Stock Code:6629

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Thai Kin Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Thai Kin Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgments, the key audit matters that should be disclosed in this audit report is Revenue recognition.

Please refer to note 4(m) "Recognition of Revenue" for accounting policy related to revenue recognition, and note 6(t) for the information related to revenue of the consolidated financial statements.

Description of key audit matter

The Group entered into agreements or sales orders with its major customers, which contain different terms and conditions and increase the complexity of identifying the timing of revenue recognition and transferring control of the products. Therefore, the revenue recognition was considered one of the key audit matters in our audit.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing and testing the design, and the effectiveness of the internal controls over revenue recognition.
- Performing trend analysis on operating income generated from each top ten customer in current period versus that in latest quarter and last year to assess the occurrence of any significant variation and the rationale for the variation.
- Performing test-of-details on transactions to assess the existence of the transactions and the accuracy of the recognized sales as well as the timing of the recognition.
- Performing sales cut-off test over a period prior and post to the balance sheet date by vouching relevant documents of sales transactions to determine whether the revenue have been recognized in proper period.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 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.

The engagement partners on the audit resulting in this independent auditors' report are Chiang, Chia-Chi and Wu, Chung-Shun.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2025

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 949,323	42	328,841	22
1136	Current financial assets at amortized cost, net (note 6(c))	66,593	3	62,047	4
1170	Trade receivables, net (notes 6(d) and (t))	325,204	14	251,909	17
1200	Other receivables (note 6(e))	22,310	1	10,650	1
1220	Current tax assets	8,926	-	8,094	1
130x	Inventories (note 6(f))	336,807	15	305,610	20
1470	Other current assets (note 6(j))	5,365	-	4,885	-
	Total current assets	1,714,528	75	972,036	65
15xx	**Non-current assets:**				
1600	Property, plant and equipment (notes 6(g), (k), (l), 7, 8 and 9)	543,048	25	461,251	31
1755	Right-of-use assets (notes 6(h), (m) and 7)	613	-	1,360	-
1760	Investment property, net (notes 6(i), (k), (l) and 8)	-	-	28,431	2
1840	Deferred tax assets (note 6(p))	10,752	-	12,064	1
1900	Other non-current assets (notes 6(g), (j) and 8)	6,115	-	9,231	1
	Total non-current assets	560,528	25	512,337	35
1xxx	**Total assets**	**$ 2,275,056**	**100**	**1,484,373**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6(g), (i), (k), 7 and 8)	$ 33,287	2	191,937	13
2150	Notes payable	5,081	-	470	-
2170	Trade payables	31,028	1	78,759	5
2181	Trade payables to related parties (note 7)	11,604	1	17,333	1
2216	Dividends payable (note 6(q))	191,581	8	53,574	4
2219	Other payable (note 7)	36,640	2	40,910	3
2230	Current tax liabilities	21,134	1	6,840	1
2280	Current lease liabilities (notes 6(m) and 7)	581	-	754	-
2322	Current portion of long-term borrowings (notes 6(g), (i), (l), 7 and 8)	-	-	4,076	-
2399	Other current liabilities	364	-	2,746	-
	Total current liabilities	331,300	15	397,399	27
25xx	**Non-current liabilities:**				
2500	Financial liabilities at fair value through profit or loss－non-current (notes 6(b) and (n))	1,890	-	-	-
2530	Bonds payable (notes 6(b) and (n))	281,021	12	-	-
2570	Deferred tax liabilities (note 6(p))	4,549	-	3,711	-
2580	Non-current lease liabilities (notes 6(m) and 7)	38	-	609	-
2640	Defined benefit liabilities－non-current (note 6(o))	19,875	1	14,761	1
	Total non-current liabilities	307,373	13	19,081	1
2xxx	**Total liabilities**	638,673	28	416,480	28
31xx	**Equity attributable to owners of the Company (notes 6(n), (o), (p), (q) and (r)):**				
3100	Common stock	383,162	17	357,162	24
3200	Capital surplus	581,325	26	257,995	17
33xx	**Retained earnings:**				
3310	Legal reserve	67,220	3	67,220	4
3320	Special reserve	19,955	1	24,134	2
3350	Unappropriated retained earnings	526,298	23	369,315	25
	Total retained earnings	613,473	27	460,669	31
34xx	**Other equity:**				
3410	Exchange differences on translation of foreign financial statements	57,159	2	(8,312)	-
	Total equity attributable to owners of the Company	1,635,119	72	1,067,514	72
36xx	**Non-controlling interests**	1,264	-	379	-
3xxx	**Total equity**	1,636,383	72	1,067,893	72
2-3xxx	**Total liabilities and equity**	**$ 2,275,056**	**100**	**1,484,373**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollars, except earnings per share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenues (note 6(t))**	$ 1,618,421	100	1,184,582	100
5000	**Operating costs (notes (f), (g), (o), 7 and 12)**	1,089,573	67	906,345	77
5900	**Gross profit from operations**	528,848	33	278,237	23
6000	**Operating expenses (notes 6(d), (g), (h), (n), (o), (r), 7 and 12):**				
6100	Selling expenses	42,272	3	31,049	3
6200	Administrative expenses	53,713	3	40,595	3
6300	Research and development expenses	9,982	1	7,831	-
6450	Reversal of expected credit loss	(5)	-	(2)	-
	Total operating expenses	105,962	7	79,473	6
6900	**Net operating income**	422,886	26	198,764	17
7000	**Non-operating income and expenses (notes 6(b), (m), (n), (v), (w), (x) and (y)):**				
7100	Interest income	6,373	-	5,756	-
7010	Other income	3,938	-	-	-
7020	Other gains and losses	33,077	2	382	-
7050	Finance costs	(5,803)	-	(5,679)	-
	Total non-operating income and expenses	37,585	2	459	-
7900	**Profit before income tax**	460,471	28	199,223	17
7950	**Less: income tax expenses (note 6(p))**	42,731	2	32,470	3
8200	**Net profit**	417,740	26	166,753	14
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified subsequently to profit or loss (notes 6(o) and (p))**				
8311	Gains (losses) on remeasurements of defined benefit plans	(1,381)	-	2,605	-
8349	Less: income tax related to items that may not be reclassified subsequently to profit or loss	(276)	-	521	-
	Total items that will not be reclassified subsequently to profit or loss	(1,105)	-	2,084	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	65,538	4	6,891	1
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	65,538	4	6,891	1
8300	**Other comprehensive income**	64,433	4	8,975	1
8500	**Total comprehensive income**	**$ 482,173**	**30**	**175,728**	**15**
8700	**Profit, attributable to:**				
8610	Owners of the Company	$ 416,922	26	166,547	14
8620	Non-controlling interests	818	-	206	-
		$ 417,740	**26**	**166,753**	**14**
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 481,288	30	175,520	15
8720	Non-controlling interests	885	-	208	-
		$ 482,173	**30**	**175,728**	**15**
	Earnings per share (NT dollars) (note 6(s))				
9750	Basic earnings per share	**$ 11.49**		**4.66**	
9850	Diluted earnings per share	**$ 11.34**		**4.44**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company									
			Retained earnings							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 357,142	257,915	67,220	70,453	253,296	390,969	(15,201)	990,825	171	990,996
Appropriation and distribution of retained earnings:										
Reversal of special reserve	-	-	-	(46,319)	46,319	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(98,931)	(98,931)	-	(98,931)	-	(98,931)
Profit for the year ended December 31, 2023	-	-	-	-	166,547	166,547	-	166,547	206	166,753
Other comprehensive income	-	-	-	-	2,084	2,084	6,889	8,973	2	8,975
Total comprehensive income	-	-	-	-	168,631	168,631	6,889	175,520	208	175,728
Conversion of convertible bonds	20	80	-	-	-	-	-	100	-	100
Balance at December 31, 2023	357,162	257,995	67,220	24,134	369,315	460,669	(8,312)	1,067,514	379	1,067,893
Appropriation and distribution of retained earnings:										
Reversal of special reserve	-	-	-	(4,179)	4,179	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(263,013)	(263,013)	-	(263,013)	-	(263,013)
Profit for the year ended December 31, 2024	-	-	-	-	416,922	416,922	-	416,922	818	417,740
Other comprehensive income	-	-	-	-	(1,105)	(1,105)	65,471	64,366	67	64,433
Total comprehensive income	-	-	-	-	415,817	415,817	65,471	481,288	885	482,173
Capital increase in cash	26,000	255,900	-	-	-	-	-	281,900	-	281,900
Issuance of convertible bonds recognized as equity components	-	66,526	-	-	-	-	-	66,526	-	66,526
Share-based payment transactions	-	904	-	-	-	-	-	904	-	904
Balance at December 31, 2024	**$ 383,162**	**581,325**	**67,220**	**19,955**	**526,298**	**613,473**	**57,159**	**1,635,119**	**1,264**	**1,636,383**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollars)

