Stock Code:1726

YUNG CHI PAINT & VARNISH MFG. CO., LTD

PARENT COMPANY ONLY
FINANCIAL STATEMENTS WITH REPORT OF
INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

Address: No. 26, Yanhai 3rd Rd., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.)

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Independent Auditors’ Report

To YUNG CHI PAINT & VARNISH MFG. CO., LTD:

Audit opinion

We have audited the parent company only balance sheet of YUNG CHI PAINT & VARNISH MFG. CO., LTD (YUNG CHI) as of December 31, 2024 and 2023, and the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only statement of cash flows for the period from January 1 through December 31, 2024 and 2023, and the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, the parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the financial position of YUNG CHI as of December 31, 2024 and 2023, and its parent company only financial performance and cash flows for the period from January 1 through December 31, 2024 and 2023.

Basis for Opinions

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

Key Audit Matters

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

Key audit matters for the parent company only financial statements of YUNG CHI for the year ended December 31, 2024 are stated as follows:

Revenue recognition

YUNG CHI mainly engages in manufacture and sale of paints and coating materials and the undertaking of painting projects, of which the manufacture and sale of paints and coating materials accounts for more than 90% of annual sales. Since revenue recognition is something whose default setting carries significant risks, and which fluctuates along with market demand changes and is of concern to users of the financial statements, we have identified the revenue from specific customers and the sale of specific paints and coating materials as the key audit matter. For the accounting policy regarding sales revenue, see Note 4 of this parent company only financial statements.

We also performed the following key audit procedures:

I. Understood and tested the design of the internal control over the sales cycle, as well as the effectiveness of implementation thereof.

II. Checked relevant documents to see whether the control over products has indeed transferred and performance obligations fulfilled; tested the collection cycle to see whether revenues have indeed occurred.

III. Examined significant sales return after the reporting date to verify the authenticity of sales revenue recognized before the balance sheet date.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability of YUNG CHI 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 YUNG CHI 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 YUNG CHI's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists in these parent company only financial statements. Misstatements can arise from fraud or error. They 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 standalone financial statements.

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

I. Identify and assess the risks of material misstatement of the standalone 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.

II. 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 internal control of YUNG CHI.

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

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

V. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether or not the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

VI. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities of YUNG CHI to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit of YUNG CHI. 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 parent company only financial statements of YUNG CHI for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche Taiwan

CPA: Hsu Jui-Hsuan	CPA: Liu Yu-Shiang
Serial number of the official approval letter from the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi #1020025513	Serial number of the official approval letter from the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi #1050024633

March 11, 2025

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Balance Sheet

As of December 31, 2024 and 2023

Unit: NT$1,000

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6)	$ 544,790	5	$ 959,391	9
1110	Financial assets at fair value through profit or loss（Notes 4 and 7）	415,223	4	355,994	3
1120	Financial assets at fair value through other comprehensive income (Notes 4 and 8)	385,527	3	439,681	4
1140	Contract assets (Note 21)	131,179	1	100,094	1
1150	Notes receivable, net (Note 9)	217,887	2	248,381	2
1160	Notes receivable - related parties (Notes 9 and 27)	53,996	-	52,767	1
1170	Accounts receivable, net (Note 9)	1,433,426	12	1,329,669	12
1180	Accounts receivable - related parties (Notes 9 and 27)	285,344	3	215,549	2
1200	Other receivables (Note 9)	17,337	-	15,943	-
1210	Other receivables - related parties (Notes 9 and 27)	33,582	-	35,490	-
130X	Inventories (Notes 4 and 10)	1,703,577	15	1,536,885	14
1476	Other financial assets (Note 11)	23,175	-	16,245	-
1479	Other current assets	108,107	1	95,047	1
11XX	Total Current Assets	5,353,150	46	5,401,136	49
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (Notes 4 and 8)	29,431	-	29,567	-
1550	Investments accounted for using equity method (Notes 4 and 12)	4,331,128	38	4,028,952	36
1600	Property, plant, and equipment (Notes 4, 13 and 28)	1,531,102	13	1,523,355	13
1755	Right-of-use assets (Notes 4 and 14)	15,832	-	22,816	-
1760	Investment property (Notes 4 and 15)	202,015	2	203,699	2
1780	Intangible assets (Note 4)	2,918	-	2,601	-
1840	Deferred income tax assets (Note 23)	40,835	-	50,076	-
1915	Equipment prepayments	45,120	1	10,405	-
1920	Guarantee deposits paid	17,689	-	16,676	-
1975	Net defined benefit assets（Notes 4 and 19）	22,662	-	-	-
1980	Other financial assets (Notes 11 and 28)	400	-	3,560	-
15XX	Total Non-current Assets	6,239,132	54	5,891,707	51
1XXX	Total Assets	$ 11,592,282	100	$ 11,292,843	100
Code	**Liabilities and Stockholders' Equity**				
	Current liabilities				
2100	Short-term borrowings (Notes 16, 27, and 28)	$ 8,259	-	$ 1,378	-
2130	Contract liabilities (Note 21)	53,121	1	57,746	1
2150	Notes payable	27,592	-	33,644	-
2170	Accounts payable (Note 27)	593,852	5	759,788	7
2200	Other payables (Notes 17 and 27)	347,315	3	325,111	3
2230	Current income tax liabilities (Note 23)	137,252	1	129,835	1
2280	Lease liability (Notes 4, 14, and 27)	7,912	-	8,020	-
2365	Refund liabilities	46,467	-	44,367	-
2399	Other current liabilities	3,739	-	20,837	-
21XX	Total Current Liabilities	1,225,509	10	1,380,726	12
	Non-current liabilities				
2550	Provisions (Notes 4 and 18)	5,824	-	6,383	-
2570	Deferred income tax liabilities (Notes 5 and 23)	82,778	1	82,778	1
2580	Lease liability (Notes 4, 14, and 27)	8,059	-	14,823	-
2640	Net defined benefit liability (Notes 4 and 19)	-	-	14,229	-
2645	Guarantee deposit received	5,918	-	5,888	-
25XX	Total Non-current Liabilities	102,579	1	124,101	1
2XXX	Total liabilities	1,328,088	11	1,504,827	13
	Equity (Note 20)				
3110	Capital stock	1,620,000	14	1,620,000	14
3200	Capital surplus	109,873	1	109,430	1
	Retained earnings				
3310	Legal reserve	2,082,370	18	1,999,353	18
3320	Special reserve	490,499	4	490,499	4
3350	Unappropriated earnings	6,042,330	53	5,811,676	52
3300	Total retained earnings	8,615,199	75	8,301,528	74
3400	Other equity	(80,878)	(1)	(242,942)	(2)
3XXX	Total stockholders' equity	10,264,194	89	9,788,016	87
3X2X	Total Liabilities and Equity	$ 11,592,282	100	$ 11,292,843	100

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

Chairperson: Chang Te-Jen　　Manager: Chen Hung-Wei　　Accounting Manager: Chen Hsi-Hui

