company's authorized capital were both NT$16,000,000 thousand, issued capital were both NT$7,900,000 thousand, consisting of 790,000 thousand shares and 790,000 thousand shares at $10 par value each as at December 31, 2024 and 2023, respectively. Each share has one vote and the right to receive dividends.

B. Capital surplus

	As at	
	December 31, 2024	December 31, 2023
Additional paid-in capital	$1,807,534	$1,807,534
Treasury shares transactions	346,303	346,303
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired /disposed of	14,671	14,671
Employee stock options	29,375	29,375
Stock option from convertible bonds	64	64
Donated stock received	1	1
Total	$2,197,948	$2,197,948

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

C. Retained earnings and dividend policies

The Company is at growing stage of its life cycle and the business scale is expanding. In order to ensure the sustainable development, the retained earnings of the future should be set aside as stated below:

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company after paying taxes. After making good of the deficit, 10% of the reserve should be set aside as legal reserve only if the amount of the legal reserve has reached that of the paid-in capital. The remaining reserve should be set aside as special reserve. If there is reserve remaining, it can be combined with the accumulated unappropriated earnings and distributed.

The board of directors should make the earnings distribution proposal considering the Company's operation and ask the shareholders' resolution to distribute dividends. When the Company distributes shareholder dividends, it can be distributed in cash or stocks, and the cash dividend cannot be less than 10% of the total shareholder dividends. If the company has distributed cash to distribute all or part of dividends and bonuses or legal reserve and capital surplus, it may authorize the board of directors to attend with more than two-thirds of the directors, and more than half of the attending directors agree to do so, and report shareholders' meeting.

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

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

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

The Company has reversed special reserve to retained earnings for years period ended December 31, 2024 and 2023 as results of the use, disposal or reclassification of related assets in the amounts set out below:

	As at	
	December 31, 2024	December 31, 2023
Opening balance	$3,326,414	$3,333,058
Disposal of associates	(1,584)	(6,644)
Ending balance	$3,324,830	$3,326,414

The earnings distribution and dividends per share as approved by the board of directors' meeting on March 13, 2025 and resolved by the shareholder's meeting on March 13, 2024. Because the Company suffered losses in both 2024 and 2023, no earnings was distributed.

Please refer to Note 6.(19) for details of bonus to employees.

(14) Operating revenue

	For the years ended December 31,	
	2024	2023
Revenue from contract with customers		
Commodity	$341,689	$352,390
Other operation	54,236	17,134
Subtotal	395,925	369,704
Rental revenue	37,183	9,803
Total	$433,108	$379,507

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

A. Disaggregation of revenue

For the year ended December 31, 2024

	Trade and Department Store	Assets	Construction and Other	Total
Revenue from contract with customers				
Commodity	$341,689	$-	$-	$341,689
Other operation	7,887	46,349	-	54,236
Subtotal	349,576	46,349	-	395,925
Rental revenue	-	37,183	-	37,183
Total	$349,576	$83,532	$-	$433,108
Timing of revenue recognition:				
At a point in time	$349,576	$-	$-	$349,576
Over time	-	83,532	-	83,532
Total	$349,576	$83,532	$-	$433,108

For the year ended December 31, 2023

	Trade and Department Store	Assets	Construction and Other	Total
Revenue from contract with customers				
Commodity	$352,390	$-	$-	$352,390
Other operation	7,381	8,111	1,822	17,314
Subtotal	359,771	8,111	1,822	369,704
Rental revenue	-	9,803	-	9,803
Total	$359,771	$17,914	$1,822	$379,507
Timing of revenue recognition:				
At a point in time	$359,771	$-	$-	$359,771
Over time	-	17,914	1,822	19,736
Total	$359,771	$17,914	$1,822	$379,507

B. Contract balances

(a) Contract assets - current

	As at		
	December 31, 2024	December 31, 2023	January 1, 2023
Contract assets-the recognized construction in progress is greater than the payment request	$-	$-	$3,647

(b) Contract liabilities – current

	As at		
	December 31, 2024	December 31, 2023	January 1, 2023
Advance receipts for sales	$423	$350	$666
Advance receipts for land	26,775	19,408	16,528
Contract liabilities-the progress of the request is greater than the recognized construction in progress	-	-	2,508
Total	$27,198	$19,758	$19,702

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

	For the years ended December 31,	
	2024	2023
The opening balance transferred to revenue	$42	$4,369
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	$7,482	$4,425

(c) Transaction price allocated to unsatisfied performance obligations

The Company's transaction price allocated to unsatisfied performance obligations is not significant.

(d) Assets recognized from costs to fulfil a contract

None.

(17) Expected credit losses/ (gains)

	For the years ended December 31,	
	2024	2023
Operating expenses - Expected credit losses/(gains)		
Accounts receivable	$(140)	$182

Please refer to Note 12 for more details on credit risk.

The Company's contract assets are mainly arisen from construction. The Company only transacts with counterparties with good credit rating and with no significant default risk. Consequently, it is not expected that the counterparties will not meet its obligations under a contract, leading to a financial loss.

The Company measures the loss allowance of its accounts receivables (including accounts receivables - related parties) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 2024 and 2023 were as follow:

The Company considers the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

As at December 31, 2024

	Not yet due	Overdue <=30 days	Overdue 31-60 days	Overdue >=61 days	Total
Gross carrying amount	$25,537	$79	$20	$4	$25,640
Loss rate	0.42%	23.93%	51.66%	100%	
Lifetime expected credit losses	108	19	10	4	141
Total	$25,429	$60	$10	$-	$25,499

As at December 31, 2023

	Not yet due	Overdue <=30 days	Overdue 31-60 days	Overdue >=61 days	Total
Gross carrying amount	$27,267	$436	$251	$69	$28,023
Loss rate	0.12%	19.94%	36.52%	100%	
Lifetime expected credit losses	33	87	92	69	281
Total	$27,234	$349	$159	$-	$27,742

Note: The Company’s note receivables are not overdue.

The movement in the provision for impairment of accounts receivable and other receivable, during the years ended December 31, 2024 and 2023 is as follows:

	Accounts receivable
As at January 1, 2024	$281
Addition/(reversal) for the current period	(140)
As at December 31, 2024	$141
As at January 1, 2023	$99
Addition/(reversal) for the current period	182
As at December 31, 2023	$281

(18) Leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings, transportation equipment and office equipment. The lease terms range from 1 to 5 years. There are no restrictions placed upon the Company by entering into these leases.