		2024	2023
Cash flows from operating activities:			
Profit before income tax	$	460,471	199,223
Adjustments:			
Adjustments to reconcile profit:			
Depreciation expenses		63,702	62,497
Reversal of expected credit loss		(5)	(2)
Net losses on financial assets and liabilities at fair value through profit or loss		2,745	5,075
Interest expenses		5,803	5,679
Interest revenues		(6,373)	(5,756)
Compensation costs arising from share-based payments		904	-
Gains from lease modification		(1)	-
Gains on disposal of property, plant and equipment		(8)	-
Total adjustments to reconcile profit		66,767	67,493
Changes in operating assets and liabilities:			
Net changes in operating assets:			
Financial assets measured at fair value through profit or loss		-	(3,475)
Trade receivables		(73,290)	(23,214)
Other receivables		(11,656)	(5,762)
Inventories		(31,197)	(3,973)
Other current assets		(480)	777
Total net changes in operating assets		(116,623)	(35,647)
Net changes in operating liabilities:			
Financial liabilities measured at fair value through profit or loss		(2,235)	-
Notes payable		4,611	(434)
Trade payables		(47,731)	42,714
Trade payables to related parties		(5,729)	17,333
Other payables		(6,447)	14,728
Other current liabilities		(2,382)	2,035
Net defined benefit liabilities		2,525	2,448
Total net changes in operating liabilities		(57,388)	78,824
Net changes in operating assets and liabilities		(174,011)	43,177
Total adjustments		(107,244)	110,670
Cash inflow generated from operations		353,227	309,893
Interests received		6,369	5,740
Interests paid		(3,820)	(4,163)
Income taxes paid		(26,366)	(50,997)
Net cash flows from operating activities		329,410	260,473
Cash flows used in investing activities:			
Acquisition of property, plant and equipment		(77,239)	(18,356)
Proceeds from disposal of property, plant and equipment		8	-
Decrease (increase) in refundable deposits		640	(1,212)
Increase in prepayments for equipment		-	(2,903)
Increase in restricted deposits		(50)	(18)
Net cash flows used in investing activities		(76,641)	(22,489)
Cash flows from (used in) financing activities:			
Proceeds from short-term borrowings		210,406	30,000
Repayments of short-term borrowings		(369,056)	(55,029)
Proceeds from issuance of bonds		346,881	-
Repayments of bonds		-	(142,700)
Repayments of long-term borrowings		(4,080)	(10,394)
Payment of lease liabilities		(689)	(958)
Cash dividends paid		(125,006)	(81,071)
Capital increase in cash		281,900	-
Net cash flows used in financing activities		340,356	(260,152)
Effect of exchange rate changes on cash and cash equivalents		27,357	2,568
Net increase (decrease) in cash and cash equivalents		620,482	(19,600)
Cash and cash equivalents at beginning of period		328,841	348,441
Cash and cash equivalents at end of period	**$**	**949,323**	**328,841**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

Thai Kin Co., Ltd. (the "Company") was established in the Cayman Islands in February 2016. The main purpose of the establishment was to restructure its group entities for application to list on the Taipei Exchange ("TPEx") in the Republic of China. The Company became the holding company of Royal Finishing Co., Ltd. ("Royal Finishing") and Hardware Group Limited ("Hardware") in January 2017 by using share swaps with previous shareholders of those companies to restructure the group. The Company's shares have been listed and traded on the TPEx since June 6, 2019. The main business activities of Royal Finishing and Hardware are manufacturing and selling of furniture casting, with the main products of home decoration and hardware parts.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 11, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C.(the “FSC”) which have already been adopted.

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

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(b) The impact of IFRS Accounting Srandards issued by the FSC but not yet effective

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

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) The impact of IFRS Accounting Srandards issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the IASB, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ' operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company' s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

(Continued)

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(n).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the Company.

(ii) List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements is as follows:

Name of investor	Name of subsidiary	Principal activity	Shareholding (%) December 31, 2024	Shareholding (%) December 31, 2023	Remark
The Company	Royal Finishing	Manufacturing and selling of home decoration and functional parts	99.99 %	99.99 %	
The Company	Paokin Co., Ltd. ("Paokin")	Manufacturing and selling of home decoration and functional parts	99.19 %	99.19 %	
The Company	Thai Kin Company Limited	Selling of home decoration and functional parts	100.00 %	100.00 %	

Name of investor	Name of subsidiary	Principal activity	Shareholding (%) December 31, 2024	Shareholding (%) December 31, 2023	Remark
The Company	Angel Win Limited	Offshore holding company	100.00 %	100.00 %	(Note)
Royal Finishing	Mira Home, Inc.	Selling of home decoration and functional parts	100.00 %	100.00 %	

Note : Angel Win Limited was established in Samoa Islands, having 10,000 thousand registered shares, with a par value of USD$1 per share, wherein its capital has yet to be injected as of December 31, 2024.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of transaction.

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations, are translated into the presentation currency at the average exchange rate in the reporting period. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange difference arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Classification of current and non-current assets and liabilities

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and time deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (except for a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issuance of the financial asset or financial liability. A trade receivable without a significant financing component is initially measured at the transaction price.

(Continued)

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Impairment of financial assets

The Group recognizes impairment for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, other receivable, refundable deposits and restricted time deposits).

Impairment for bank deposits, other receivables, refundable deposits, and restricted time deposits are measured by 12-month ECL for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Impairment for trade receivables is always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days from the posting date.

The Group considers a financial asset to be in default when the financial asset is more than 365 days from the posting date, or the debtor is unlikely to pay its credit obligations to the Group in full.

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 365 days from the posting date;
- the Group, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the Group would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirely or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3) Derecognition of financial assets

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

When the Group transfers a financial asset while retains either all or substantially all of the risks and rewards of the transferred asset, the Group shall continue to recognize the financial asset in its balance sheet.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instruments is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder. The number of shares to be issued at conversion is fixed and does not vary with changes in fair value of the shares.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Convertible option is measured at fair value using Binomial Trees Model. Changes in fair value therein are recognized in profit or loss.

Interest expense related to the financial liability is recognized in profit or loss. Upon conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation is discharged or cancelled, or expire. A substantial modification of the terms and cash flows of an existing financial liability shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability at the modified terms.

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

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(h) Inventories

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing the inventories to their present location and condition. Variable production overheads are allocated to each unit of production, including work in progress and finished goods, on the basis of the actual use of the production facilities. The allocation of fixed production overheads is based on the normal capacity of the production facilities. Unallocated fixed overheads resulting from the consequence of low production or idle plant are recognized as costs of goods sold in the period in which they are incurred. In the period of abnormally high production, the differences are recorded as deductions to costs of goods sold.

The subsequent measurement of inventories is based on the lower of cost or net realizable value for each item. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories are written down to net realizable value when their costs are higher than net realizable value and the amounts are recorded in costs of goods sold. Subsequent increase in the net realizable value would lead to a reversal of write-down with a limit not exceeding that previous write-down, which is recorded as a deduction to costs of goods sold.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1)	Buildings	5～20 years
2)	Buildings improvement	10 years
3)	Machinery	10 years
4)	Office equipment	3～5 years
5)	Leasehold improvement	4 years
6)	Transportation equipment	5 years
7)	Other equipment	2～10 years

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

(j) Leases ─ as a lessee

At inception of a contract, the Group assesses whether a 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.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group' s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments; including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option which will change the non-cancellable period of a lease; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Continued)

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item respectively in the balance sheet.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

(l) Impairment of non-financial assets

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

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

(m) Recognition of Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good to a customer.

The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(n) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are modified or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

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

(o) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Group and the employees reach an agreement on the subscription price and the number of shares to be subscribed.

(p) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

(Continued)

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

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

(i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of discrete financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates, about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

There are no critical judgments made in applying accounting policies that have significant effects on the amounts recognized in the consolidated financial statements.

Regarding the uncertainty about estimates and assumptions, there is no significant risk of resulting in a material adjustment in the coming fiscal year.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash	$ 253	121
Checking and demand deposits	819,541	282,663
Time deposits	129,529	46,057
Cash and cash equivalents in the consolidated statement of cash flows	**$ 949,323**	**328,841**

Please refer to note 6(z) for the disclosure of interest rate risks of the financial assets and liabilities of the Group.

(b) Financial liabilities at fair value through profit or loss－non current

The details of derivative financial liabilities arising from the issuance of convertible bonds by the Group were as follows:

	December 31, 2024	December 31, 2023
Derivative financial liabilities		
Call and put options of corporate bonds payable	**$ 1,890**	**-**

For the amount remeasured at fair value and recognized in profit or loss, Please refer to note 6(x).

The derivative financial liabilities arising from the issuance of unsecured convertible bonds measured at fair value through profit or loss of the Group, please refer to note 6(n).

(c) Financial assets at amortized cost

	December 31, 2024	December 31, 2023
Time deposit with original maturity over three months	**$ 66,593**	**62,047**
Range of interest rate (%)	**3.75**	**0.60**
Maturity date	**2025.1.15~2025.11.24**	**2024.11.22**

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the outstanding principal amount. Therefore, these investments were classified as financial assets measured at amortized cost.

Please refer to note 6(z) for credit risk。

The Group did not pledge the abovementioned financial assets as collateral for short-term borrowings and credit facilities.

(d) Trade receivables

	December 31, 2024	December 31, 2023
Trade receivables	$ 325,207	251,916
Less: Impairment provision	(3)	(7)
	$ 325,204	**251,909**

The Group applies the simplified approach to assess its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomics and relevant industry information. Based on the Group's historical credit losses experience, there is no significant difference in the loss patterns for different customer groups, and thus, the provision matrix does not further differentiate the customer groups.

The Group’s analyses on the expected credit loss of its trade receivables were as follows:

	December 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Current	$ 180,874	-	-
1~30 days past due	54,160	-	-
31~60 days past due	89,457	-	-
61~90 days past due	437	-	-
91~120 days past due	48	-	-
121~180 days past due	143	-	-
181~270 days past due	27	-	-
271~365 days past due	61	4.92	3
	$ 325,207		**3**

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Current	$ 216,445	-	-
1~30 days past due	32,324	-	-
31~60 days past due	1,461	-	-
61~90 days past due	1,612	0.45	7
121~180 days past due	74	0.57	-
	$ 251,916		**7**

The movements in the allowance for trade receivable were as follows:

	2024	2023
Balance at January 1	$ 7	9
Reversal of impairment losses	(5)	(2)
Effect of movements in exchange rates	1	-
Balance at December 31	**$ 3**	**7**

The Group did not pledged the abovementioned financial assets as collateral for short-term borrowings and credit facilities.