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Statement of Comprehensive Income

January 1 through December 31, 2024 and 2023

Unit: NT$1,000, except earnings per share

		2024		2023	
Code		Amount	%	Amount	%
	Operating revenue (Notes 4, 21 and 27)				
4100	Goods sales revenue	$ 7,073,659	94	$ 6,817,448	95
4520	Construction revenue	472,919	6	364,608	5
4000	Total operating revenue	7,546,578	100	7,182,056	100
	Operating cost (Notes 10, 19, 22 and 27)				
5110	Sales cost	5,216,767	69	5,103,518	71
5520	Construction cost	421,402	6	312,673	4
5000	Total operating cost	5,638,169	75	5,416,191	75
5900	Operating gross profit	1,908,409	25	1,765,865	25
5910	Realized (Unrealized) gain on sales	(2,891)	-	7,824	-
5950	Gross profit	1,905,518	25	1,773,689	25
	Operating expenses (Notes 9, 19, 22 and 27)				
6100	Marketing expenses	583,870	8	512,102	7
6200	General and administrative expenses	198,227	2	198,574	3
6300	R&D expense	224,423	3	248,662	4
6450	Loss on expected credit impairment	2,720	-	4,030	-
6000	Total operating expenses	1,009,240	13	963,368	14
6900	Operating Income	896,278	12	810,321	11
	Non-operating income and expenses (Notes 22 and 27)				
7100	Income from interests	8,659	-	13,764	-
7010	Other income	43,145	1	33,966	1
7020	Other gains and losses	32,802	-	8,263	-
7050	Financial cost	(320)	-	(172)	-
7070	Share of profit or loss of associates and subsidiaries accounted for using the equity method (Note 12)	90,852	1	109,199	2
7000	Total non-operating income and expenses	175,138	2	165,020	3
7900	Net profits before tax	1,071,416	14	975,341	14
7950	Income tax expenses (Notes 4 and 23)	215,363	3	144,103	2
8200	Net profit in the current year	856,053	11	831,238	12
	Other comprehensive income (Notes 19, 20 and 23)				
8310	Items that will not be reclassified to profit or loss				
8311	Re-measurement of defined benefit plans	30,490	-	(11,360)	-
8316	Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income	(51,925)	-	23,721	-
8330	Share of other comprehensive income of associates and subsidiaries accounted for using equity method	(18)	-	(11)	-
8349	Income tax expenses related to items that will not be reclassified	(6,098)	-	2,272	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences arising in the translation of foreign operations	214,233	3	(64,093)	(1)
8300	Other comprehensive income (net after tax) for the year	186,682	3	(49,471)	(1)
8500	Total comprehensive income for the year	$ 1,042,735	14	$ 781,767	11
	Earnings per share (Note 24)				
9710	Basic	$ 5.28		$ 5.13	
9810	Diluted	$ 5.27		$ 5.12	

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

Chairperson: Chang Te-Jen Manager: Chen Hung-Wei Accounting Manager: Chen Hsi-Hui

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Statement of Changes in Equity

January 1 through December 31, 2024 and 2023

Unit: NT$1,000

Code		Capital stock	Capital reserves	Retained earnings: Legal reserve	Retained earnings: Special reserves	Retained earnings: Undistributed earnings	Retained earnings: Total	Other equity: Exchange differences arising in the translation of foreign operations	Other equity: Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Other equity: Total	Total stockholders' equity
A1	Balance as of January 1, 2023	$ 1,620,000	$ 109,380	$ 1,917,371	$ 490,499	$ 5,630,491	$ 8,038,361	($ 276,525)	$ 81,983	($ 194,542)	$ 9,573,199
	Earnings allocation and distribution for 2022 (Note 20)										
B1	Legal reserve	-	-	81,982	-	(81,982)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(567,000)	(567,000)	-	-	-	(567,000)
C3	Amount from donation	-	50	-	-	-	-	-	-	-	50
D1	Net profit for 2023	-	-	-	-	831,238	831,238	-	-	-	831,238
D3	Other comprehensive income (loss) after tax for 2023	-	-	-	-	(9,088)	(9,088)	(64,093)	23,710	(40,383)	(49,471)
D5	Total comprehensive income for 2023	-	-	-	-	822,150	822,150	(64,093)	23,710	(40,383)	781,767
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 20)	-	-	-	-	8,017	8,017	-	(8,017)	(8,017)	-
Z1	Balance as of December 31, 2023	$ 1,620,000	$ 109,430	$ 1,999,353	$ 490,499	$ 5,811,676	$ 8,301,528	($ 340,618)	$ 97,676	($ 242,942)	$ 9,788,016
	Earnings allocation and distribution for 2023 (Note 20)										
B1	Legal reserve	-	-	83,017	-	(83,017)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(567,000)	(567,000)	-	-	-	(567,000)
C3	Amount from donation	-	443	-	-	-	-	-	-	-	443
D1	Net profit for 2024	-	-	-	-	856,053	856,053	-	-	-	856,053
D3	Other comprehensive income (loss) after tax for 2024	-	-	-	-	24,392	24,392	214,233	(51,943)	162,290	186,682
D5	Total comprehensive income for 2024	-	-	-	-	880,445	880,445	214,233	(51,943)	162,290	1,042,735
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 20)	-	-	-	-	226	226	-	(226)	(226)	-
Z1	Balance as of December 31, 2024	$ 1,620,000	$ 109,873	$ 2,082,370	$ 490,499	$ 6,042,330	$ 8,615,199	($ 126,385)	$ 45,507	($ 80,878)	$ 10,264,194

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

Chairperson: Chang Te-Jen

Manager: Chen Hung-Wei

Accounting Manager: Chen Hsi-Hui

Y YUNG CHI PAINT & VARNISH MFG. CO., LTD

Statement of Cash Flows

January 1 through December 31, 2024 and 2023

Unit: NT$1,000

Code		2024	2023
	Cash flow from operating activities		
A10000	Pre-tax profit for the year	$1,071,416	$ 975,341
A20010	Income expenses		
A20100	Depreciation	79,955	82,220
A20200	Amortization	987	2,236
A20300	Loss on expected credit impairment	2,720	4,030
A20400	Gains on financial assets at fair value through profit or loss	(8,302)	(4,855)
A20900	Financial cost	320	172
A21200	Income from interests	(8,659)	(13,764)
A21300	Dividend income	(15,486)	(12,435)
A22400	Share of profit or loss of associates and subsidiaries accounted for using equity method	(90,852)	(109,199)
A22500	Loss (gain) on disposal or property, plant, and equipment	(298)	163
A24000	Unrealized (realized) gain on sales	2,891	(7,824)
A29900	Provisions reversed	(559)	(8,639)
A29900	Refund liabilities recognized	151,398	146,615
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(31,085)	(4,539)
A31130	Notes receivable	31,116	84,004
A31140	Notes receivable - related parties	(1,254)	5,420
A31150	Accounts receivable	(106,916)	59,272
A31160	Accounts receivable - related parties	(69,953)	117,024
A31180	Other receivables	(2,155)	5,588
A31190	Other receivable - related parties	1,908	(7,913)
A31200	Inventories	(166,692)	114,957
A31240	Other current assets	(13,060)	(36,767)
A32125	Contract liabilities	(4,625)	3,486
A32130	Notes payable	(6,052)	10,047
A32150	Accounts payable	(165,936)	58,298
A32180	Other accounts payable	22,038	10,714
A32230	Other current liabilities	(17,098)	20,149
A32240	Net defined benefit assets and liabilities	(6,401)	(6,393)
A32990	Refund liabilities	(149,298)	(134,508)
A33000	Cash flow from operating activities	500,068	1,352,900