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

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	December 31, 2024	December 31, 2023
Buildings	$2,213	$3,381
Transportation equipment	2,436	1,871
Total	$4,649	$5,252

During the years ended December 31, 2024 and 2023, the Company's additions to the right-of-use assets amounting to NT$1,149 thousand and NT$4,486 thousand, respectively, which were acquired through the direct assumption of lease liabilities. During the years ended December 31, 2024 and 2023, the Company's right-of-use assets decreased by NT$3,791 thousand and NT$1,497 thousand, respectively.

ii. Lease liabilities

	As at	
	December 31, 2024	December 31, 2023
Leases liabilities	$4,735	$5,305
Current	$2,031	$1,682
Non-current	$2,704	$3,623

Please refer to Note 6.(20).D for the interest on lease liabilities recognized during the years ended December 31, 2024 and 2023 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2024	2023
Buildings	$1,168	$375
Transportation equipment	584	652
Office equipment	-	48
Total	$1,752	$1,075

(c) Income and costs relating to leasing activities

	For the years ended December 31,	
	2024	2023
The expenses relating to short-term leases	$-	$351
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	1,153	2,217

(d) Cash outflow relating to leasing activities

During years ended December 31, 2024 and 2023, the Company's cash outflows for lease principal repayment are NT$1,812 thousand and NT$1,117 thousand. For short-term leases payment is NT$1,107 thousand and NT$2,514 thousand.

(e) Other information relating to leasing activities

None.

B. Company as a lessor

Please refer to Note 6.(7) for details on the Company's owned investment properties and investment properties held by the Company as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2024	2023
Lease income for operating leases		
Income relating to fixed lease payments	$37,183	$17,914

Please refer to Note 6.(6) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2024 are as follow:

	As at	
	December 31, 2024	December 31, 2023
Not later than one year	$39,015	$26,151
Later than one year but not later than two years	36,300	36,603
Later than two years but not later than three years	36,479	35,915
Later than three years but not later than four years	36,367	36,464
Later than four years but not later than five years	35,862	36,057
Later than five years	349,728	384,654
Total	$533,751	$555,844

(19) Summary statement of employee benefits, depreciation and amortization expenses by function

Function / Description	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits expense						
Salaries and wages	$46,213	$81,609	$127,822	$59,982	$92,146	$152,128
Labor and health insurance	5,523	8,921	14,444	7,248	9,558	16,806
Pension	2,608	4,127	6,735	3,346	4,361	7,707
Director's remuneration	-	13,173	13,173	-	13,188	13,188
Other employee benefits expense	10,247	14,400	24,647	10,119	11,054	21,173
Depreciation	73,619	25,315	98,934	50,499	43,170	93,669
Amortization	385	1,432	1,817	375	1,569	1,944

As at December 31, 2024 and 2023, the number of employees of the Company were 217 and 237, respectively. Among them, the number of directors who have not served as employees were both 11.

The Company’s average employee benefits expense was NT$843 thousand for the year ended December 31, 2024. (the current year employee benefits expense excluding director’s remuneration / the current year average number of employees excluding the number of non-employee directors)

The Company’s average employee benefits expense was NT$875 thousand for the year ended December 31, 2023. (the prior year employee benefits expense excluding director’s remuneration / the prior year average number of employees excluding the number of non-employee directors)

The Company’s average salaries and wages were NT$620 thousand for the year ended December 31, 2024. (the current year salaries and wages / the current year average number of employees excluding the number of non-employee directors)

The Company’s average salaries and wages were NT$673 thousand for the year ended December 31, 2023. (the prior year salaries and wages / the prior year average number of employees excluding the number of non-employee directors)

The Company's average salaries and wages increased by (7.90)% for the year ended December 31, 2024. (the current year average salaries and wages minus the prior year average salaries and wages / the prior year average salaries and wages)

As at December 31, 2024 and 2023, The remuneration of the supervisor are both NT$0 thousand, and the company has set up an audit committee to replace the supervisor in accordance with the regulation.

The company’s directors and executive officers’ remuneration policy is based on the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”. It is reviewed by the Compensation Committee then submitted to the Board of Directors for approval.

The remuneration policy for executive officers is mainly determined based on personal academic experience, performance, contribution to the company, future potential and company operating performance; the remuneration policy for employees and directors is based on the company's surplus year and is in accordance with the Company's articles of Incorporation. The salary appraisal of the company's employees is mainly based on their academic experience, professional skills and the value of the position held, as well as the salary level of the same industry, and the salary is paid according to the company's "employee title, grade and salary appraisal table". Employee’s salary includes principal salary, various allowances, job bonus, overtime pay and various bonuses, etc. Bonus distribution depends on the company's annual operating surplus status and the contribution of departments and individuals.

The Company amended the Company’s Articles of Incorporation at the shareholder’s meeting on May 23, 2019. According to the resolution, minimum 1% of the profit of the period should be distributed as employee’s compensation and maximum 5% of the profit of the period should be distributed as supervisor’s compensation. However, if there is accumulated deficit, the deficit should be covered first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the board of directors’ resolution regarding the employee compensation can be obtained from the “Market Observation Post System” on the website of the TWSE.

As the operations in 2024 and 2023 resulted in a net loss, no employee compensation and remuneration to directors and supervisors were estimated and accrued.

(20) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2024	2023
Bank interest income	$387	$368

B. Other income

	For the years ended December 31,	
	2024	2023
Dividend income	$25	$57
Government grants	14,286	9,868
Others	723	1,672
Total	$15,034	$11,597

The main source of government grant income is from the Agriculture and Food Agency, which aims to expand the implementation of the traceability system, encourage certification for traceable agricultural products, enhance agricultural product safety and maintain the agricultural production environment, and provide environmental incentives for traceable agricultural products. The grant application was available in September 2022, and the Company applied for government grants in accordance with the related incentive guidelines.