(e) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	$ 22,310	10,650
Less: impairment provision	-	-
	$ 22,310	**10,650**

The Group did not have any past due other receivables as of December 31, 2024 and 2023.

For credit risk information, please refer to note 6(z).

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(f) Inventories

	December 31, 2024		
	Cost	Provision for obsolescence and decline in market value	Net realizable value
Raw materials	$ 171,126	17,944	153,182
Work in process	92,873	5,508	87,365
Finished goods	100,795	4,535	96,260
Total	**$ 364,794**	**27,987**	**336,807**

	December 31, 2023		
	Cost	Provision for obsolescence and decline in market value	Net realizable value
Raw materials	$ 145,463	14,872	130,591
Work in process	95,619	6,412	89,207
Finished goods	92,928	7,116	85,812
Total	**$ 334,010**	**28,400**	**305,610**

The changes in the inventories provision for the years ended December 31, 2024 and 2023, were as follows:

	2024	2023
Balance at January 1	$ 28,400	33,085
Reversal of impairment losses	(2,201)	(4,924)
Effect of movements in exchange rates	1,788	239
Balance at December 31	**$ 27,987**	**28,400**

The total amount of expenses (income) directly recorded in operating costs by the Group, apart from the normal transfer of inventories to operating costs through sales, were as follows:

	2024	2023
Reversal of inventory write-down and obsolescence gains	(2,201)	(4,924)
Revenue from sale of scrap	(21,943)	(12,471)
Physical count variance	20,553	28,733
Total	**$ (3,591)**	**11,338**

The Group did not pledge its inventories as collateral for short-term borrowings and other credit facilities.

(Continued)

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2024 and 2023, were as follows:

	Land	Buildings	Buildings improvement	Machinery	Office equipment	Leasehold improvement	Transportation equipment	Other equipment	Construction in progress	Total
Cost or deemed cost:										
Balance on January 1, 2024	$ 48,258	310,766	72,464	291,035	16,546	1,304	14,163	158,836	2,187	915,559
Additions	-	1,247	-	38,174	1,372	-	199	6,243	32,244	79,479
Disposals	-	-	-	-	(326)	(1,016)	-	(139)	-	(1,481)
Reclassification (note)	28,431	-	-	4,057	-	-	-	5,481	(6,635)	31,334
Effect of movements in exchange rates	5,155	20,954	4,870	20,404	1,156	-	964	11,311	3,071	67,885
Balance on December 31, 2024	**$ 81,844**	**332,967**	**77,334**	**353,670**	**18,748**	**288**	**15,326**	**181,732**	**30,867**	**1,092,776**
Balance on January 1, 2023	$ 47,852	307,803	71,584	260,235	14,923	1,016	13,855	148,811	23,705	889,784
Additions	-	180	270	7,969	1,362	288	189	2,150	5,789	18,197
Reclassification	-	166	-	20,581	135	-	-	6,598	(27,480)	-
Effect of movements in exchange rates	406	2,617	610	2,250	126	-	119	1,277	173	7,578
Balance on December 31, 2023	**$ 48,258**	**310,766**	**72,464**	**291,035**	**16,546**	**1,304**	**14,163**	**158,836**	**2,187**	**915,559**
Depreciation and impairment loss										
Balance on January 1, 2024	$ -	145,411	21,533	139,223	14,149	1,020	11,246	121,726	-	454,308
Depreciation	-	17,800	6,596	22,536	926	58	924	14,169	-	63,009
Disposals	-	-	-	-	(326)	(1,016)	-	(139)	-	(1,481)
Effect of movements in exchange rates	-	10,752	1,811	10,597	975	-	806	8,951	-	33,892
Balance on December 31, 2024	**$ -**	**173,963**	**29,940**	**172,356**	**15,724**	**62**	**12,976**	**144,707**	**-**	**549,728**
Balance on January 1, 2023	$ -	126,480	14,907	117,426	13,220	965	10,110	106,272	-	389,380
Depreciation	-	17,832	6,490	20,772	817	55	1,048	14,531	-	61,545
Effect of movements in exchange rates	-	1,099	136	1,025	112	-	88	923	-	3,383
Balance on December 31, 2023	**$ -**	**145,411**	**21,533**	**139,223**	**14,149**	**1,020**	**11,246**	**121,726**	**-**	**454,308**
Carrying amounts:										
Balance on December 31, 2024	**$ 81,844**	**159,004**	**47,394**	**181,314**	**3,024**	**226**	**2,350**	**37,025**	**30,867**	**543,048**
Balance on December 31, 2023	**$ 48,258**	**165,355**	**50,931**	**151,812**	**2,397**	**284**	**2,917**	**37,110**	**2,187**	**461,251**

Note : The amount was reclassified from prepayments for equipment and investment properties to this account, with amounts of $2,903 thousand and $28,431 thousand, respectively.

Please refer to note 8 for the disclosure of property, plant and equipment pledged as collateral for bank loans and credit facilities as of December 31, 2024 and 2023.

(h) Right-of-use assets

The Group leases office buildings. Information about leases for which the Group as a lessee was presented below:

		Buildings
Cost:		
Balance at January 1, 2024	$	5,282
Disposals		(3,920)
Effect of movements in exchange rates		22
Balance at December 31, 2024	**$**	**1,384**
Balance at January 1, 2023	$	4,386
Additions		1,360
Disposals		(468)
Effect of movements in exchange rates		4
Balance at December 31, 2023	**$**	**5,282**
Accumulated depreciation:		
Balance at January 1, 2024	$	3,922
Depreciation for the year		693
Disposals		(3,855)
Effect of movements in exchange rates		11
Balance at December 31, 2024	**$**	**771**
Balance at January 1, 2023	$	3,435
Depreciation for the year		952
Disposals		(468)
Effect of movements in exchange rates		3
Balance at December 31, 2023	**$**	**3,922**
Carrying amount:		
Balance at December 31, 2024	**$**	**613**
Balance at December 31, 2023	**$**	**1,360**

(Continued)

(i) Investment property

The changes in the investment property were as follows:

	Land
Cost:	
Balance at January 1, 2024	$ 28,431
Reclassified to property, plant, and equipment	(28,431)
Balance at December 31, 2024	**$ -**
Balance at January 1, 2023	$ 28,192
Disposals	239
Balance at December 31, 2023	**$ 28,431**
Carrying amount:	
Balance at December 31, 2023	**$ 28,431**
Fair value:	
Balance at December 31, 2023	**$ 282,333**

The management adopted the land development analysis approach to measure the fair value of the property for the years ended December 31, 2023, wherein the inputs utilized to determine the fair value had been classified as level 3 of the fair value hierarchy. The relevant information is summarized as follows:

Items	December 31, 2023
Estimated revenue	350,237 (THB388,419 thousand)
Gross margin rate	10%
Overall capital interest rate	2.3%
Appraised by external independent appraiser or self-appraisal	Self-appraisal
Appraisal date	December 31, 2023
Fair value by self-appraisal	282,333 (THB313,112 thousand)

The Group pledged the investment property as collateral for its long and short-term borrowings as of December 31, 2023. Please refer to note 8 for the detail of the collateral. There was no such transaction for the year ended December 31, 2024.

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(j) Other current assets and other non-current assets

The other current assets and other non-current assets of the Group were as follows:

	December 31, 2024	December 31, 2023
Other current assets:		
Temporary payments	$ 218	140
Prepayments	5,147	4,745
	5,365	4,885
Other non-current assets:		
Restricted time deposits	5,127	4,755
Refundable deposits	988	1,573
Prepayments for equipment	-	2,903
	6,115	9,231
	$ 11,480	**14,116**

Please refer to note 8 for restricted time deposits pledged for electricity guarantee.

(k) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2024	December 31, 2023
Secured bank loans	**$ 33,287**	**191,937**
Unused credit lines	**$ 1,168,465**	**933,951**
Range of interest rates (%)	**2.96**	**1.60~3.22**

Please refer to note 8 for the disclosure of assets pledged as collateral for short-term borrowing.

(l) Long-term borrowings

The Group's long-term borrowings were as follows:

	December 31, 2023		
	Interest rate (%)	Year of expiration	Carrying amount
Secured bank loans			
Kasikorn Bank	2.50	2024	$ 4,076
Less: current portion			4,076
Total			**$ -**
Unused credit lines			**$ -**

(Continued)

(i) Loans proceeds and repayments

The Group borrowed $0 thousand, and repaid $4,080 thousand and $10,394 thousand, respectively, for the years ended December 31, 2024 and 2023.

(ii) Collateral for bank loans

Please refer to note 8 for the disclosure of assets pledged as collateral for long-term borrowings.

(iii) Debt covenant

The Group entered into an agreement with Kasikorn Bank (hereinafter referred to as Kasikorn) on August 29, 2018, with the total credit line of THB58,520 thousand (NTD48,847 thousand).

According to the agreement with Kasikorn, the borrower needs to meet the following debt covenants within the duration of the loan:

1) Debt service coverage ratio (DSCR) shall not be less than 2 times. DSCR is calculated as the sum of operating income, depreciation and amortization, and interest expenses, divided by the sum of current portion of long-term borrowings and interest expenses.

2) Debt to equity ratio shall not exceed 1.5 times. Debt to equity ratio is calculated as total liability divided by equity.

3) The borrowings are only used for the construction of solar roof.

As of December 31, 2023, the Group has met the above debt covenants clauses.