Code		2024	2023
A33100	Interest received	$ 9,420	$ 13,132
A33200	Dividends received	15,486	12,435
A33300	Interest paid	(320)	(633)
A33500	Income taxes paid	(204,803)	(166,516)
AAAA	Net cash generated by operating activities	319,851	1,211,318
	Cash Flow from Investing Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(496)	(53,079)
B00020	Disposal of financial assets at fair value through other comprehensive income	2,861	50,971
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	16,199
B00100	Acquisition of financial assets at fair value through profit or loss	(650,000)	(1,050,000)
B00200	Disposal of financial assets at fair value through profit or loss	599,073	698,861
B02700	Acquisition of property, plant and equipment	(112,364)	(53,726)
B02800	Proceeds from disposal or property, plant and equipment	409	683
B03700	Decrease (Increase) in guarantee deposit paid	(1,013)	1,228
B04500	Acquisition of intangible assets	(1,304)	(223)
B06500	Increase in other financial assets	(3,770)	(18,037)
B07600	Dividends from subsidiaries	-	202,050
BBBB	Net cash used in investing activities	(166,604)	(205,073)
	Cash Flow from Financing Activities		
C00100	Increase in short-term borrowings	6,881	1,378
C03000	Increase in guarantee deposit received	30	192
C03800	Decrease in other payables	-	(100,000)
C04020	Repayment of principal of lease liabilities	(8,202)	(8,463)
C04500	Cash dividends paid	(567,000)	(567,000)
C09900	Refund of shareholder unclaimed dividends	443	50
CCCC	Net cash used in financing activities	(567,848)	(673,843)
EEEE	Increase (decrease) in cash and cash equivalents	(414,601)	332,402
E00100	Cash and cash equivalents - beginning of year	959,391	626,989
E00200	Cash and cash equivalents - end of year	$ 544,790	$ 959,391

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

Chairperson: Chang Te-Jen Manager: Chen Hung-Wei Accounting Manager: Chen Hsi-Hui

YUNG CHI PAINT & VARNISH MFG. CO., LTD
Notes to the Parent Company Only Financial Statements
January 1 through December 31, 2024 and 2023
(All amounts are in NT$ thousand unless otherwise specified)

I. Company History

Founded in May 1957 in Kaohsiung, YUNG CHI PAINT & VARNISH MFG. CO., LTD (the "Company" hereinafter) is mainly engaged in the manufacture and sale of paints and coatings and the undertaking of painting projects.

The Company's shares began trading on Taiwan Stock Exchange in September 2000.

The individual financial statements are stated in the functional currency of the Company, which is New Taiwan Dollars.

II. Date and procedures of approval of the financial statements

The parent company only financial statements were approved at the Board meeting on March 11, 2025.

III. Application of New Standards, Amendments, and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations (IFRIC), and SIC interpretations (SIC) (hereinafter collectively referred to as "IFRS Accounting Standards") approved and promulgated by the Financial Supervisory Commission (hereinafter referred to as "FSC")

The application of the amended IFRS Accounting Standards approved and promulgated by the Financial Supervisory Commission won't cause any significant changes to the accounting policy of the Company.

(II) The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

Application of New Standards, Amendments, and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of	January 1, 2025 (Note 1)

Application of New Standards, Amendments, and Interpretations	Effective Date Announced by IASB
Exchangeability”	
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

(III) The IFRS Accounting Standards issued by the IASB but not yet approved and promulgated by the FSC

Application of New Standards, Amendments, and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” -	January 1, 2026

the amendments to the application guidance of classification of financial assets	
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note : Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 will supersede IAS 1" Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar

characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items

Up to the date when the the parent company only financial statements were approved by the Board of Directors, the Company and subsidiaries assessed the effects of the said amendments to the standards and interpretations on their financial position and performance on a continuous basis. The relevant effects will be disclosed after the assessment.

IV. Summary of significant accounting policies

(I) Compliance statement

The individual financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities (assets) recognized at the present value of defined benefit obligations less the fair value of the plan assets, the parent company only financial statements were prepared on the basis of historical cost.

Fair value measurements are classified into Level 1, 2, and 3 based on the degree to which an input is observable and the significance of the input:

1. Level 1 inputs: The quoted price in an active market for identical assets or liabilities that is accessible on the measurement date (before adjustment).
2. Level 2 inputs: Other than quoted prices included in Level 1, the inputs that are observable for assets or liabilities directly (i.e. the price) or indirectly (i.e. inferred from the price).
3. Level 3 inputs: The inputs that are not observable for assets or liabilities.

When preparing the individual financial statements, the Group accounted for subsidiaries and associates using the equity method. To align the profit or loss, other comprehensive income, and equity in the parent company only financial statements with those attributable to owners of the Company stated in the consolidated financial statements, any differences resulting from the difference between parent company only basis and consolidated basis are adjusted through “Investment accounted for using equity method”, “Share of profit or loss of associates, subsidiaries, and joint ventures accounted for using the equity method”, “Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method”, and other related equity items.

(III) Criteria for classification of assets and liabilities as current or non-current

Current assets include:

1. Assets that are held mainly for trading purposes;
2. assets expected to be realized within 12 months after the balance sheet date; and
3. cash or cash equivalents (excluding those that are restricted for being used for exchange or settlement of liabilities within 12

months after the balance sheet date).

Current liabilities include:

1. Liabilities that are held mainly for trading purposes;
2. Liabilities that will be settled within 12 months after the balance sheet date; and
3. Liabilities for which there is no substantive right to defer settlement for at least 12 months after the balance sheet date.

Assets or liabilities that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

When preparing the parent company only financial statements, the Company translated the transactions denominated in currencies other than its functional currency (i.e., foreign currencies) into its functional currency by applying the exchange rate prevailing on the transaction date.

Monetary items in foreign currencies are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from settlement or translation of the monetary items are recognized in the profit or loss of the period.

Non-monetary items in foreign currencies measured at fair value are translated at the exchange rate prevailing on the date the fair value was determined. The exchange differences resulting therefrom are recognized in profit or loss of the period, or in other comprehensive income when changes in fair value of such items were designated to be recognized in other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the date of transaction and are not retranslated.