C. Other gains and losses

	For the years ended December 31,	
	2024	2023
Gains (losses) on disposal of property, plant and equipment	$(691)	$111
Gains on disposal of investment properties	13,293	36,522
Foreign exchange gains (losses), net	(48)	92
Impairment losses - property, plant and equipment	(12,136)	(81,112)
Impairment losses - other non-current assets	(2,927)	(11,526)
Gains on lease modification	-	16
Others	(65)	(293)
Total	$(2,574)	$(56,190)

D. Finance costs

	For the years ended December 31,	
	2024	2023
Interest on borrowings from bank	$127,185	$123,425
Interest on lease liabilities	93	(9)
Others	358	171
Total	$127,636	$123,587

(21) Components of other comprehensive income

For the year ended December 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of defined benefit plans	$3,773	$-	$3,773	$-	$3,773
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	235	-	235	-	235
Total of other comprehensive income	$4,008	$-	$4,008	$-	$4,008

For the year ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of defined benefit plans	$(807)	$-	$(807)	$-	$(807)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	7,396	-	7,396	-	7,396
Total of other comprehensive income	$6,589	$-	$6,589	$-	$6,589

(22) Income taxes

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31, 2024	2023
Current income tax expense (income):		
Current income tax charge	$-	$-
Land value increment tax	1,378	1,062
Adjustments in respect of current income tax of prior periods	(4)	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(1,444)	(5,981)
Total income tax expense (income)	$(70)	$(4,919)

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

	For the years ended December 31, 2024	2023
Accounting profit (loss) before tax from continuing operations	$(175,160)	$(292,389)
Tax at the domestic rates applicable to profits in the country concerned	$(35,032)	$(58,478)
Tax effect of revenues exempt from taxation	(4)	(11)
Tax effect of expense not deductible for tax purpose	1,133	996
Tax effect of deferred tax assets/liabilities	32,459	51,512
Adjustments in respect of current income tax of prior periods	(4)	-
Land value increment tax	1,378	1,062
Total income tax expense (income) recognized in profit or loss	$(70)	$(4,919)

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2024

	Beginning balance as at January 1, 2024	Deferred tax income (expense) recognized in profit or loss	Ending balance as at December 31, 2024
Temporary differences			
Land value increment tax	$(3,170,895)	$1,444	$(3,169,451)
Deferred tax income/ (expense)		$1,444	
Net deferred tax assets/ (liabilities)	$(3,170,895)		$(3,169,451)
Reflected in balance sheet as follows:			
Deferred tax (liabilities)	$(3,170,895)		$(3,169,451)

For the year ended December 31, 2023

	Beginning balance as at January 1, 2023	Deferred tax income (expense) recognized in profit or loss	Ending balance as at December 31, 2023
Temporary differences			
Land value increment tax	$(3,176,876)	$5,981	$(3,170,895)
Deferred tax income/ (expense)		$5,981	
Net deferred tax assets/ (liabilities)	$(3,176,876)		$(3,170,895)
Reflected in balance sheet as follows:			
Deferred tax (liabilities)	$(3,176,876)		$(3,170,895)

The following table contains information of the unused tax losses of the Company:

		Unused tax losses as at		
Year	Tax losses for the period	December 31, 2024	December 31, 2023	Expiration year
2017	245,335	245,335	245,335	2027
2018	102,837	102,837	102,837	2028
2019	108,214	108,214	108,214	2029
2020	104,460	104,460	104,460	2030
2021	156,376	156,376	156,376	2031
2022	58,402	58,402	58,402	2032
2023	98,799	98,799	98,799	2033
2024(estimated)	59,582	59,582	-	2034
		$934,005	$874,423	

Unrecognized deferred tax assets

As of December 31, 2024 and 2023 deferred tax assets have not been recognized in respect of unused tax losses, unused tax credits and deductible temporary differences amounting to NT$525,231 thousand and NT$496,033 thousand, respectively, as the future taxable profit may not be available.

The assessment of income tax returns

As of December 31, 2024 the income tax returns of the Company are assessed and approved up to 2022. No significant difference existed between the tax declared and approved.

(23) Earnings per share

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

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

	For the years ended December 31,	
	2024	2023
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$(175,090)	$(287,470)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	790,000	790,000
Basic earnings per share (NT$)	$(0.22)	$(0.36)

Due to the loss in 2024 and 2023, the calculation of diluted earnings per share were not necessary.

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

7. RELATED PARTY TRANSACTIONS

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

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Chou Chin Industrial Co., Ltd.	Legal person as corporate director
Shan Young Assets Management Co., Ltd.	Join control or has significant influence party
Sanyang Motor Co., Ltd	Join control or has significant influence party
Nan Yang Industries Co., Ltd.	Other related parties
Vitalon Foods Company	Other related parties
Nova Design Co., Ltd.	Other related parties
Sunshine Auto-Lease Co., Ltd.	Other related parties
Weifu Investment Co., Ltd.	Other related parties
Qiao Song Health Co., Ltd.	Other related parties

Significant transactions with related parties

(1) Sales, Rent and Receivables

A. Sales

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party	$2,655	$2,794
Other related parties	23,027	18,654
Total	$25,682	$21,448

The above related parties' sales transaction was settled the next month after the engagement agreement, and no significant abnormality in transaction was noticed compared to other customers.

B. Rental revenue

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party	$379	$29
Other related parties		
Vitalon Foods Company	2,202	1,949
Others	7	-
Total	$2,588	$1,978

(2) Purchases and Payables

A. Purchases

	For the years ended December 31,	
	2024	2023
Other related parties	$1,137	$2,431

B. Payables

	For the years ended December 31,	
	2024	2023
Other related parties	$105	$420

(3) Key management personnel compensation

	For the years ended December 31,	
	2024	2023
Short-term employee benefits	$15,234	$15,211
Post-employment benefits	106	106
Total	$15,340	$15,317

(4) Leases

A. Right-of-use assets

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party		
Shan Young Assets Management Co., Ltd.	$552	$854
Sanyang Motor Co., Ltd	1,661	2,527
Other related parties		
Sunshine Auto-Lease Co., Ltd.	2,436	1,871
Total	$4,649	$5,252

B. Lease liabilities

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party		
Shan Young Assets Management Co., Ltd.	$559	$856
Sanyang Motor Co., Ltd	1,679	2,529
Other related parties		
Sunshine Auto-Lease Co., Ltd.	2,497	1,920
Total	$4,735	$5,305

C. Refundable deposit (under other non-current asset)

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party	$210	$210

D. Interest expenses on lease liability

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party	$55	$(43)
Other related parties	38	44
Total	$93	$1

E. Rental Expenses

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party		
Sanyang Motor Co., Ltd	$-	$894
Other related parties	330	195
	$330	$1,089

(5) Other related parties' transactions

A. Operating expenses

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party	$509	$521

B. Other Interest Income

	For the years ended December 31,	
	2024	2023
Join control or has significant influence party	$3	$3

C. On December 10, 2024, the company signed a real estate sales agreement with Qiao Song Health Co., Ltd.. The transaction involves the sale of land in the Jiuhu and Zhuwei areas in Miaoli, with a contract price of NT$210,000,000. According to the agreement, Qiaosong Health Co., Ltd. will proceed with the transfer of the real estate upon obtaining the development permit for the healthcare industry park issued by the county government.