There was no such transaction for the year ended December 31, 2024.

(m) Lease liabilities

The amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 581	754
Non-current	38	609
Total	**$ 619**	**1,363**

Please refer to note 6(z) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	2024	2023
Interests on lease liabilities	**$ 15**	**9**

The amounts recognized in the statement of cash flows for the Group were as follows:

	2024	2023
Total cash outflow from operating activities	$ 15	9
Total cash outflow from financing activities	689	958
Total cash outflow for leases	**$ 704**	**967**

The Group leases buildings for its office space, with lease terms usually ranging from 2 to 3 years.

(n) Corporate bonds payables

The details of unsecured convertible bonds were as follows:

	December 31, 2024	December 31, 2023
	Second	First
Total amount of convertible bonds	$ 300,000	215,756
Less: discount on convertible bonds issuance	(18,210)	(9,160)
underwriting expenses	(2,815)	(2,910)
Discounted present value of bonds payable upon issuance	278,975	203,686
Add: Amortization of discount on bonds payable	2,046	10,651
Reclassification of unamortized discount upon bond conversion and redemption	-	1,420
Less: Cumulative converted amount and reclassification	-	(26,257)
Cumulative redeemed amount	-	(189,500)
Ending balance of bonds payable	**$ 281,021**	-

The first domestic unsecured convertible bonds have been fully redeemed upon maturity on October 22, 2023.

A resolution had been made during the board meeting held on August 11, 2020 for the Company to issue its first domestic unsecured convertible bonds in the principal amount of $200,000 thousand for loan repayment and working capital enrichment, with a coupon rate of 0% for 3 years and issued at 107.88% of the par value.

On September 15, 2020, the Financial Supervisory Commission approved the Company's application to issue its first unsecured convertible bonds. The issuance of the convertible bonds with the principal amount of $200,000 thousand was recorded on October 22, 2020. The Company separately recognized the liability and equity components of convertible bonds in accordance with IFRS 9 as follows:

		First
Discounted present value under effective interest rate method	$	206,596
Embedded derivative financial instruments (put option and call option)		560
Equity component (conversion option)		8,600
	$	**215,756**

A resolution was made by the Board of Directors on June 26, 2024 for the Company to issue its second domestic unsecured convertible bonds, up to 3,000 bonds, for loan repayment and working capital enrichment. Each with a face value of $100 thousand, to a maximum of $300,000 thousand. The coupon rate was 0% for three years and the issuance was made at not less than 100% of the par value.

On August 20, 2024, the FSC approved the Group's application for the issuance of the second domestic unsecured convertible bonds under the letter No.11303518421. The total issuance limit was $300,000 thousand. According to regulations, the convertible bonds issued by the Group would separate the conversion option from the liability and recognize them separately as equity and liability. The relevant information was as follows:

		Second
Discounted present value under effective interest rate method	$	281,790
Embedded derivative financial instruments (put option and call option)		1,380
Equity component (conversion option)		67,198
The total amount raised through convertible bonds	**$**	**350,368**

The original issuance transaction cost was $3,500 thousand, of which $13 thousand was allocated to embedded derivative financial instruments (recorded as operating expenses), $2,815 thousand was allocated to bond issuance costs (deducted from bonds payable), and $672 thousand was allocated to equity components (deducted from capital surplus). As of December 31, 2024, all the issuance costs have been fully paid.

(i) Terms of issuing unsecured convertible bonds are as follows:

The first unsecured convertible bonds.

1) Coupon rate: 0%

2) Duration period: 3 years (October 22, 2020 to October 22, 2023)

3) Repayment term:

The bonds are repayable in cash upon maturity, except for those which are repurchased by the Company, sold back to the Company, or converted to common stock before maturity.

4) Conversion period:

Beginning from the first day of the fourth month after the issuance date (January 23, 2021) until the maturity date (October 22, 2023), the bondholders may convert the bonds into common stocks according to the conversion arrangement.

5) The Company's call option (right of redemption):

Beginning from the first day of the fourth months after the issuance date (January 23, 2021) until 40 days before maturity (September 12, 2023), if the stock closing price exceeds 30% of the conversion price for 30 consecutive working days, or if the remaining amount of bonds principal, which have not been converted into shares, is lower than 10% of the total issued amount, the Company will be entitled to send a "bond redemption notification" to its bondholders and publish an announcement through the TPEx to exercise its call option at par value.

6) Bondholders' put option:

Bondholders are entitled to exercise the put option on October 22, 2022, with an exercise price at 101.0025% of par value, and an annual yield rate of 0.5%. Upon receiving request for the coupon to be sold back, the Company shall pay the amount to bondholders in cash within 5 working days.

7) Conversion price and adjustment:

The conversion price at the issue date was $59.80 per share. If there is any increase in the Company's common stock (including, but not limited to, cash injection by public offering or private offering, capital increase from retained earnings or capital surplus, issuance of new shares for consolidation purposes or as the consideration payable by the Company for its acquisition of another company's shares, stock split, cash injection by participating in the issuance of overseas depository receipts and increase in outstanding shares due to changes in par value) except for the increases in shares from the conversion of securities, wherein a stock conversion option or stock warrant was embedded, or from issuance of new shares as employees' bonus, the Company shall calculate and adjust the conversion price based on the formula stated in the conversion arrangement before publishing an announcement through the TPEx. The adjustment shall be made at the ex-rights date when issuing new shares. However, the adjustment will be made at the date when the new share subscriptions are fully collected if the issuance of new shares involves share subscription collection. If the issued price of new shares changes after the ex-rights date for issuing new shares, the conversion price should be adjusted based on the revised issued price by using the formula stated in the conversion arrangement. If such recalculated conversion price is lower than that announced to the public through the TPEx before the ex-rights date for issuing new shares, the Company should re-announce the adjustment of the conversion price through the TPEx. On July 22, 2023, which is the ex-dividend date, the conversion price was adjusted to $50.03 per share.

(Continued)

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The second unsecured convertible bonds.

1) Coupon rate: 0%

2) Duration period: 3 years (September 13, 2024 to September 13, 2027)

3) Repayment term:

   The bonds are repayable in cash upon maturity, except for those which are repurchased by the Company, sold back to the Company, or converted to common stock before maturity.

4) Conversion period:

   Beginning from the first day of the fourth month after the issuance date (December 14, 2024) until the maturity date (September 13, 2027), the bondholders may convert the bonds into common stocks according to the conversion arrangement.

5) The Company's call option (right of redemption):

   Beginning from the first day of the fourth months after the issuance date (December 14, 2024) until 40 days before maturity (August 4, 2027), if the stock closing price exceeds 30% of the conversion price for 30 consecutive working days, or if the remaining amount of bonds principal, which have not been converted into shares, is lower than 10% of the total issued amount, the Company will be entitled to send a "bond redemption notification" to its bondholders and publish an announcement through the TPEx to exercise its call option at par value.

6) Bondholders' put option:

   Bondholders are entitled to exercise the put option on September 13, 2026, with an exercise price at 101.0025% of par value, and an annual yield rate of 0.5%. Upon receiving request for the coupon to be sold back, the Company shall pay the amount to bondholders in cash within 5 working days.

7) Conversion price and adjustment:

   The conversion price at the issue date was $135 per share. If there is any increase in the Company's common stock (including, but not limited to, cash injection by public offering or private offering, capital increase from retained earnings or capital surplus, issuance of new shares for consolidation purposes or as the consideration payable by the Company for its acquisition of another company's shares, stock split, cash injection by participating in the issuance of overseas depository receipts and increase in outstanding shares due to changes in par value) except for the increases in shares from the conversion of securities, wherein a stock conversion option or stock warrant was embedded, or from issuance of new shares as employees' bonus, the Company shall calculate and adjust the conversion price based on the formula stated in the conversion arrangement before publishing an announcement through the TPEx. The adjustment shall be made at the ex-rights date when issuing new shares. However, the adjustment will be made at the date

(Continued)

when the new share subscriptions are fully collected if the issuance of new shares involves share subscription collection. If the issued price of new shares changes after the ex-rights date for issuing new shares, the conversion price should be adjusted based on the revised issued price by using the formula stated in the conversion arrangement. If such recalculated conversion price is lower than that announced to the public through the TPEx before the ex-rights date for issuing new shares, the Company should re-announce the adjustment of the conversion price through the TPEx. On December 31, 2024, which is the ex-dividend date, the conversion price was adjusted to $128 per share.

The details of the liabilities and equity components arising from the issuance of the unsecured convertible bonds by the Group were as follows:

(ii) Financial liability at fair value through profit or loss were as follows:

	2024 Second	2023 First
Beginning balance	$ -	-
Add: additions	1,380	-
valuation losses	510	-
Ending balance	**$ 1,890**	**-**

(iii) The balances of the equity component recorded as capital surplus-stock options were as follows:

	2024 Second	2023 First
Beginning balance	$ -	17,297
Add: additions	67,198	-
Less: underwriting expenses	(672)	-
conversion	-	(12)
redemption	-	(17,285)
Ending balance	**$ 66,526**	**-**

Please refer to note 6(q) for the conversion of convertible bonds into fully paid ordinary shares for the years 2023.

The first domestic unsecured convertible bonds have been fully redeemed upon maturity on October 22, 2023.