During preparation of the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries or associates of which the countries they operate or the currencies they use are different from those of the Company) are translated into NTD at the exchange rate prevailing on each balance sheet date. The income and expense items are translated at the average exchange rate of the period, and the exchange differences resulting therefrom are recognized in other comprehensive income.

(V) Inventories

Inventories include raw materials, materials, finished goods, and products. Inventories are measured at the lower of cost and net realizable value. Cost and net realizable values are compared on an item by item basis, except inventories of the same category. Net realizable value refers to the estimated selling price in a normal situation less the estimated cost needed to complete the sale. The weighted average method is used to calculate the inventory cost.

(VI) Investment in subsidiary

The Company accounted for investment in subsidiaries using the equity method.

Subsidiaries are entities controlled by the Company.

Under the equity method, the investment is initially recognized at its costs and the amount of increase or decrease in the carrying amount of such investment after the date of acquisition depends on profits distributed and the Company's shares of profit/loss and other comprehensive income in the subsidiaries. In addition, changes in subsidiaries' other equity attributable to the Company are recognized according to the shareholding percentage.

If a change in the Company's equity interest in a subsidiary does not result in lose of control, such change is accounted for as an equity transaction. The differences between the book value and the received or paid consideration are recognized directly in equity.

When the Company's share of losses in the associate is equal to or exceed its equity in the subsidiary (including the carrying amount of investment in the subsidiary under the equity method and other long-term equities that in nature are part of the net investment portfolio made by the Company in the subsidiary concerned) , the Company will continue to recognize further losses in proportion to its shareholding percentage.

When losing control over a subsidiary, the Company measures its residual investment in that subsidiary at fair value on the date of loss of control. The difference between the fair value and any disposal consideration of the residual investment and the carrying amount of the investment on the date of loss of control is recognized in profit or loss of the current period. In addition, the amounts in relation to the subsidiary that are recognized in other comprehensive income are accounted for on the same basis as if related assets or liabilities were disposed of by the Company.

Unrealized gains and losses on downstream transactions between the Company and subsidiaries were written off during the preparation of the parent company only financial statements. The gain or loss generated from upstream transactions between the Company and a subsidiary is recognized in the parent company only financial statements only when such gain or loss is irrelevant to the Company's equity in the subsidiary.

(VII) Investment in associates

An associate refers to a company over which the Company has a significant influence and which is not a subsidiary or joint venture.

The Company accounts for its equity in an associate using the equity method.

Under the equity method, the investment in associates is initially recognized at its costs and the amount of increase or decrease in the carrying amount of such investment after the date of acquisition depends on the profits distributed and the Company's shares of profit/loss and other comprehensive income in the associates and joint ventures. In addition, changes to the Group’s equity in the associates are recognized based on our shareholding ratio.

When the Company does not subscribe to new shares issued by associates based on its shareholding ratio, resulting in changes in the shareholding ratio and consequently to the net equity value of investment, the Company accounts for such changes by adjusting capital reserves - changes in the net equity of associates recognized under the equity method and investments under equity method. However, if subscription or acquisition of the shares is not based on the shareholding ratio, leading to a decrease in the Group’s ownership equity in the associates, the amounts related to the associate in other comprehensive income are reclassified according to the percentage of such decrease and treated with the same accounting treatment basis as the one which the associates' direct disposal of relevant assets or liabilities shall be in accordance with. If the said adjustment shall be debited to capital reserves, and the balance of capital reserves arising from investment under equity method is insufficient to be offset, the difference is debited to retained earnings.

When the Company’s share of loss in associates equals or exceeds its share of equity in the associates, the Company does not recognize further losses. The Company recognizes additional losses and liabilities only when any legal obligation or constructive obligation is incurred or the Company made payment on behalf of the associates.

For impairment evaluation, the Company tests the entire investment (including goodwill) book value for impairment as a single asset by comparing the recoverable amount and book value of the investment. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

On the date when the Company's investment ceases to be considered as an associate, the Company ceases to account for it using equity method and measures the Company's retained interest in it at fair value; the differences between the fair value and disposal consideration, and the investment's carrying amount on the date when it ceases to be accounted for using the equity method are recognized in profit or loss. The amounts in relation to the associate that are recognized in the Group's other comprehensive income are accounted for on the same basis as if related assets or liabilities were disposed of by the associate.

(VIII) Property, plant and equipment

Property, plant, and equipment are initially recognized at cost and subsequently at cost net of accumulated depreciation.

Property, plant, and equipment under construction are measured at cost. Costs comprise professional service fees and borrowing costs eligible for capitalization. Such assets are measured at the lower of costs and net realizable value before reaching the condition of intended use; disposal proceeds and costs thereof are recognized in profit or loss. Upon completion and reaching the intended use status, such assets are classified to proper categories of property, plant, and equipment and depreciated.

Except own land, which is not depreciated, each significant part of the property, plants, and equipment is separately depreciated on the straight-line basis over their useful life. The Company reviews the estimated useful life, residual value, and method of depreciation at least once before the end of each year and prospectively recognizes the effect from changes in accounting estimates.

When property, plant, and equipment is disposed of, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss.

(IX) Investment property

Investment property is property held to earn rentals or for capital appreciation or both.

Property, plant, and equipment are initially recognized at cost (including transaction cost) and subsequently at cost net of accumulated depreciation and accumulated impairment. Investment property is depreciated on a straight line basis.

When investment property is disposed of, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss.

(X) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently at cost less accumulated amortization. Intangible assets are amortized on the straight-line basis over their useful life. The Company reviews the estimated useful life, residual value, and method of amortization at least once before the end of each year and prospectively recognizes the effects of changes in accounting estimates.

(XI) Impairments of property, plant, and equipment, right-of-use assets, investment property, and intangible assets

The Company assesses whether there are any signs indicating that any property, plant, and equipment, right-of-use assets, investment property, or intangible assets might be impaired on each balance sheet date. If any such indication exists, then the asset’s recoverable amount is estimated. When the recoverable amount of individual assets cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Corporate assets are allocated on a reasonable and consistent basis to individual cash-generating units.

The recoverable amount is the higher of the fair value less costs of sale and the value in use. When the recoverable amount of any individual assets or cash-generating units is less than the book value, the book value of the individual assets or cash-generating units is adjusted down to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is reversed subsequently, the book value of the asset or cash-generating unit is adjusted up to the revised recoverable amount. However, the increased book value shall not exceed the book value that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities are initially recognized in the balance sheet when the Company becomes a party to the individual instrument contract.

Financial assets or financial liabilities other than those measured at fair value through profit or loss are initially recognized at the fair value plus the transaction costs that can be directly attributed to acquisition or issuance of such financial assets or liabilities. Any transaction cost directly attributable to the acquisition or issuance of the financial assets or financial liabilities measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

The arms-length transactions of financial assets are recognized and derecognized using the transaction date accounting method.