8. ASSETS PLEDGED AS SECURITY

The following assets (carrying value) were pledged to banks as collaterals for bank loans and land development:

		As at	
Pledged Assets	Contents	December 31, 2024	December 31, 2023
Inventory - property	Bank loan	$768,669	$704,704
Property, plant and equipment:			
Land	Bank loan	4,211,757	4,197,778
Buildings	Bank loan	566,411	580,764
Investment property:			
Land	Bank loan and commercial paper pledge	4,417,750	4,448,600
Buildings	Bank loan	346,447	367,395
Total		$10,311,034	$10,229,241

9. SIGNIFICANT COTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

(1) Part of the Company’s land is for rent or afforestation, if the land was collected or sold and the contract terminated, loss or compensation of the 37.5% Arable Rent Reduction Act could incur and the Company will record the compensation according to the case.

(2) As of December 31, 2024 the notes receivable and the guaranteed deposit related to sale of land or construction contract are NT$5,727 thousand.

(3) As of December 31, 2024 the notes payable and the guaranteed deposits paid related to bank financing and construction project are NT$62,792 thousand.

(4) The Company entered into a contract to purchase property, plant and equipment (including prepayments for business facilities) as follows:

	Total contract amount	Payment amount	Unpaid amount
Repayments for business facilities	$1,835	$1,807	$28
Construction in progress	36,120	18,664	17,456

10. LOSSES DUE TO MAJOR DISASTERS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

On January 7, 2025, the company signed a public auction entrustment agreement with PwC International Real Estate Company to handle the sale of the "Miaoli County Sanyi Township Technology Logistics Park Development Project" (accounted for "Land Inventory") through public auction. The entrusted period is from the date of the agreement until June 30, 2025.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As at	
	December 31, 2024	December 31, 2023
Financial assets at fair value through other comprehensive income	$1,714	$479
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand and petty cash)	54,241	150,559
Notes receivable	4,829	6,054
Accounts receivable, net (including related parties)	25,499	27,742
Other receivables	1,082	1,082
Subtotal	$85,651	$185,437
Total	$87,365	$185,916

Financial liabilities

	As at	
	December 31, 2024	December 31, 2023
Financial liabilities at amortized cost:		
Short-term borrowings	$110,000	$65,000
Short-term notes and bills payable	60,000	60,000
Notes payable and accounts payable (including related parties)	10,341	13,358
Other payables	53,996	52,166
Long-term borrowings (including current portion)	4,928,835	5,063,335
Lease liabilities (including non-current)	4,735	5,305
Total	$5,167,907	$5,259,164

(2) Financial risk management objectives and policies

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

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

(3) Market risk

The Company's market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market risk. Market risk comprises currency risk, interest rate risk and other price risk (such as equity risk).

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

Foreign currency risk

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

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for a foreign currency: US dollars, Japanese yen and Renminbi. As the net values of major foreign currency after carrying forward of their assets and liabilities, is considered insignificant, the impact of appreciation or depreciation in foreign currency on New Taiwanese Dollars is insignificant as reflected in profit and loss summary of the Company in 2024 and 2023.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to decrease/increase by NT$4,985 thousand and NT$4,978 thousand, respectively.

Equity price risk

The Company’s unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company’s unlisted equity securities is classified under at financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company’s senior management on a regular basis. The Company’s board of directors reviews and approves all equity investment decisions.

As of December 31, 2024, the Company does not hold listed equity instrument at fair value through profit or loss.

(4) Credit risk management

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

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

As of December 31, 2024 and 2023, amounts receivable from top ten customers represent 58% and 52% of the total accounts receivable of the Company, respectively. The credit concentration risk of other accounts receivable is insignificant.

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

As of December 31, 2024, the Company does not hold investments in debt instrument at fair value through profit or loss.

(5) Liquidity risk management

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

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at December 31, 2024					
Borrowings	$477,384	$4,296,467	$353,313	$-	$5,127,164
Short-term notes payable and bills payable	60,000	-	-	-	60,000
Accounts payable	10,341	-	-	-	10,341
Other payables	53,996	-	-	-	53,996
Leases liabilities	2,061	2,702	208	-	4,971
As at December 31, 2023					
Borrowings	$322,172	$4,284,755	$612,967	$1,098	$5,220,992
Short-term notes payable and bills payable	60,000	-	-	-	60,000
Accounts payable	13,358	-	-	-	13,358
Other payables	52,166	-	-	-	52,166
Leases liabilities	1,821	3,327	208	-	5,356

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings (including current portion)	Leases liabilities	Short-term notes payable and bills payable	Refundable deposit	Total liabilities from financing activities
As at January 1, 2024	$65,000	$5,063,335	$5,305	$60,000	$408,665	$5,602,305
Cash flows	45,000	(134,500)	(1,719)	-	938	(90,281)
Non-cash changes	-	-	1,149	-	-	1,149
As at December 31, 2024	$110,000	$4,928,835	$4,735	$60,000	$409,603	$5,513,173

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings (including current portion)	Leases liabilities	Short-term notes payable and bills payable	Refundable deposit	Total liabilities from financing activities
As at January 1, 2023	$50,000	$5,499,135	$3,283	$-	$5,270	$5,557,688
Cash flows	15,000	(435,800)	(1,126)	60,000	403,395	41,469
Non-cash changes	-	-	3,148	-	-	3,148
As at December 31, 2023	$65,000	$5,063,335	$5,305	$60,000	$408,665	$5,602,305

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments

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

(a) The carrying amount of cash and cash equivalents, accounts receivables, contract assets, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Definition

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

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

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

Level 3: Unobservable inputs for the asset or liabilities.