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(o) Employee benefits

(i) Defined benefit plan

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

		December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	$	19,875	14,761
Fair value of plan assets		-	-
Net defined benefit liabilities	**$**	**19,875**	**14,761**

1) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Group were as follows:

		2024	2023
Defined benefit obligations at January 1	$	14,761	14,792
Current service costs and interest costs		2,747	2,448
Remeasurements			
－Actuarial gains and losses arising from changes in experience adjustments		(230)	(2,895)
－Actuarial gains arising from changes in financial assumptions		1,148	290
－Actuarial gains and losses arising from changes in demographic assumptions		463	-
Benefits paid		(222)	-
Effect of movements in exchange rates		1,208	126
Defined benefit obligations at December 31	**$**	**19,875**	**14,761**

2) Expenses recognized in profit or loss

The operating cost recognized in profit or loss for the Group were as follows:

		2024	2023
Current service costs	$	2,302	1,979
Net interest of the net liabilities for defined benefit obligations		445	469
	$	**2,747**	**2,448**
Operating costs	$	2,663	2,448
Operating expenses		84	-
	$	**2,747**	**2,448**

(Continued)

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3) Remeasurement of defined benefit liabilities recognized in other comprehensive income

The Group's remeasurements of the defined benefit liabilities recognized in other comprehensive income (loss) for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Accumulated amounts at 1 January	$	2,636	31
Recognized during the period		(1,381)	2,605
Accumulated amounts at 31 December	**$**	**1,255**	**2,636**

4) Actuarial assumptions

The major actuarial assumptions at the reporting dates were as follows:

	December 31, 2024	December 31, 2023
Discount rate	2.510 %	3.010 %
Future salary growth rate	2.00 %	2.00 %

The expected payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $0.

The weighted average lifetime of the defined benefit plans is 15.62 years.

5) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	The effect of defined benefit obligation	
	Increase 0.25%	Decrease 0.25%
December 31, 2024		
Discount rate (changes 0.25%)	(586)	611
Future salary growth rate (changes 0.25%)	612	(590)
December 31, 2023		
Discount rate (changes 0.25%)	(449)	468
Future salary growth rate (changes 0.25%)	471	(455)

(Continued)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plan

The Group allocates 6% of monthly wages for each employee in the Company's Taiwan branch to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $90 thousand and $96 thousand for the years ended December 31, 2024 and 2023, respectively.

(p) Income taxes

The Company and Angel Win Limited were incorporated in the Cayman Islands and the Samoa Islands, respectively, where there is no corporate income taxation. Royal Finishing has received promotional privileges from the Board of Investment of Thailand to enjoy certain corporate income tax exemption. Other subsidiaries in Thailand would subject to a statutory corporate income tax rate of 20% under the tax regulations of Thailand in the years 2024 and 2023. Thai Kin Company Limited, located in Hong Kong, is subject to corporate income tax at 16.5%. Mira Home, Inc. is subject to the federal corporate tax rate of 21% and the Illinois state corporate tax rate of 9.5% in the United States in the years 2024 and 2023. The Company's Taiwan branch is subject to a statutory corporate income tax rate of 20% under the tax regulations of Taiwan in the years 2024 and 2023.

(i) The components of income tax expenses (benefits) in the years 2024 and 2023 were as follows:

		2024	2023
Current tax expense (benefit)			
Current period	$	41,017	29,062
Adjustment for the prior periods		(1,189)	(2)
		39,828	29,060
Deferred tax expense			
Temporary differences		2,903	3,410
Income tax expense	**$**	**42,731**	**32,470**

The amount of income tax expenses (benefit) recognized in other comprehensive income for 2024 and 2023 were as follows:

	2024	2023
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	**$ (276)**	**521**

Reconciliations of income tax expenses and profit before income tax for 2024 and 2023 were as follows:

	2024	2023
Profit before income tax	**$ 460,471**	**199,223**
Income tax expenses using the statutory tax rate at each jurisdictions	$ 87,084	46,786
Adjustments in accordance with tax laws	(1,349)	2,354
Tax-exempt income	(1,256)	(1,430)
Tax incentives	(40,836)	(14,334)
Overestimate of income tax for previous years	(1,189)	(2)
Loss carryforwards	-	(1,250)
Others	277	346
Total	**$ 42,731**	**32,470**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
The carryforward of unused tax losses	**$ 13**	**13**

Under the tax regulations in the jurisdictions where the subsidiary, Mira Home, Inc., is located, the U.S. federal corporate income tax regulations allow net losses, as assessed by the tax authorities, to be offset against the taxable income infinitely for local tax reporting purposes, with the maximum limit of 80% of taxable income for the current year. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the temporary differences therefrom.

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized is as follows:

Year of loss	Unused tax losses	Expiry year
Mira Home, Inc.:		
2019	$ 13	2039

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2024 and 2023 were as follows:

Deferred tax assets:

	Inventory provision	Defined benefit liabilities	Unused tax loss carryforwards	Others	Total
Balance at January 1, 2024	$ 5,197	2,952	2,195	1,720	12,064
Recognized in profit or loss	(441)	504	(2,221)	(132)	(2,290)
Recognized in other comprehensive income	-	276	-	-	276
Effect of movements in exchange rates	326	242	26	108	702
Balance at December 31, 2024	**$ 5,082**	**3,974**	**-**	**1,696**	**10,752**
Balance at January 1, 2023	$ 6,618	2,958	4,891	2,015	16,482
Recognized in profit or loss	(1,476)	489	(2,734)	(305)	(4,026)
Recognized in other comprehensive income	-	(521)	-	-	(521)
Effect of movements in exchange rates	55	26	38	10	129
Balance at December 31, 2023	**$ 5,197**	**2,952**	**2,195**	**1,720**	**12,064**

Deferred tax liabilities:

	Income from investment	Others	Total
Balance at January 1, 2024	$ 763	2,948	3,711
Recognized in profit or loss	271	342	613
Effect of movements in exchange rates	67	158	225
Balance at December 31, 2024	**$ 1,101**	**3,448**	**4,549**
Balance at January 1, 2023	$ -	4,290	4,290
Recognized in profit or loss	762	(1,378)	(616)
Effect of movements in exchange rates	1	36	37
Balance at December 31, 2023	**$ 763**	**2,948**	**3,711**

(Continued)

(iii) Examination and approval

The Company is not required to pay income tax in the country where it is incorporated; therefore, there is no requirement to file an income tax return. In Thailand, where the Group's subsidiaries Royal Finishing and Paokin operate, the corporate tax returns are examed by the tax authority without issuing official approval certificates. Royal Finishing and Paokin have filed the corporate tax returns up to 2023. Mira Home, Inc. has applied for the declaration of the income tax at the local tax agency up to 2023. Thai Kin Company Limited had no taxable income in Hong Kong and was not required to file its corporate tax return based on local regulations. Angel Win Limited was incorporated in March, 2020 without commencing operation and was not required to file its corporate tax return. The income tax return of the Company's Taiwan branch has been approved by the tax authority up to 2022.

(q) Capital and other equity

(i) Common stock

As of December 31, 2024 and 2023, the number of authorized common stock was $1,000,000 thousand, with a par value of $10 per share. There were 38,316 thousand shares and 35,716 thousand shares issued as of December 31, 2024 and 2023, respectively. All issued shares were paid up upon issuance.

A resolution was passed by the Board of Directors on June 26, 2024 for the issuance of common stock for cash, with the number of shares issued being limited to 3,000 thousand common shares, with a par value of $10 per share, amounting to $30,000 thousand. The Company has received approval from the FSC under letter No.11303518421 for this capital increase on August 20, 2024, through the issuance of 2,600 thousand common shares with a par value of $10 per share, amounting to $26,000 thousand. The issue price per share was $109, generating a capital surplus of $257,400 thousand. Additionally, the underwriting fee of $1,500 thousand was deducted from the capital surplus generated by the premium on issuance, with October 14, 2024 as the date of capital increase. The relevant statutory registration procedures have since been completed.

Reconciliation of shares outstanding during the period were as follows:

Unit: thousand shares

	2024	**2023**
Balance on January 1	35,716	35,714
Issued of cash	2,600	-
Conversion of convertible bonds	-	2
Balance on December 31	**38,316**	**35,716**

For the year ended December 31, 2023, convertible bondholders converted bonds into common stocks, and of which 2 thousand shares were converted at par value of $20 thousand. There was no such transaction for the year 2024.

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(ii) Capital surplus

The balance of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Difference between the acquired net asset value and costs of restructuring	$ 48,483	48,483
Addition paid-in capital	442,458	186,558
Issuance of convertible bonds－stock warrant	66,526	-
Issuance of convertible bonds－expired stock warrants	22,954	22,954
Employee share options	904	-
	$ 581,325	**257,995**

According to the Company's Articles of Association, when the Company reports no accumulated loss, the Company may, in accordance with the proposal recommended by the Board of Directors, and approved by the meeting of shareholders, distribute new shares or cash arising out of the capital surplus, in whole or in part, to its shareholders.

According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital increase by transferring capital surplus in excess of par value into shares should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company is in the growth stage. In determining the amount, if any, of the dividend or other distribution it recommends to shareholders for approval in any financial year, the Board may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of shareholders rights and interests.

According to the Company's Articles of Association approved during the general meeting of shareholders held on June 17, 2022, for amendment, as long as the shares are traded on the TPEx Emerging Stock Board or listed on the TPEx or Taiwan Stock Exchange, unless there is any specific regulation from the Cayman Islands Company Law, the applicable public company rules, and the Company's Articles of Association, the Company shall set aside the followings out of the net profit of the year: (i) a reserve for the payment of tax for the relevant fiscal year; (ii) an amount to offset deficits; and (iii) a special surplus reserve as required by the applicable securities authority under the applicable public company rules, or other reserves as determined by the Board of Directors for specific purposes.