(1) Type of measurement

The Company's financial assets include financial assets measured at fair value through profit or loss, investment in equity instrument measured at fair value through other comprehensive income, and financial assets measured at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets mandatorily designated to be measured at fair value through profit or loss, including financial assets not eligible to be classified as financial assets measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value; any gain or loss on their remeasurement is recognized in other gains and losses. For the method for determining fair value, refer to Note 26.

B. Investment in equity instruments at fair value through other comprehensive income

At initial recognition, the Company may make an irrevocable election to measure the investment in equity instruments that are held not for trading, that are not recognized by the acquirer in a business merger, and that have no consideration, at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the accumulated gains and losses are transferred to retained earnings and not reclassified to profit or loss.

The dividends derived investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company’s right to receive dividends is determined, except under the circumstance that such dividends apparently represent a partial return of the investment cost.

C. Financial assets at amortized cost

When the Company's invested financial assets meet both of the following two conditions, they are classified as financial assets measured at amortized cost:

a. The financial assets are held within a business model whose objective is collecting contractual cash flows; and
b. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, the financial assets measured at amortized cost (including cash and cash equivalents, net accounts and notes receivable [including those due from related parties] measured at amortized cost, other receivables [including those due from related parties], guarantee deposit paid, and other financial assets) are measured at the amortized cost equal to the total book value determined under the effective interest method less any impairment losses, and any gain or loss from foreign currency translation is recognized in profit or loss.

Interest income is calculated as the effective interest rate times the total book value of financial assets.

Financial assets are deemed to be credit-impaired upon the occurrence of significant financial difficulties confronting the issuer or debtor; default; the circumstance that the debtor is likely to file for bankruptcy or other financial reorganization; or the disappearance of an active market for the financial assets as a result of financial difficulties.

Cash equivalents include time deposits and repo bonds that are highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value, and that mature within three months after the acquisition date; cash equivalents are used to meet short-term cash commitments.

(2) Impairment of financial assets and contract assets

The Company assesses impairment losses on the financial assets measured at amortized cost (including receivables) and contract assets based on expected credit losses on each balance sheet date.

Loss allowance for receivables is recognized based on the lifetime expected credit losses. The Group first assess whether the credit risk on other financial assets significantly has increased after the initial recognition. When the increase is not significant, the loss allowance for the financial assets is recognized at the 12-month expected credit losses; when the increase is significant, the loss allowance is recognized at the lifetime expected credit losses.

Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight. 12-month expected credit losses represent the expected credit losses on financial instruments from any potential default within 12 months after the reporting date. Lifetime expected credit losses represent the expected credit losses on financial instruments from any potential default during the expected lifetime.

For the purpose of internal credit risk management, financial assets are deemed to be defaulted on when internal or external information indicates that it's impossible for the debtor to settle the debt, without consideration of the collateral held:

The impairment loss on all financial assets is deducted from the book value of the financial assets through their allowance account.

(3) Derecognition of financial assets

The Company derecognizes a financial asset only 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 to other entities.

For derecognition of the entire financial assets measured at amortized cost, the differences between the book value and the received consideration are recognized in profit or loss. For derecognition of the entire investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is directly transferred to retained earnings and not reclassified as profit or loss.

2. Equity instruments

Equity instruments issued by the Company are recognized as the amount of consideration received, less the direct cost of issuance.

3. Financial liabilities

(1) Subsequent measurement

All of the Company's financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

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

(XIII) Provisions

The amount of provisions recognized is the best estimate of expenditures requisite for settling obligations on the balance sheet date, taking into account the risks and uncertainties associated with the obligations. Provisions are measured at the discounted value of the estimated cash flows requisite for settling obligations.

(XIV) Revenue recognition

After identifying the performance obligations under a contract with customers, the Company allocates the transaction price to each performance obligation and recognizes the allocated amount as revenue after each performance obligation is fulfilled.

1. Revenue from sale of goods

   Sales revenue is recognized when the Company fulfills its performance obligations by transferring the promised goods to customers.

   Sales revenue is measured at the fair value of the consideration received or paid, less any estimated customer returns, discounts, and other similar allowances.

   The significant financial components of the transaction price of the Company's contracts of which the interval between the time of transfer of the promised goods and the time of payment made by the customer is expected to be less than 12 months are not adjusted. Before the Company fulfills its performance obligations, the prepayments for products to be sold are recognized as contract liabilities.

2. Construction revenue

The Company recognizes revenue for the contract of coating projects over the passage of time as the construction progresses. Since the cost invested in construction is directly related to the completion of performance obligation, the Company estimates the percentage of completion at the ratio of the actually invested cost to the estimated total cost. The Company recognizes contract assets as the construction progresses, and transfers them to accounts receivable upon issuance of an invoice. If the construction proceeds received exceed the recognized amount, the difference is recognized as a contract liability. A portion of the project price retained by customers as per contractual terms is meant to ensure that the Company completes all of its performance obligations, and is recognized as a contract asset before the Company does so.

(XV) Lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease.

For a contract comprising lease and non-lease components, the Company accounts for such components separately by allocating the contract consideration to each of them.

1. The Company is a lessor.

Leases whose contractual terms stipulate transfer of almost or all of the risks and rewards incidental to the ownership of the underlying assets to the lessee are classified as a finance lease. Otherwise they are classified as an operating lease.

Under an operating lease, lease payments less any lease incentives are recognized as revenue on a straight line basis over the lease term. The original direct costs associated with acquisition of an operating lease are added to the book value of the underlying assets and then recognized as expense over the lease term.

Variable rentals of a lease agreement that do not depend on an index or a rate are recognized as revenue in the period in which they occur.

2. The Company is a lessee

When the Company is a lessee, the lease payment from the leases of low-value underlying assets to which the exemption of recognition is applied and short-term lease is recognized in expenses on the straight-line basis over the lease term, while right-of-use assets and lease liabilities with respect to other leases are recognized on the lease commencement date.

The right-of-use assets are initially measured at cost (including the initial recognized amount of lease liabilities), and subsequently measured at the cost net of accumulated depreciation and accumulated impairment losses, adjusted for remeasurements of lease liabilities. Right-of-use assets are separately presented in the balance sheet.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities are initially measured at the present value of lease payment. If the interest rate implicit in a lease can be readily determined, the lease payments are discounted at the interest rate. When such interest rate cannot be readily determined, the lessee's incremental borrowing rate of interest is used.

Subsequently, the lease liabilities are measured at amortized cost under the effective interest method, and the interest expenses are amortized over the lease term. When future lease payments change as a result of a change in the lease term, or in the index or rate on which lease payments depend, the Company re-measures the lease liabilities and adjusts the right-of-use assets accordingly.

However, the residual remeasurements are recognized in profit or loss when the book value of right-of-use assets is reduced to zero. Lease liabilities are separately presented in the balance sheet.

Variable rentals of a lease agreement that do not depend on an index or a rate are recognized as expense in the period in which they occur.

(XVI) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at non-discounted amount expected to be paid in exchange for the services to be provided by the employees.