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

B. Fair value hierarchy of the Company's assets and liabilities

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$1,714	$1,714

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$479	$479

Transfers between Level 1 and Level 2 during the period

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

The profit and (loss) related to possession of shares that were recognized in the total comprehensive income are both NT$0 thousand for the years ended to December 31, 2024 and 2023.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows

	Assets
	At fair value through other comprehensive income
	Stocks
As at January 1, 2024	$479
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income'')	235
Acquisition for the years ended 31 December 2024	1,000
As at December 31, 2024	$1,714

	Assets At fair value through other comprehensive income Stocks
As at January 1, 2023	$381
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income'')	7,396
Distribution of remaining property from liquidation in 2023	(7,298)
As at December 31, 2023	$479

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach and asset approach	discount for lack of marketability	15%	The higher the discount for lack of marketability, the lower the fair value of the stocks	2% increase in the discount for lack of marketability would result in increase in the Company's profit or loss by NT$4,609 thousand. 2% decrease in the discount for lack of marketability would result in increase in the Company's profit or loss by NT$4,908 thousand.
	Market approach and asset approach	discount of non-controlling interests	25%	The higher the discount of non-controlling interests, the lower the fair value of the stocks	2% increase in the discount of non-controlling interests would result in increase in the Company's profit or loss by NT$4,536 thousand. 2% decrease in the discount of non-controlling interests would result in increase in the Company's profit or loss by NT$4,845 thousand.

As at December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach and asset approach	discount for lack of marketability	15%	The higher the discount for lack of marketability, the lower the fair value of the stocks	2% increase in the discount for lack of marketability would result in increase in the Company's profit or loss by NT$4,648 thousand. 2% decrease in the discount for lack of marketability would result in increase in the Company's profit or loss by NT$4,869 thousand.
	Market approach and asset approach	discount of non-controlling interests	25%	The higher the discount of non-controlling interests, the lower the fair value of the stocks	2% increase in the discount of non-controlling interests would result in increase in the Company's profit or loss by NT$4,651 thousand. 2% decrease in the discount of non-controlling interests would result in increase in the Company's profit or loss by NT$4,798 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Accounting Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Non-recurring and non-financial assets disclosed by the fair value hierarchy information:

None.

D. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (Note6.(7))	$-	$-	$25,402,530	$25,402,530
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Loans	-	5,038,835	-	5,038,835
Short-term notes and bills payable	-	60,000	-	60,000

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (Note6.(7))	$-	$-	$23,230,487	$23,230,487
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Loans	-	5,128,335	-	5,128,335
Short-term notes and bills payable	-	60,000	-	60,000

(9) Significant assets and liabilities denominated in foreign currencies

The Company does not possess significant assets and liabilities denominated in foreign currencies.

(10) Capital management

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

(11) Legal Claim

None.

13. OTHER DISCLOSURE

(1) Significant transaction information

A. Financings provided to others: None.

B. Endorsement/guarantee provided to others: None.

C. Securities held as of December 31, 2024 not including subsidiaries, associates and joint ventures): Please refer to Attachment 1.

D. Individual securities acquired or disposed of with accumulated amount exceeding NT$300 million or 20 percent of the capital stock: None.

E. Acquisition of property with the amount exceeding NT$300 million or 20% of the Company’s paid-in capital: None.

F. Disposal of property with amount exceeding NT$300 million or 20% of the Company’s paid-in capital: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties with amounts exceeding NT$100 million or 20 percent of capital stock: None.

I. Derivative financial instruments undertaken: None.

J. Significant intercompany transactions between consolidated entities: None.

(2) Information on investee

Names, locations and related information of investee companies as of December 31, 2024(excluding Mainland China)

A. Financing provided to others: None.

B. Endorsement/guarantee provided to others for the year ended December 31, 2024：None.

C. Securities held as of December 31, 2024：Please refer to Attachment 1.

D. Individual securities acquired or disposed of with accumulated amount exceeding NT$300 million or 20 percent of the capital stock: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

I. Derivative financial instruments undertaken: None.

J. Significant inter-company transactions: Please refer to Attachment 2.

(3) Information on investment in Mainland China

A. The Company has investment in mainland China for the year ended December 31, 2024: None.

B. Significant transactions with investment companies from mainland China: None.

(4) Information on major shareholders: Please refer to Attachment 3.

14. SEGMENT INFORMATION

(1) For management purposes, the Company is organized into business units based on its products and services and has two reportable segments as follows:

A. Trade and department store segment: Sale of tea and other agricultural products, import commodity for resale (including food, wine and chemical products) and business in recreational tourism.

B. Assets segment: Management of land assets, such as land inspections, land and house leases, and contract changes. If someone wants to purchase land (such as tenants, etc.), the land sales related operations would be handled.

Other operating activities that are not reported and related information of the operating segments are disclosed under the "Other segments".

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

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

(2) Information about profit or loss, assets and liabilities of reportable segments.

For the year ended December 31, 2024

	Trade and Department Store	Assets	Reportable Segment subtotal	Others	Adjustment and eliminations	Total
Revenue						
External customer	$349,576	$83,352	$433,108	$-	$-	$433,108
Inter-segment	-	-	-	-	-	-
Total revenue	$349,576	$83,352	$433,108	$-	$-	$433,108
Interest revenue	$1	$10	$11	$376	$-	$387
Interest expense	42	366	408	127,228	-	127,636
Depreciation and amortization	69,924	27,713	97,637	3,114	-	100,751
Impairment loss	-	10,303	10,303	4,760	-	15,063
Segment profit	$8,536	$16,397	$24,933	$(200,093)	$-	$(175,160)
Assets						
Capital expenditures on non-current assets	$3,436	$35,298	$38,734	$10,856	$-	$49,590
Segment assets	$6,237,008	$14,999,654	$21,236,662	$143,336	$-	$21,379,998
Segment liabilities	$47,084	$7,432,848	$7,479,932	$1,365,848	$-	$8,845,780

For the year ended December 31, 2023

	Trade and Department Store	Assets	Reportable Segment subtotal	Others	Adjustment and eliminations	Total
Revenue						
External customer	$359,771	$17,914	$377,685	$1,822	$-	$379,507
Inter-segment	-	-	-	-	-	-
Total revenue	$359,771	$17,914	$377,685	$1,822	$-	$379,507
Interest revenue	$5	$5	$10	$358	$-	$368
Interest expense	(27)	123,609	123,582	5	-	123,587
Depreciation and amortization	65,035	28,248	93,283	2,330	-	95,613
Impairment loss	7,362	26,883	34,245	58,392	-	92,637
Segment profit	$(1,846)	$(163,387)	$(165,233)	$(127,156)	$-	$(292,389)
Assets						
Capital expenditures on non-current assets	$6,536	$3,748	$10,284	$24,116	$-	$34,400
Segment assets	$6,320,237	$14,995,850	$21,316,087	$264,044	$-	$21,580,131
Segment liabilities	$45,045	$8,813,103	$8,858,148	$16,683	$-	$8,874,831