(Continued)

1) Special reserve

In accordance with the regulation issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

2) Earnings distribution

According to the Company's Articles of Association, the Company may distribute its profits as dividend to be paid in cash in accordance with a proposal for profits distribution approved by a majority of the Directors at a meeting attended by two thirds or more of the total number of the Directors. In addition, the amendment of Company's Articles of Association for the distribution of interim dividends had been approved during the shareholder's meeting held on August 18, 2021. The proposal to distribute interim dividends for the first half of the financial year shall be submitted to the Audit Committee for approval, and then, be submitted to the Board for approval.

The amounts of cash dividends on the appropriations of earnings for January to June, 2023 and July to December, 2023 had been approved during the board meeting held on November 10, 2023 and March 13, 2024, respectively, as follows:

	January 1 to June 30, 2023	July 1 to December 31, 2023
Cash dividends	$ 53,574	71,432

The abovementioned appropriations of earnings recognized as dividends payable for January to June 2023 were yet to be distributed as of December 31, 2023.

The amounts of cash dividends on the appropriations of earnings for January to June 2024 and July to December 2024 had been approved during the board meeting held on November 12, 2024 and March 11, 2025, respectively, as follows:

	January 1 to June 30, 2024	July 1 to December 31, 2024
Cash dividends	$ 191,581	160,928

The abovementioned appropriations of earnings recognized as dividends payable for January to June 2024 were yet to be distributed as of December 31, 2024.

The related information about the earnings is available at the Market Observation Post System website.

(r) Share-based payment

A resolution was passed by the Board of Directors on June 26, 2024, for the issuance of common stock for cash, reserving a potrion of shares for employee subscription. The Group's share-based payment transactions were as follows:

	Equity settlement
	New shares reserved for employee subscription
Grant date	September 18, 2024
Number of shares granted (thousand shares)	40
Recipients	Eligible employees
Vesting conditions	Immediately vested

The Group used Black Scholes Option Pricing Model method in measuring the fair value of the share-based payment at the grant date as follows:

	New shares reserved for employee subscription
Fair value at grant date (unit: New Taiwan dollars)	$ 22.60
Share price at grant date	131.50
Exercise price (unit: New Taiwan dollars)	109.00
Expected volatility (%)	11.65
Expected life (days)	17
Expected dividend (%)	-
Risk-free interest rate (%)	1.23

The Group estimated the recognized compensation cost to be $904 thousand based on the above assumptions, which was recorded as operating expenses for the year 2024, and the capital surplus under equity was increased by $904 thousand.

Details of the employee stock options were as follows:

Until: thousand shares

	2024	
	Weighted average exercise price	Number of options
Outstanding at January 1	$ -	-
Granted during the year (number)	109.00	40
Lossed during the year (number)	-	-
Exercised during the year (number)	109.00	(40)
Expired during the year (number)	-	-
Outstanding at December 31	**-**	**-**
Exercisable at December 31	**-**	**-**

Please refer to note 6(q) for detailed information on the cash capital increase.

(s) Earnings per share ("EPS")

The calculation of EPS are as follows:

Unit: thousand shares

	2024	2023
Basic EPS:		
Profit attributable to ordinary shareholders of the Company	**$ 416,922**	**166,547**
Weighted average number of ordinary shares	**36,277**	**35,715**
Basic EPS (unit: New Taiwan dollars)	**$ 11.49**	**4.66**
Diluted EPS:		
Net income	$ 416,922	166,547
Effect of dilutive potential ordinary shares		
Decrease in gains on remeasurements of embedded derivative instruments	510	-
Decrease in interest expense on convertible bonds	2,046	2,300
Net income for calculating diluted EPS	**$ 419,478**	**168,847**
Weighted average number of ordinary shares	36,277	35,715
Effect of dilutive potential ordinary shares		
Conversion of convertible bonds	704	2,299
Weighted average number of ordinary shares －diluted	**36,981**	**38,014**
Diluted EPS (New Taiwan dollars)	**$ 11.34**	**4.44**

(Continued)

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(t) Revenue from contracts with customers

(i) Disaggregation of revenue

		2024	2023
Primary geographical markets:			
America		1,472,874	1,006,282
Europe	$	141,533	172,951
Asia		4,014	5,349
	$	**1,618,421**	**1,184,582**
Main product/services lines			
Home decoration hardware	**$**	**1,618,421**	**1,184,582**

(ii) Contract balances

		December 31, 2024	December 31, 2023	January 1, 2023
Trade receivables	$	325,207	251,916	228,702
Less: Impairment provision		(3)	(7)	(9)
Total	**$**	**325,204**	**251,909**	**228,693**

Please refer to note 6(d) for the details on trade receivables and loss provision.

(u) Employee compensation and directors' remuneration

In accordance with the Company's Articles of Association, no more than 5% of current-year profit before tax excluding employee's compensation and directors' remuneration shall be distributed as employee compensation, and no more than 3% of it as directors' remuneration. The mentioned employee compensation shall be paid in shares or cash. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

There were no estimation and payment for employee compensation and directors' remuneration for the years ended December 31, 2024 and 2023. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions. Related information would be available at the Market Observation Post System website.

(v) Interest income

The details of interest income were as follows:

		2024	2023
Bank deposits	**$**	**6,373**	**5,756**

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(w) Other income

The details of other income were as follows:

	2024	2023
Income from indemnification	**$ 3,938**	**-**

(x) Other gains and losses

The details of other gains and losses were as follows:

	2024	2023
Foreign exchange gains, net	$ 35,005	4,997
Gains from disposal of property, plant and equipment	8	-
Loss from financial assets and liabilities at fair value through profit or loss	(2,745)	(5,075)
Gains from lease modification	1	-
Others	808	460
	$ 33,077	**382**

(y) Finance costs

The details of finance costs were as follows:

	2024	2023
Interest expense		
Bank borrowings	$ (3,742)	(3,370)
Bonds payable	(2,046)	(2,300)
Lease liabilities	(15)	(9)
	$ (5,803)	**(5,679)**

(z) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the statistical information on the Group’s customer base, including past transaction experiences with the customers, to adjust the credit limit for each customer. The Group's trade receivables are obviously concentrated on main customers, which accounted for 75% and 58% of the total amount of trade receivables as of December 31, 2024 and 2023, respectively.

(Continued)

3) Credit risk of receivables and financial assets at amortized cost

For credit risk exposure of trade receivables, financial assets at amortized cost, and other receivables, please refer to note 6(d), note 6(c), and note 6(e), respectively. Financial assets at amortized cost, other receivables and refundable deposits are considered as financial assets with low risk; therefore, the impairment provisions are measured using the life time and the 12-month ECL, respectively.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of net settlement agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities						
Bank borrowings	$ 33,287	33,597	33,597	-	-	-
Notes payable	5,081	5,081	5,081	-	-	-
Trade payables (including related parties)	42,632	42,632	42,632	-	-	-
Dividends payable	191,581	191,581	191,581	-	-	-
Other payables	36,640	36,640	36,640	-	-	-
Bonds payable (including derivative financial liabilities)	282,911	303,008	-	-	303,008	-
Lease liabilities	619	621	583	38	-	-
	$ 592,751	**613,160**	**310,114**	**38**	**303,008**	**-**
December 31, 2023						
Non-derivative financial liabilities						
Bank borrowings	$ 196,013	196,881	196,881	-	-	-
Notes payable	470	470	470	-	-	-
Trade payables (including related parties)	96,092	96,092	96,092	-	-	-
Dividends payable	53,574	53,574	53,574	-	-	-
Other payables	40,910	40,910	40,910	-	-	-
Lease liabilities	1,363	1,381	769	612	-	-
	$ 388,422	**389,308**	**388,696**	**612**	**-**	**-**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk as of December 31, 2024 and 2023 were as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 37,684	32.6560	1,230,616	16,592	30.7786	510,688
Financial liabilities						
Monetary items						
USD	480	32.7850	15,740	1,810	30.7936	55,742

The Group's exposure to foreign currency risk arises from the translation of the foreign exchange gains and losses on cash and cash equivalents, financial assets at amortized cost, receivables, payables, and loans and borrowings that are denominated in foreign currency.

A strengthening (weakening) of 1% of the NTD or THB against the USD as of December 31, 2024 and 2023, would have decreased (increase) the net profit before tax for the years ended December 31, 2024 and 2023 by $12,149 thousand and $4,549 thousand, respectively.

2) Foreign exchange gain and loss on monetary items

The exchange rate information on the foreign exchange gain and loss (including realized and unrealized) for the years ended December 31, 2024 and 2023, arising from the translation of the Group's monetary items into the subsidiary's functional currency of Thai Baht, and the parent company's functional currency, the New Taiwan dollar, which is also the Group's presentation currency, were as follows:

	2024		2023	
	Foreign exchange gain (loss)	Average exchange rate	Foreign exchange gain (loss)	Average exchange rate
NTD	$ 30,884	1.00	5,690	1.00
THB	THB 4,519	0.9122	(770)	0.9005

(iv) Interest rate analysis

Some of short-term borrowings of the Group with variable rates. Since the market interest rates did not fluctuate significantly, changes of the interest rates did not cause a significant cash flow risk.