2. Post-employment benefit

The pension contributed under the Defined Contribution Pension Plan is recognized in expenses during the period when employees provide services.

Defined benefit costs (including service cost, net interest, and remeasurements) under the Defined Benefit Pension Plan are calculated actuarially using the projected unit credit method. Service costs and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expenses when they are incurred. Remeasurements are recognized in other comprehensive income and presented in retained earnings when they occurred, and are not reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) are the shortfall (surplus) of contributions to the Defined Benefit Pension Plan. Net defined benefits shall not exceed the present value of refunds from the plan or reductions in future contributions to the plan.

(XVII) Income tax

Tax expenses are the total of current income tax and deferred income tax.

1. Current income tax

   The Company uses the laws and regulations promulgated by each tax jurisdiction to calculate taxable income, thus income tax payable for the current period.

   The additional income tax on undistributed earnings that is calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders' meeting.

   The adjustments to the income tax payable in the previous year are recognized in the current income tax.

2. Deferred income tax

   Deferred income tax is calculated based on the temporary difference between the book value of assets and liabilities and the tax basis for calculation of taxable income.

   Deferred income tax liabilities are generally recognized based on all taxable temporary differences; deferred income tax assets are recognized when taxable income sufficiently enough to offset the deductible temporary differences is highly likely in the future.

   The book value of deferred income tax assets is reviewed at each balance sheet date. When any of the deferred income tax assets is not likely to have adequate taxable income necessary for the recovery of all or part of the assets anymore, the book value thereof is reduced. Those that are not originally recognized in deferred income tax assets are reviewed at each balance sheet date. When any of those is likely to generate taxable income necessary for the recovery of all or part of the assets in the future, the book value thereof is increased.

   Deferred income tax assets and liabilities are measured at the tax rate of the period in which the liabilities or assets are expected to be settled or realized. The tax rate is subject to the tax rate and tax law legislated or substantively legislated on the balance sheet date. The deferred income tax liabilities and assets are measured to reflect the tax consequences on the balance sheet date arising from the method that the Company expects to use to recover or settle the book value of the liabilities and assets.

3. Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss; in other comprehensive income if they are initially designated to be recognized in other comprehensive income; or in equity if they are initially designated to be recognized directly in equity.

V. Significant Accounting Judgments, Assumptions, and Major Sources of Estimation Uncertainty

For adoption of the accounting policies, the management, based on historical experience and other relevant factors, must make judgments, estimates, and assumptions related to the information that cannot be readily acquired from other sources. The actual results may differ from those estimates. The management will continue to review estimates and fundamental assumptions.

Assumptions, and Major Sources of Estimation Uncertainty

Deferred income tax

Since the taxable temporary difference related to the investment in overseas subsidiaries is unlikely to be realized in the foreseeable future, no deferred income tax liability is recognized. Income tax expenses will be recognized in the year overseas subsidiaries wire back their earnings. On December 31, 2024 and 2023, the tax effects arising from the Company’s not recognizing deferred income tax liabilities for the gains on investment in overseas subsidiaries were NT$406,768 thousand and NT$346,332 thousand, respectively.

VI. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 1,197	$ 1,080
Bank check and demand deposit	543,593	754,420
Cash equivalents (investment whose initial maturity date will be due within 3 months)		
Time deposits in banks	-	61,310
Bonds with repurchase agreement	-	142,581
	$ 544,790	$ 959,391

VII. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Fund beneficiary certificates	$415,223	$355,994

VIII. Financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Current		
TWSE-listed stocks	$385,527	$439,681
Non-current		
Domestic shares not traded on an exchange or OTC	$ 29,431	$ 29,567

Since the Company holds the said equity instrument investment not for trading or gaining profits in the short term, the Company elects to designate them to be measured at fair value through other comprehensive income.

IX. Notes receivable (including those due from related parties); accounts receivable (including those due from related parties); and other receivables (including those due from related parties).

(I) Notes receivable and accounts receivable (including overdue receivables)

	December 31, 2024	December 31, 2023
Notes receivable (including those due from related parties)		
Measured at amortized cost		
Arising from operating activities	$ 277,432	$ 307,294
Less: loss allowance	5,549	6,146
	$ 271,883	$ 301,148
Accounts receivable (including those due from related parties)		
Measured at amortized cost		
Total book value	$1,762,254	$1,586,977
Less: loss allowance	43,484	41,759
	$1,718,770	$1,545,218
Overdue receivables		
Total book value	$ 194	$ 1,918
Less: loss allowance	194	1,918
	$ -	$ -

The credit period provided by the Company to customers averages about 90 days to 100 days; receivables do not accrue interest. To mitigate credit risk, the Company has a dedicated team be responsible for determining the credit limits, approving credit lending, and executing other monitoring procedures, so as to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of receivables on the balance sheet date so as to ensure that appropriate impairment loss has been recognized for uncollectible receivables.

The Company recognizes the allowance for receivables based on the lifetime ECL, which is calculated using the provision matrix, taking into account a customer's historical default record and current financial standing and the industrial and economic conditions. According to the Company's historical credit loss record, the loss patterns do not differ among different customer bases, so the provision matrix does not look into individual customer bases but instead estimates the ECL rate based on the number of days past due of receivables.

When there is any evidence showing that the trading counterparty is facing serious financial difficulties and the Company cannot estimate a reasonable recoverable amount, the Company transfers the receivables to overdue receivables while providing sufficient loss allowance. When it is sure that the receivables cannot be recovered, the Company directly writes off related receivables, but will continue recourse activities. Any recovered amount through the recourse activities is recognized in profit or loss.

The loss allowance the Company recognized for receivables based on the provision matrix is as follows:

December 31, 2024

	Not past due	1～90 days past due	91～270 days past due	271～630 days past due	More than 630 days past due	Individual identification	Total
ECL rate (%)	2	2	10	30	100	100	
Total book value	$ 1,874,138	$ 128,901	$ 19,928	$ 9,707	$ 7,206	$ -	$ 2,039,880
Loss allowance	(35,750)	(1,366)	(1,993)	(2,912)	(7,206)	(-)	(49,227)
Amortized cost	$ 1,838,388	$ 127,535	$ 17,935	$ 6,795	$ -	$ -	$ 1,990,653

December 31, 2023

	Not past due	1～90 days past due	91～270 days past due	271～630 days past due	More than 630 days past due	Individual identification	Total
ECL rate (%)	2	2	10	30	100	100	
Total book value	$ 1,803,445	$ 67,990	$ 8,928	$ 3,790	$ 9,159	$ 2,877	$ 1,896,189
Loss allowance	(34,443)	(1,314)	(893)	(1,137)	(9,159)	(2,877)	(49,823)
Amortized cost	$ 1,769,002	$ 66,676	$ 8,035	$ 2,653	$ -	$ -	$ 1,846,366

Movements in the loss allowance for receivables are as follows:

	2024	2023
Balance - beginning of period	$ 49,823	$ 49,148
Provision in the current year	2,720	4,030
Written off in the current year	(3,316)	(3,355)
Balance - end of year	$ 49,227	$ 49,823

(II) Other receivables

The Company recognizes the loss allowance for other receivables based on the lifetime ECL. As at December 31, 2024 and 2023, there were no material overdue other receivables; accordingly, there was no balance of loss allowance based on our assessment.