(3) Information about reconciliations of revenue, profit or loss, assets, liabilities and other material items of reportable segments

A. Revenue

	For the years ended December 31, 2024	2023
Total revenue for reportable segments	$433,108	$377,685
Other Income	-	1,822
Elimination of inter-segment revenue	-	-
Total revenue	$433,108	$379,507

B. Profit or loss

	For the years ended December 31, 2024	2023
Total profit or loss for reportable segments	$24,933	$(165,233)
Other profit or loss	(200,093)	(127,156)
Elimination of inter-segment profit	-	-
Profit (loss) before tax from continuing operations	$(175,160)	$(292,389)

C. Assets

	As at	
	December 31, 2024	December 31, 2023
Total assets for reportable segments	$21,236,662	$21,316,087
Other assets	143,336	264,044
Adjustment and elimination of inter-segment profit	-	-
Total assets	$21,379,998	$21,580,131

D. Liabilities

	As at	
	December 31, 2024	December 31, 2023
Total liabilities for reportable segments	$7,479,932	$8,858,148
Other liabilities	1,365,848	16,683
Adjustment and elimination of inter-segment profit	-	-
Total liabilities	$8,845,780	$8,874,831

E. Other material items

For the year ended December 31, 2024

	Reportable segments	Other segments	Adjustments	Total
Interest revenue	$11	$376	$-	$387
Interest expense	408	127,228	-	127,636
Capital expenditures on non-current assets	38,734	10,856	-	49,590
Depreciation and amortization	97,637	3,114	-	100,751
Impairment loss	10,303	4,760	-	15,063

For the year ended December 31, 2023

	Reportable segments	Other segments	Adjustments	Total
Interest revenue	$10	$358	$-	$368
Interest expense	123,582	5	-	123,587
Capital expenditures on non-current assets	10,284	24,116	-	34,400
Depreciation and amortization	93,283	2,330	-	95,613
Impairment loss	34,245	58,392	-	92,637

(4) Geographical information

Revenue from external customers

	For the years ended December 31,	
	2024	2023
Taiwan	$433,108	$379,507

The revenue information above is based on the country of the customer.

(5) Information about major customers

	For the years ended December 31,	
	2024	2023
Customer A from trade segment	$46,349	$8,111
Customer B from trade segment	32,683	30,574
Customer C from trade segment	22,857	-
Customer D from trade segment	22,543	18,370
Customer E from trade segment	22,281	18,472
Customer F from trade segment	22,246	20,603
Total	$168,959	$96,130

ATTACHMENT 1 (Securities held as at December 31, 2024) (Excluding subsidiaries, associates and joint ventures)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

The Company

Type of Securities Category	Name of securities	Relationship	Financial statement account	December 31, 2024 Units/ bonds/ shares	Carrying amount	Percentage of ownership (%)	Fair value/ Net assets value	Note
Stock	KING KONG IRON WORKS, LTD.	-	Financial assets at fair value through other comprehensive income - non-current	763,000	-	1.39	-	
Stock	CORE PACIFIC CITY CO., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	49,205	-	0.75	-	
Stock	NEXCELL BATTERY CO., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	1,120,000	-	1.12	-	
Stock	PACIFIC REHOUSE SERVICE CO., LTD	-	Financial assets at fair value through other comprehensive income - non-current	37,891	692	0.25	692	
Stock	PCHOME INVESTMENT & DEVELOPMENT CORPORATION	-	Financial assets at fair value through other comprehensive income - non-current	78,540	-	3.03	-	
Stock	PACIFIC CONSTRUCTION CO., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	14	-	-	-	
Stock	CHANSHUO CO., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	100,000	1,022	4.34	1,022	

Note1 : Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities, as defined in IFRS 9"Financial Instruments".

Note2 : If the securities listed above are issued by related parties, the column is specified with further information.

Note3 : For securities measured at fair value, fill in the book value column with fair value of the securities less accumulated impairment. For securities not measured at fair value, fill in the book value column with the original cost or amortized cost less accumulated impairment.

Note4 : The listed securities, which are restricted by providing to secured, mortgage loan or other agreement, shall indicate the share of secured or mortgage security, the amount of secured or mortgage and the situation of restriction in the column.

Attachment 2: Names, locations and related information of investees (excluding investees in Mainland China):
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

The Company

			Initial Investment		Investment as at December 31, 2024					
Investee company	Address	Main businesses and products	Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount	Net income (loss) of investee company	Investment income (loss) recognized	Note
Qiao Song Health Co., Ltd.	Taiwan	Real estate development	$4,000	$-	400,000	40.00%	$3,994	$(15)	$(6)	Note 3

Note1 : If a public company has holding company in other country and had issued consolidated financial statement under local regulations, about these investee could disclosed their holding company's relevant information.

Note2 : If not belong to Note 1, filled in by the following rules

(1) In "Investee", "Region", "Main Business", "Original cost" and "At the end of period" columns should filled in in order follow the company invest directly or invest indirectly and explain each relationship in "Note" column.

(2) In "Investees company net income" column should filled in each investee net income.

(3) In "Share of Profits/Losses" column only need to filled in the company recognized each subsidiaries and the company under equity method's profits or loss. Make sure it had contained each subsidiaries had contained their investee profit or loss in their net income.

Note3 : Qiao Song Health Co., Ltd. is an associate by the Company for using equity method.