(v) Fair value information

1) Hierarchies and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2024				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized costs					
Cash and cash equivalents	$ 949,323	-	-	-	-
Financial assets at amortized cost－current	66,593	-	-	-	-
Trade receivables	325,204	-	-	-	-
Other receivables	22,310	-	-	-	-
Restricted bank deposits	5,127	-	-	-	-
Refundable deposits	988	-	-	-	-
Total	**$ 1,369,545**	**-**	**-**	**-**	**-**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 1,890	-	1,890	-	1,890
Financial liabilities measured at amortized costs					
Bank borrowings	33,287	-	-	-	-
Notes payable and trade payables (including related parties)	47,713	-	-	-	-
Dividends payable	191,581	-	-	-	-
Other payables	36,640	-	-	-	-
Bonds payable	281,021	-	-	-	-
Lease liabilities	619	-	-	-	-
Subtotal	590,861	-	-	-	-
Total	**$ 592,751**	**-**	**1,890**	**-**	**1,890**

(Continued)

	December 31, 2023				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized costs					
Cash and cash equivalents	$ 328,841	-	-	-	-
Financial assets at amortized cost－current	62,047	-	-	-	-
Trade receivables	251,909	-	-	-	-
Other receivables	10,650	-	-	-	-
Restricted bank deposits	4,755	-	-	-	-
Refundable deposits	1,573	-	-	-	-
Total	**$ 659,775**	-	-	-	-
Financial liabilities measured at amortized costs					
Bank borrowings	$ 196,013	-	-	-	-
Notes payable and trade payables (including related parties)	96,562	-	-	-	-
Dividends payable	53,574	-	-	-	-
Other payables	40,910	-	-	-	-
Lease liabilities	1,363	-	-	-	-
Total	**$ 388,422**	-	-	-	-

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

The Group management team assesses that the carrying amount of the Group's financial assets and financial liabilities measured at amortized cost is approximately close to fair value.

b) Derivative financial instruments

Fair value of convertible bonds' conversion option, put and call options, was based on the independent appraisal report, which adopted the binomial conversion model and used inputs based on observable market data (including the fluctuation of share prices, risk free interest rates, discount rates and liquidity risk), to calculate the fair value of options.

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(aa) Financial risk management

(i) Overview

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

1. Credit risk.
2. Liquidity risk.
3. Market risk.

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Group has exposures to the risks arising from the normal operation such as credit risk, interest risk, liquidity risk, and currency risk. In order to timely and correctly monitor and control the hedging transactions, the Group established management procedures on overall business strategy, risk tolerance, philosophy of risk management, and risk management policies. The management reviews the above policies regularly to ensue in accordance with the Group's policy.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's bank deposits, receivables and other financial instruments.

The Group continuously monitors the exposure to credit risk and counterparty credit ratings, and establish sales limits based on credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the management.

In order to determine the concentration of credit risk, the Group continuously monitors its trade receivables by country.

The Board of Directors and the management have established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard terms and conditions are offered. The Group's review includes external ratings, when available, and, in some cases, bank references. Credit limits are established for each customer. Customers that fail to meet the Group's credit policy may enter into transactions with the Group only on a prepayment basis or within basic credit limits.

(Continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2024 and 2023, the Group's unused credit lines were $1,168,465 thousand and $933,951 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD and THB. The currencies used in these transactions are the NTD, USD and THB.

To manage market risks in respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates when necessary to mitigate any short-term gap. All such transactions are carried out within the scope of the Group's internal control policy.

2) Interest rate risk

The Group's interest rate risk arises both from financial assets which are bank deposit and financial liabilities which are short and long term bank borrowings. However, the impacts on those financial assets and liabilities resulting from changes in interest rates are insignificant.

(ab) Capital management

The Group's objectives for managing capital are to maintain the ability to continue the operation, to continue to provide a return to shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital to return to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt-to-equity ratio to manage capital. This ratio is the total debt divided by the total equity. The total debt is derived from the total liabilities on the balance sheet. The total equity includes the amount of common stock, capital surplus, retained earnings, other equity, and non-controlling interests.

The Group's collective quantitative data is as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 638,673	416,480
Less: cash and cash equivalents	949,323	328,841
Net debt	**$ (310,650)**	**87,639**
Total equity	**$ 1,636,383**	**1,067,893**
Debt-to-equity ratio	**- %**	**8.21 %**

As of December 31, 2024 and 2023, there were no changes in the Group's approach of capital management.

(ac) Investing and financing activities not affecting current cash flow

For the years ended December 31, 2024 and 2023, the non-cash investing and financial activities of the Group were derived from the acquisition of right-of-use asset through leasing and conversion of bonds into common stocks. Please refer to notes 6(h) and (m) for related information.

Reconciliation of liabilities from financing activities for the years ended December 31, 2024 and 2023 were as follows:

			Non-cash changes				
	January 1, 2024	Cash flows	Issuance of corporate bonds	Amorization of discount	Foreign exchange movement	Disposal	December 31, 2024
Short-term borrowings	$ 191,937	(158,650)	-	-	-	-	33,287
Long-term borrowings (including current portion)	4,076	(4,080)	-	-	4	-	-
Lease liabilities	1,363	(689)	-	-	11	(66)	619
Bonds payable	-	346,881	(67,906)	2,046	-	-	281,021
Total liabilities from financing activities	**$ 197,376**	**183,462**	**(67,906)**	**2,046**	**15**	**(66)**	**314,927**

			Non-cash changes				
	January 1, 2023	Cash flows	Amorization of discount	Foreign exchange movement	Acquisition	Conversion and reclassification	December 31, 2023
Short-term borrowings	$ 216,966	(25,029)	-	-	-	-	191,937
Long-term borrowings (including current portion)	14,361	(10,394)	-	109	-	-	4,076
Lease liabilities	961	(958)	-	-	1,360	-	1,363
Bonds payable	140,500	(142,700)	2,300	-	-	(100)	-
Total liabilities from financing activities	**$ 372,788**	**(179,081)**	**2,300**	**109**	**1,360**	**(100)**	**197,376**

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(7) Related-party transactions

(a) Names and relationship with related parties

Name of related party	Relationship with the Group
Grand Lake Living Co., Ltd.	Its major investor is one of the director of the Group.
Window Coverings Co., Ltd.	Its major investor is one of the director of the Group.
Window Advertising and Promotions Limited	Its chairman has the first-degree of kinship with the chairman of the Group.
Mr. Ta Chin Hsu	The ex-chairman who became the director of the Group on June 15, 2023.
Ms. Chen Jung Hsu	The ex-president who became the chairman of the Group on June 15, 2023.
Mr. Wen Chih Hsu	The ex-vice president who became the president of the Group on August 23, 2023.

(b) Significant transactions with related parties

(i) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	2024	2023
Window Coverings Co., Ltd.	$ 16,951	16,553
Window Advertising and Promotions Limited	59,289	33,198
Total	**$ 76,240**	**49,751**

The pricing of purchase transactions with the related party is negotiated by both parties with no significant difference in payment terms offered by other vendors.

(Continued)

(ii) Operating costs

1) Processing services

The details of the Group's operating costs for the manufacturing services provided by the related party, for the years ended December 31, 2024 and 2023, were as follows and were recognized under direct labor costs:

	2024	2023
Grand Lake Living Co., Ltd.	$ 9,921	6,333

The amounts of other payables of the Group due to abovementioned transactions were as follows:

	December 31, 2024	December 31, 2023
Grand Lake Living Co., Ltd.	$ 741	767

The service charges for the above services were determined based on the actual produced quantities in each month with a pre-determined limitation.

2) Sundry Purchases

	2024	2023
Window Advertising and Promotions Limited	$ 4,048	1,143

The Group made payments for sundry purchases to its related parties, at the amount of $149 thousand and $437 thousand, respectively, recorded as other payables, as of December 31, 2024 and 2023.

(iii) Leases

In May 2018, the Group entered into a 5-year lease agreement with Window Coverings Co., Ltd., at the total amount of THB600 thousand, for its office building in Bangkok. Upon maturity in April 2023, the Group renewed its contract with the same party for another 3 years (from May 2023 to May 2026), at a price of THB 360 thousand, with rental fee based on nearby office rental rates. For the years ended December 31, 2024 and 2023, the Group’s lease liabilities amounted to $154 thousand and $252 thousand, respectively, without recognizing any interest expense.

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(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Trade payables—related parties	Window Coverings Co., Ltd.	$ 324	5,299
	Window Advertising and Promotions Limited	11,280	12,034
Total		**$ 11,604**	**17,333**

(v) Property transactions—purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties are summarized as follows:

	2024	2023
Window Advertising and Promotions Limited	**$ 18,395**	**389**

As of December 31, 2024 and 2023, the Group has acquired property, plant and equipment from its related parties, with amount of $134 thousand and $270 thousand, respectively, outstanding recorded as other payables.

(vi) Guarantee

As of December 31, 2024 and 2023, Mr. Ta Chin Hsu, Ms. Chen Jung Hsu, and Mr. Wen Chih Hsu had provided guarantees to the Group for bank loans and credit facilities based on their personal credit or bank savings. The related parties did not charge any rewards from the Group for the guarantees provided.

(c) Key management personnel compensation

	2024	2023
Short-term employee benefits	**$ 8,992**	**9,001**

(Continued)

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(8) Pledged assets:

Pledged assets	Object	December 31, 2024	December 31, 2023
Restricted bank deposits(recorded under other non-current assets)	Electricity guarantee	$ 5,127	4,755
Land	Long-term and short-term borrowings	53,744	21,929
Buildings	Long-term and short-term borrowings	129,521	134,305
Buildings improvement	Long-term borrowings	-	27,740
Investment property	Long-term and short-term borrowings	-	28,431
Total		**$ 188,392**	**217,160**

(9) Significant contingent liabilities and unrecognized contractual commitments:

As of December 31, 2024, the Group has signed major construction agreements amounting to $95,758 thousand, with $22,024 thousand paid, which were recorded under construction in progress in the property, plant and equipment. There was no such transaction for the year ended December 31, 2023.