X Inventories

	December 31, 2024	December 31, 2023
Finished-goods	$ 508,844	$ 557,611
Products	18,879	11,874
Raw materials	1,155,751	942,138
Materials	12,465	13,229
Inventory in transit	7,638	12,033
	$1,703,577	$1,536,885

In 2024 and 2023, the cost of goods sold related to inventories was NT$5,216,767 thousand and NT$5,103,518 thousand.

XI. Other financial assets

	December 31, 2024	December 31, 2023
Current		
Project deposit	$ 23,175	$ 16,245
Non-current		
Time deposits pledged	$ 400	$ 400
Project deposit	-	3,160
	$ 400	$ 3,560

For other financial assets, see Note 28.

XII. Investments accounted for using equity method

	December 31, 2024	December 31, 2023
Investment in subsidiary	$4,303,729	$4,002,828
Investment in associates	27,399	26,124
	$4,331,128	$4,028,952

(I) Investment in subsidiary

	December 31, 2024		December 31, 2023	
Investee	Amount	Shareholding percentage (%)	Amount	Shareholding percentage (%)
Bmass Investment Co., Ltd（Bmass）	$ 2,767,705	94	$ 2,609,545	94
Cmass Investment Co., Ltd（Cmass）	891,595	100	792,529	100
Emass Investment International Co., Ltd（Emass）	644,429	100	600,754	100
	$ 4,303,729		$ 4,002,828	

To improve existing production capacity and expand sales to overseas markets, the Company set up Bmass and invested in YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD and YUNG CHI PAINT & VARNISH MFG. (Jiaxing) CO., LTD through it; set up Cmass and invested in YUNG CHI PAINT & VARNISH MFG. (Vietnam) CO., LTD and YUNG CHI PAINT & VARNISH MFG. (Malaysia) CO., LTD through it; and set up Emass and invested in Yung Chi America Corp. through it, and then invested in Continental Coatings, Inc. through Yung Chi America Corp. For details, see Appendix Table 6 and Appendix Table 7.

(II) Investment in associates

	December 31, 2024		December 31, 2023	
Investee	Amount	Shareholding percentage (%)	Amount	Shareholding percentage (%)
PPG Yung Chi Coatings Co., Ltd.	$27,399	35	$26,124	35

Below is the information on the said associates which are individually insignificant:

	2024	2023
The Company's share		
Net profit in the current year	$ 814	$ 5
Other comprehensive income	-	-
Total comprehensive income	$ 814	$ 5

XIII Property, plant and equipment

2024

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities	Unfinished construction and equipment pending acceptance	Total
Cost							
Balance as of January 1, 2024	$ 968,675	$ 553,154	$ 662,624	$ 58,815	$ 154,647	$ 62,007	$ 2,459,922
Increase	-	25,993	34,498	7,320	29,018	(19,014)	77,815
Disposal		-	(3,053)	(1,829)	-	-	(4,882)
Balance as of December 31, 2024	$ 968,675	$ 579,147	$ 694,069	$ 64,306	$ 183,665	$ 42,993	$ 2,532,855
Accumulated depreciation							
Balance as of January 1, 2024	$ -	$ 252,349	$ 500,061	$ 48,915	$ 135,242	$ -	$ 936,567
Depreciation	-	16,763	42,745	4,063	6,386	-	69,957
Disposal	-	-	(2,946)	(1,825)	-	-	(4,771)
Balance as of December 31, 2024	$ -	$ 269,112	$ 539,860	$ 51,153	$ 141,628	$ -	$ 1,001,753
Net amount on December 31, 2024	$ 968,675	$ 310,035	$ 154,209	$ 13,153	$ 42,037	$ 42,993	$ 1,531,102

2023

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities	Unfinished construction and equipment pending acceptance	Total
Cost							
Balance as of January 1, 2023	$ 968,675	$ 548,808	$ 625,496	$ 56,998	$ 148,461	$ 53,506	$ 2,401,944
Increase	-	4,346	51,200	1,817	6,807	8,501	72,671
Disposal		-	(14,072)	-	(621)	-	(14,693)
Balance as of December 31, 2023	$ 968,675	$ 553,154	$ 662,624	$ 58,815	$ 154,647	$ 62,007	$ 2,459,922
Accumulated depreciation							
Balance as of January 1, 2023	$ -	$ 235,468	$ 468,904	$ 45,114	$ 128,670	$ -	$ 878,156
Depreciation	-	16,881	44,383	3,801	7,193	-	72,258
Disposal	-	-	(13,226)	-	(621)	-	(13,847)
Balance as of December 31, 2023	$ -	$ 252,349	$ 500,061	$ 48,915	$ 135,242	$ -	$ 936,567
Net amount on December 31, 2023	$ 968,675	$ 300,805	$ 162,563	$ 9,900	$ 19,405	$ 62,007	$ 1,523,355

The Company's property, plant, and equipment were depreciated on a straight line basis over the following useful lives:

Buildings and structures	5~55 years
Machinery and equipment	2~25 years
Transportation equipment	5~40 years
Other facilities	3~40 years

For the amount of property, plant, and equipment pledged as borrowing collateral by the Company, see Note 28.

XIV. Lease agreements

(I) Right-of-use assets

	December 31, 2024	December 31, 2023
Book value of right-of-use assets		
Buildings	$ 14,419	$ 21,629
Transportation equipment	1,413	1,187
	$ 15,832	$ 22,816

	2024	2023
Increase in right-of-use assets	$ 1,330	$ 22,025
Depreciation expenses - Right-of-use assets		
Buildings	$ 7,210	$ 7,131
Transportation equipment	1,104	1,146
	$ 8,314	$ 8,277

(II) Lease liabilities

	December 31, 2024	December 31, 2023
Book value of lease liabilities		
Current	$ 7,912	$ 8,020
Non-current	$ 8,059	$ 14,823

The discount rates (%) for lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Buildings	1.775	1.775

Transportation equipment	1.775～2.625	2.625

(III) Material lease activities and terms

The Company leased buildings from others and used them as operating premises and shipping hubs, with a lease term of 3 years. The Company did not have an option to buy the buildings underlying the lease at the termination of the lease period.

The Company leased transportation equipment for use in business travel; the lease period was 3 years. There was no contractual term which grants the Company the right to renew the lease or buy the underlying assets at the expiration of the lease term.

(IV) Other lease information

For the agreement under which the Company leases out investment property recognized as an operating lease, see Note 15.