ATTACHMENT 3 (Information on major shareholders as at December 31, 2024)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

Major shareholders' name	Share			
	Number of common shares	Number of preferred shares	Number of total shares	Shareholding ratio(%)
Shan Young Assets Management Co., Ltd.	223,640,000	-	223,640,000	28.30%

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

Taiwan Tea Corporation

1. Statement of cash and cash equivalents

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Cash	Cash on hand and petty cash	$520	
Cash in bank	Checking deposits	881	
	Demand deposits	53,359	
	Foreign currency deposits CAD 32.74 Exchange rate 30.71	1	
Total		$54,761	

Taiwan Tea Corporation

2. Statement of notes receivable

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Note receivable－non-related parties			
Note receivable－arising from operation			
Customer G	Operating	$2,197	
Customer H	〃	860	
Customer I	〃	835	
Customer J	〃	245	
Others	〃	692	Note
Subtotal		4,829	
Less: loss allowance		-	
Total		$4,829	
Note：			
Each of the items was less than 5% of the account balance			

Taiwan Tea Corporation

3. Statement of accounts receivable

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Accounts receivable－non-related parties			
Customer A	Sale	$4,428	
Customer I	〃	3,124	
Customer E	〃	2,154	
Customer K	〃	1,820	
Customer F	〃	1,759	
Others	Sale, etc.	9,767	Note
Subtotal		23,052	
Less: loss allowance		(141)	
Accounts receivable – non-related parties, net		$22,911	
Accounts receivable – related parties			
Vitalon Foods Company	Sale	$2,202	
Nan Yang Industries Co., Ltd.	〃	7	
Sanyang Motor Co., Ltd	〃	379	
Accounts receivable – related parties, net		$2,588	
Note：			
Each of the items was less than 5% of the account balance			

Taiwan Tea Corporation

4. Statement of other receivables - current

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Other receivables	Compensation and proceeds from land sales	$1,082	

Taiwan Tea Corporation

5. Statement of inventories

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Amount		Note
	Cost	Market value	
Property - land	$768,669	$1,976,557	The market value is measured at its net realizable value.
Merchandise inventory	16,144	17,528	"
Finished goods	35,829	35,829	"
Work in process	29,182	29,182	
Raw materials	159,480	165,206	
Supplies	14,356	14,406	
Goods in transit	761	761	
Total net value	$1,024,421	$2,239,469	

Taiwan Tea Corporation

6. Statement of prepyments and other current assets

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Advance payment for sale	Purchases	$2,571	
Prepayments	Syndicated Loan Arrangement Fees, etc.	6,970	
Unutilized tax credit	overpaid sales tax	22,318	
Total prepayments		$31,859	
Temporary payments	Carbon footprint verification fees, etc.	$416	
Payments on behalf of others	Inspection Fees, etc.	118	
Total other current assets		$534	

Taiwan Tea Corporation

7. Statement of changes in non-current financial assets measured at fair value through other comprehensive income

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Shares: in thousands

Investee	Beginning balance		Additions		Deduction		Ending balance		Guarantee	Note
	Shares	Fair value	Shares	Fair value	Shares	Fair value	Shares	Fair value	/Pledge	
Non-current financial assets measured at fair value through other comprehensive income										
KING KONG IRON WORKS, LTD.	763	$1,854	-	$-	-	$-	763	$1,854	NA	
CORE PACIFIC CITY CO., LTD.	49	48,127	-	-	-	-	49	48,127	〃	
NEXCELL BATTERY CO., LTD.	1,120	448	-	-	-	-	1,120	448	〃	
PACIFIC REHOUSE SERVICE CO., LTD	38	31	-	-	-	-	38	31	〃	
PCHOME INVESTMENT & DEVELOPMENT CORPORATION	79	814	-	-	-	-	79	814	〃	
PACIFIC CONSTRUCTION CO., LTD.	0.014	-	-	-	-	-	0.014	-	〃	
CHANSHUO CO., LTD.	-	-	100	1,000	-	-	100	1,000		
Cost subtotal		51,274		1,000		-		52,274		
Non-current financial assets measured at fair value through other comprehensive income – valuation										
KING KONG IRON WORKS, LTD.		(1,854)		-		-		(1,854)		
CORE PACIFIC CITY CO., LTD.		(48,127)		-		-		(48,127)		
NEXCELL BATTERY CO., LTD.		(448)		-		-		(448)		
PACIFIC REHOUSE SERVICE CO., LTD		448		213		-		661		
PCHOME INVESTMENT & DEVELOPMENT CORPORATION		(814)		-		-		(814)		
PACIFIC CONSTRUCTION CO., LTD.		-		-		-		-		
CHANSHUO CO., LTD.		-		22		-		22		
Valuation subtotal		(50,795)		235		-		(50,560)		
Total		$479		$1,235		$-		$1,714		

Taiwan Tea Corporation

8. Statement of changes in property, plant, and equipment

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Beginning balance	Additions	Deduction	Reclassification	Ending balance	Guarantee /Pledge
Cost						
Land and land improvements						
Buildings						
Machinery and equipment						
Transportation equipment						
Leasehold improvements						
Bearer plant						
Other equipment						
Construction in progress						
Total cost	Please refer to Note 6.(6) for the information on property, plant, and equipment.					
Accumulated Depreciation	Please refer to Note 8 for the information on the property, plant, and equipment pledged to the bank as collateral for loans.					
Land and land improvements						
Buildings						
Machinery and equipment						
Transportation equipment						
Leasehold improvements						
Bearer plant						
Other equipment						
Construction in progress						
Total accumulated depreciation						
Accumulated amortization						
Cumulative impairment						
Net property, plant, and equipment						

Taiwan Tea Corporation

9. Statement of changes in investment property

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Please refer to Note 6.(7) for the information on investment property.

Please refer to Note 8 for the information on the investment property pledged to the bank as collateral for loans.

Taiwan Tea Corporation

10. Statement of changes in intangible assets

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Please refer to Note 6.(8) for the information on intangible assets.

Taiwan Tea Corporation

11. Statement of changes in right-of-use assets

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Buildings	Office equipment	Transportation equipment	Total	Note
Cost:					
As at January 1, 2024	$4,813	$311	$4,851	$9,975	
Additions	-	-	1,149	1,149	
Disposals	(1,310)	(311)	(2,171)	(3,792)	
As at December 31, 2024	3,503	-	3,829	7,332	
Depreciation and impairment:					
As at January 1, 2024	1,432	311	2,980	4,723	
Depreciation	1,168	-	584	1,752	
Disposals	(1,310)	(311)	(2,171)	(3,792)	
As at December 31, 2024	1,290	-	1,393	2,683	
Net carrying amount:	$2,213	$-	$2,436	$4,649	

Taiwan Tea Corporation

12. Statement of other non-current assets – other

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Prepaid equipment	Primarily for the purchase of tea manufacturing equipment	$1,835	
Refundable deposits	Lease deposits, bid bonds, etc.	60,118	
Other non-current assets - Others	Project development funds, rare teas, etc.	12,742	
Total		$74,695	

Taiwan Tea Corporation

13. Statement of Short-term borrowings

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Type	Description	Ending balance	Contract term	Interest rate	Loan limit	Collateral	Note
Please refer to Note.6.(10) for the information on short-term borrowings The mortgage loan is secured by setting up a mortgage on part of the land and buildings. Please refer to Note 8 for details on guarantee.							