(10) Losses due to major disasters:None

(11) Subsequent Events:None

(12) Other:

A summary of employee benefits, depreciation, depletion and amortization, by function, were as follows:

By function	2024			2023		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries (note)	243,966	47,338	291,304	189,246	30,551	219,797
Labor and health insurance	6,923	1,156	8,079	6,834	944	7,778
Pension	2,663	174	2,837	2,448	96	2,544
Other employee benefits	4,012	384	4,396	3,071	1,468	4,539
Depreciation	60,596	3,106	63,702	59,117	3,380	62,497
Amortization	-	-	-	-	-	-

Note: The salaries under operating costs include the charges for manufacturing services of $9,921 thousand and $6,333 thousand for the years ended December 31, 2024 and 2023, respectively.

(Continued)

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(13) Other disclosures:

(a) Information on significant transactions

The followings are the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2024:

(i) Loans to other parties

Number (note 1)	Name of lender	Name of borrower	Account name	Related party	Maximum balance of financing to other parties during the period	Ending balance	Actual usage amount during the period (note 5)	Range of interest rates during the period	Purposes of fund financing for the borrower (note 2)	Transaction amount for business between two parties	Reasons for short-term financing (note 3)	Loss allowance	Collateral		Individual funding loan limits (note 4)	Maximum limit of fund financing (note 4)
													Item	Value		
0	The Company	Royal Finishing	Other receivables－related parties	Yes	164,175 (USD 5,000)	81,963 (USD 2,500)	32,785 (USD 1,000)	2.00	2	-	Operating capital	-	-	-	654,048	654,048
0	The Company	Paokin	Other receivables－related parties	Yes	97,410 (USD 3,000)	65,570 (USD 2,000)	32,785 (USD 1,000)	2.00	2	-	Operating capital	-	-	-	654,048	654,048

Note 1: The information of the Company and the subsidiary companies should be listed separately. The number representations are as follows:

1. 0 represents the Company.
2. 1 and thereafter represent the subsidiary companies.

Note 2: The purpose of fund financing for the borrower is classified as follows:

1. 1 represents business related.
2. 2 represents short-term financing.

Note 3: When the purpose of fund financing for the borrower is classified as 2, specify the necessary reasons for the loans and the purposes of the borrower, such as repayments of borrowings, purchase of equipment, and operating capital.

Note 4: The policies of the Company and Royal Finishing (which is the subsidiary company of the Company) regarding the loans to other parties are as follows:

1. In accordance with the Company's policy on loans to other parties, the maximum amount for lending shall not exceed 40% of the net worth on the Company's latest financial statements, while the total amount available for lending purposes shall not exceed 40% of the net worth on the Company's latest financial statements.
2. In accordance with the Royal Finishing's policy on loans to other parties, the maximum amount for lending shall not exceed 40% of the net worth on the Royal Finishing 's latest financial statements, while the total amount available for lending purposes shall not exceed 40% of the net worth on the Royal Finishing 's latest financial statements.

Note 5: The above transactions within the Group have been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Royal Finishing	Property, plant and equipment	2024.11.12	95,758	22,024	SB Electric Co., Ltd.	non-related party	Not applicable	Not applicable	Not applicable	-	Not applicable because of engaging others to build on its own land	For future operation	None

(vi) Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

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Notes to Consolidated Interim Financial Statements

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ trade receivables (payables)		Note
			Purchase /Sale	Amount	Percentage of total purchases/ sales (%)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ trade receivables (payables) (%)	
The Company	Royal Finishing	Subsidiary	Purchase	691,193	59.02	60 days	(Note 1)	-	(72,804)	49.84	(Note 2)
The Company	Royal Finishing	Subsidiary	(Sales)	(228,269)	17.09	60 days	(Note 1)	-	44,279	12.42	(Note 2)
The Company	Paokin	Subsidiary	(Sales)	(135,359)	10.13	30 days	(Note 1)	-	47,536	13.34	(Note 2)
The Company	Paokin	Subsidiary	Purchase	126,122	10.77	60 days	(Note 1)		(68,411)	46.83	(Note 2)
Royal Finishing	The Company	Subsidiary	(Sales)	(691,193)	60.10	60 days	(Note 1)	-	72,804	52.42	(Note 2)
Royal Finishing	The Company	Subsidiary	Purchase	228,269	48.79	60 days	(Note 1)	-	(44,279)	61.20	(Note 2)
Paokin	The Company	Subsidiary	Purchase	135,359	66.48	60 days	(Note 1)	-	(47,536)	80.23	(Note 2)
Paokin	The Company	Subsidiary	(Sales)	(126,122)	44.54	60 days	(Note 1)	-	68,411	99.43	(Note 2)

Note 1: The price was determined by mutual agreements.

Note 2: The above transactions within the Group have been eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None.

(ix) Trading in derivative instruments: please refer to notes 6(b) and (n).

(x) Business relationships and significant intercompany transactions

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Royal Finishing	1	Sales	228,269	The price was determined by mutual agreements.	14.10%
0	The Company	Royal Finishing	1	Trade receivables	44,279	No significant difference than other customers	1.95%
0	The Company	Royal Finishing	1	Purchases	691,193	The price was determined by mutual agreements.	42.71%
0	The Company	Royal Finishing	1	Trade payables	72,804	No significant difference than other suppliers	3.20%
0	The Company	Royal Finishing	1	Other receivables	32,785	Lending funds to other parties	1.44%
0	The Company	Paokin	1	Sales	135,359	The price was determined by mutual agreements.	8.36%
0	The Company	Paokin	1	Trade receivables	47,536	No significant difference than other customers	2.09%
0	The Company	Paokin	1	Purchases	126,122	The price was determined by mutual agreements.	7.79%
0	The Company	Paokin	1	Trade payables	68,411	No significant difference than other suppliers	3.01%
0	The Company	Paokin	1	Other receivables	32,785	Lending funds to other parties	1.44%
1	Royal Finishing	Thai Kin Company Limited	3	Sales	77,526	The price was determined by mutual agreements.	4.79%
1	Royal Finishing	Thai Kin Company Limited	3	Trade receivables	30,777	No significant difference than other customers	1.35%

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Note 1: The numbering is as follows:

1. 0 represents parent company.
2. 1 represents the subsidiary company, Royal Finishing.

Note 2: The nature of relationship is as follows:

1. Parent company to subsidiary company.
2. Subsidiary company to parent company.
3. Subsidiary company to subsidiary company.

Note 3: The account should be disclosed if the amount is over 1% of the total assets from the balance sheet and total operating revenue from the statement of comprehensive income.

Note 4: The above transactions within the Group have been eliminated in the consolidated financial statements.

(b) Information on investees

The following is the information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value (Notes 1 and 2)			
The Company	Royal Finishing	Thailand	Manufacture home decorations and hardware parts	328,122	328,122	299,997	99.99 %	931,044	170,686	178,685	
The Company	Paokin	Thailand	Manufacture home decorations and hardware parts	34,489	34,489	307,500	99.19 %	140,738	98,735	97,935	
The Company	Thai Kin Company Limited	Hong Kong	Sales of home decorations and hardware parts	4	4	1,000	100.00 %	7,788	7,613	7,613	
The Company	Angel Win Limited	Samoa	Offshore holding company	-	-	-	100.00 %	-	-	-	
Royal Finishing	Mira Home, Inc.	U.S.A	Sales of home decorations and hardware parts	154	154	500	100.00 %	5,396	1,357	1,357	

Note 1: Long-term investment and investment gains and losses have been recognized by using the equity method based on the financial statements of the investee companies audited by the Group's auditors.

Note 2: The long-term investment and investment gains or losses have been eliminated in the preparation of the consolidated financial statements.

(c) Information on investment in mainland China: None.

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Triple Nine Co., Ltd	10,752,197	28.06 %
The Heritage Group Co., Ltd	10,002,735	26.10 %
Cloud 15 Co., Ltd	2,090,124	5.45 %

(i) 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.

(ii) If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed will be deemed as the settlor's separate account for the fund set by the trustee. As for the shareholder who reports its share equity as an insider and whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act and include its self-owned shares and trusted shares of the individuals who have power to decide how to allocate the trust assets. For the information on reported share equity of the insider, please refer to the Market Observation Post System.

(iii) The percentage of holding shares is rounded down to the second decimal place.

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(14) Segment information:

(a) General information

The chief operating decision maker regularly reviews the operating result, so as to determine the resource allocation and make a performance evaluation. The Group has a single reportable segment, which manufactures and sells home decorations and hardware parts.

(b) Product information

The Group operates in a single industry to manufacture and sell home decorations and hardware parts. Revenue from the external customers of the Group was disclosed in the consolidated statements of comprehensive income.

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment non-assets are based on the geographical location of assets.

Revenue from external customers:

Geographical information		2024	2023
America	$	1,472,874	1,006,282
Europe		141,533	172,951
Asia		4,014	5,349
Total	**$**	**1,618,421**	**1,184,582**

Non-current assets:

Geographical information		December 31, 2024	December 31, 2023
Thailand	$	542,910	492,475
Taiwan		751	1,470
Total	**$**	**543,661**	**493,945**

Non-current assets include property, plant and equipment, right-of-use assets, investment property, and prepayments for equipment, and exclude financial instruments, deferred tax assets, and rights arising from an insurance contract (non-current).

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(d) Major customers

	2024		2023	
	Amount	%	Amount	%
A customer	$ 230,068	14.22	230,371	19.45
B customer	299,222	18.49	187,267	15.81
C customer	191,449	11.83	166,919	14.09
D customer	-	-	131,360	11.09
E customer	225,147	13.91	-	-
F customer	189,516	11.71	-	-
	$ 1,135,402	**70.16**	**715,917**	**60.44**

Note: Any single customer whose annual consolidated revenue does not exceed 10% will not be disclosed.