Taiwan Tea Corporation

14. Statement of contract liabilities – current and other current liabilities

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Advance receipts for sales	Purchases	$423	
Advance receipts for land	Proceeds for Land sale received but not yet transferred	26,775	
Total contract liabilities - current		$27,198	
Temporary receipts	Customer's Land proceeds and overpayments, etc.	$1,501	
Collections on behalf of others	Income tax, pension, etc.	383	
Others	Royalties, etc.	62,381	
Total other current liabilities		$64,265	

Taiwan Tea Corporation

15. Statement of notes payable and accounts payable

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Notes payable - non-related parties			
Vendor L		$10	
Accounts payable – non-related parties			
Vendor M		$623	
Vendor N		2,826	
Vendor O		1,296	
Vendor P		761	
Others		4,719	Note
Total accounts payable - non-related parties		$10,225	
Accounts payable - related parties			
Chaoyang Car Rental Co., Ltd.		$105	
Note：			
Each of the items was less than 5% of the account balance			

Taiwan Tea Corporation

16. Statement of other payables

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Accrued salaries	Salaries and year-end bonuses	$30,435	
Payables for equipment	Equipment and construction	1,685	
Other payables - others	Land compensation, etc.	2,075	
Others	Routine expenses, labor and health insurance, etc.	19,801	Note
Total		$53,996	
Note：			
Each of the items was less than 5% of the account balance			

Taiwan Tea Corporation

17. Statement of long-term borrowings

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Lending bank	Nature of borrowing	113.12.31	Contract maturity date and repayment terms	Interest rate	Collateral

Please refer to Note 6.(12) for the information on long-term borrowings.
The secured borrowings are collateralized by a portion of land and buildings. Please refer to Note 8 for details.

Taiwan Tea Corporation

18. Statement of lease liabilities

December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Leased asset	Description	Lease term	Discount rate	Ending balance	Note
Company Vehicle 1	Company Vehicle Lease	110.09.01-115.09.01	1.995%	$250	
Company Vehicle 2	Company Vehicle Lease	111.07.08-116.07.08	1.759%	518	
Company Vehicle 3	Company Vehicle Lease	112.01.18-117.01.18	1.908%	617	
Corporate HQ Shop	Real Estate Lease	112.11.16-115.11.15	1.667%	559	
Hukou Office	Real Estate Lease	112.12.01-115.11.30	1.667%	1,679	
Company Vehicle 4	Company Vehicle Lease	113.12.01-118.12.01	2.372%	844	
Company Vehicle 5	Company Vehicle Lease	113.11.01-115.11.01	2.055%	268	
			Total	$4,735	
			Current	$2,031	
			Non-current	$2,704	

Taiwan Tea Corporation

19. Statement of operating revenue

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Quantity	Unit Price (NTD)	Amount	Note
Commodity			$341,689	
Rental			37,183	
Other operating revenue			54,236	
Total			$433,108	

Taiwan Tea Corporation

20. Statement of operating costs

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Tea department	Trade department	Total
Beginning raw materials (Note)	$165,732	$10,589	$176,321
Self-harvested agricultural products	68,456	5,352	73,808
Purchases	41,504	2,180	43,684
Others	(18,898)	5,249	(13,649)
Less: Ending raw materials (Note)	(154,181)	(11,048)	(165,229)
Direct raw materials usage	102,613	12,322	114,935
Beginning supplies (Note)	14,142	742	14,884
Purchases	18,584	2,052	20,636
Less: Ending supplies (Note)	(13,517)	(839)	(14,356)
Recognized as expenses, etc.	(3,549)	(939)	(4,488)
Direct supplies usage	15,660	1,016	16,676
Direct labor	5,985	1,818	7,803
Manufacturing overhead	82,630	618	83,248
Total manufacturing costs	206,888	15,774	222,662
Add: Beginning work in process (Note)	29,065	316	29,381
purchased work in process	78	-	78
Less: Ending semi-finished products (Note)	(27,622)	(1,831)	(29,453)
Recognized as expenses, etc.	(10,923)	6	(10,917)
Cost of finished goods	197,486	14,263	211,749
Add: Beginning finished goods and merchandise inventory (Note)	35,915	12,357	48,272
Purchased finished goods and merchandise inventory	2,577	26,985	29,562
Less: Ending finished goods and merchandise inventory (Note)	(43,617)	(13,069)	(56,686)
Recognized as expenses, etc.	17,126	(20,247)	(3,121)
Cost of goods sold	209,487	19,528	229,015
Rental Costs	-	25,825	25,825
Food and Beverage Costs	44	13,996	14,040
Unamortized manufacturing overhead	307	-	307
Gain on physical inventories	16	-	16
Disposals	308	52	360
Loss on decline in market value of inventory	1,553	-	1,553
Operating costs	$211,715	$59,401	$271,116

Note : Gross amount without deducting allowance for inventory valuation losses.

Taiwan Tea Corporation

21. Statement of operating expenses

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Items	Selling and marketing	General and administrative	Research and development	Expected Credit Losses (Gains)	Total
Salaries (Note)	$35,071	$57,968	$1,743	$-	$94,782
Depreciation	6,601	18,391	323	-	25,315
Other expenses	2,766	10,058	166	-	12,990
Labor expenses	243	9,338	193	-	9,774
Taxes	12	19,316	11	-	19,339
Insurance expenses	4,722	6,160	198	-	11,080
Employee benefits expense	3,698	4,142	124	-	7,964
Travel expenses	861	3,511	153	-	4,525
Freight expenses	5,906	26	-	-	5,932
Others (each of the items was less than 5% of the account balance)	14,164	16,471	161	-	30,796
Expected credit losses	-	-	-	(140)	(140)
Total	$74,044	$145,381	$3,072	$(140)	$222,357

Note : Excludes capitalization expenses.

Taiwan Tea Corporation

22. Summary of employee benefits,

depreciation, and amortization by function

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Please refer to Note 6.(19) for the information on employee benefits, depreciation and amortization.

Taiwan Tea Corporation

23. Statement of non-operating income and expenses

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Please refer to Note 6.(20).(A)~(D) for the information on non-operating income and expenses.