	2024	2023
Short-term lease expense	$ 1,344	$ 1,359
Low-value asset lease expense	$ 357	$ 357
Total cash outflow from leases	$ 10,223	$ 10,283

For employee dormitory lease qualified as a short-term lease and the lease of office accessories like photocopiers that qualifies as a lease whose underlying assets are of low value, the Company applies the recognition exemption to them, and does not recognize any right-of-use assets or lease liability for them.

XV Investment property

2024

Cost	Land	Buildings and structures	Total
Balance as of January 1, 2024 and December 31, 2024	$299,901	$ 84,640	$384,541
Accumulated depreciation and impairment			
Balance as of January 1, 2024	$137,822	$ 43,020	$180,842
Depreciation	-	1,684	1,684
Balance as of December 31, 2024	$137,822	$ 44,704	$182,526
Net amount on December 31, 2024	$162,079	$ 39,936	$202,015

2023

Cost	Land	Buildings and structures	Total
Balance as of January 1, 2023 and December 31, 2023	$299,901	$ 84,640	$384,541
Accumulated depreciation and impairment			
Balance as of January 1, 2023	$137,822	$ 41,335	$179,157
Depreciation	-	1,685	1,685
Balance as of December 31, 2023	$137,822	$ 43,020	$180,842
Net amount on December 31, 2023	$162,079	$ 41,620	$203,699

The lease term of an investment property lease is between 1 and 5 years; the lessee does not have the option to purchase the investment property at the termination of the lease term.

Total future lease payments to be generated from investment property recognized as an operating lease is as follows:

	December 31, 2024	December 31, 2023
Year 1	$ 3,840	$ 3,203
Year 2	186	716
Year 3	-	202
	$ 4,026	$ 4,121

Buildings and structures recognized as investment property are depreciated on a straight line basis over their useful lives (15 to 50 years).

Their fair value stood at NT$637,281 thousand on both December 31, 2024 and December 31, 2023. The fair value of investment property is assessed by referencing independent property appraisers' appraisal arrived at by using Level 3 fair value inputs, and by referencing the value derived using direct capitalization method and the comparables method that looks into the transaction price of similar properties on the market. The significant unobservable input used, the capitalization rate of profits, was 1.50% in both years.

XVI. Short-term borrowings

	December 31, 2024	December 31, 2023
Secured loans		
Loan against L/C - settled before interest accrual	$ 8,259	$ 1,378

XVII. Other payables

	December 31, 2024	December 31, 2023
Salary and bonus payable	$149,102	$142,638
Advertising expenditure payable	53,711	29,671
Employee and director payable	25,255	22,637
Business tax payable	20,626	21,717
Construction and equipment payable	4,472	4,306
Others	94,149	104,142
	$347,315	$325,111

XVIII. Provisions

	December 31, 2024	December 31, 2023
Non-current		
Construction warranty	$ 5,824	$ 6,383

The provisions for construction warranty are the present value of the management's best estimate of outflow of future economic benefits arising from the warranty obligations; such estimates are based on historical warranty experience.

XIX. Post-employment benefit plan

(I) Defined contribution plan

The pension system that is specified in the "Labor Pension Act" and adopted by the Company is the defined contribution pension plan managed by the government. A pension equal to 6% of employee's monthly wage shall be contributed to the personal labor pension account with the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension system under our country's Labor Standards Act applicable to the Company is a defined benefit plan. Payment of employee pension is calculated based on an employee's service years and the average of their salaries over the 6 months before their approved retirement date. The Company appropriates a certain percentage of the total monthly wage of an employee as the pension and remits the amount to the Retirement Reserves Supervisory Committee, which will deposit the amount in a dedicated account under its name with the Bank of Taiwan. Before the end of each year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who may meet the retirement conditions in the next year, the Company will make up the difference in one appropriation before the end of March in the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor, so the Company does not have the right to influence the investment management strategies.

The amounts of the defined benefit plan included in the parent company only balance sheet are listed as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$327,305	$333,729
Fair value of plan assets	(349,967)	(319,500)
Net defined benefit (assets) liabilities	($ 22,662)	$ 14,229

Changes in net defined benefit (assets) liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (assets) liabilities
Balance as of January 1, 2024	$333,729	($319,500)	$ 14,229
Financial cost			
Current service cost	998	-	998
Interest expenses (income)	3,488	(3,432)	56
Recognized in profit or loss	4,486	(3,432)	1,054
Remeasurements			
Return on plan assets (excluding the amount included in net interest)	-	(29,039)	(29,039)
Actuarial gain - change in financial assumption	(6,816)	-	(6,816)
Actuarial loss - experience adjustment	5,365	-	5,365
Recognized in other comprehensive income	(1,451)	(29,039)	(30,490)
Contribution by employer	-	(7,455)	(7,455)
Payment of benefits	(9,459)	9,459	-
	(9,459)	2,004	(7,455)
December 31, 2024	$327,305	($349,967)	($ 22,662)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (assets) liabilities
Balance as of January 1, 2023	$325,327	($316,065)	$ 9,262
Financial cost			
Current service cost	1,210	-	1,210
Interest expenses (income)	3,693	(3,685)	8
Recognized in profit or loss	4,903	(3,685)	1,218
Remeasurements			
Return on plan assets (excluding the amount included in net interest)	-	(3,107)	(3,107)
Actuarial gain - change in financial assumption	(18,373)	-	(18,373)
Actuarial loss - experience adjustment	32,840	-	32,840
Recognized in other comprehensive income	14,467	(3,107)	11,360
Contribution by employer	-	(7,611)	(7,611)
Payment of benefits	(10,968)	10,968	-
	(10,968)	3,357	(7,611)
December 31, 2023	$333,729	($319,500)	$ 14,229

The amount of defined benefit plan recognized in P/L is summarized by category as follows:

	2024	2023
Operating cost	$ 448	$ 506
Operating expenses	606	712
	$ 1,054	$ 1,218

The Company is exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk

   The Bureau of Labor Funds, Ministry of Labor separately has invested the labor pension fund in domestic (foreign) equity and debt securities, and bank deposits. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the profit generated from the Company's plan assets shall be no less than the profit that would have been yielded had the interest rate for 2-year time deposits with local banks were applied in calculation.

2. Interest rate risk

   A decrease in the interest rates of government bonds leads to an increase in the present value of the defined benefit obligation, and the return on debt investment of the plan assets will be increased accordingly. The effect of both on the net defined benefit liabilities may be partially offset against each other.

3. Salary risk

   Since the present value of defined benefit obligation is calculated based on future salary of plan participants, the present value of the defined benefit obligation would be increased by an increase in the plan participants' salary.

The Company's present value of the defined benefit obligation was calculated actuarially by a qualified actuary. The major assumptions on the date of measurement are as follows:

	December 31, 2024	December 31, 2023
Discount rate (%)	1.55	1.15
Rate of expected salary increase (%)	2.00	2.00

If there was any reasonably possible change to the major actuarial assumptions separately, the resulting increase (decrease) in the present value of the defined benefit obligation in the situation where all the other assumptions remained the same is as follows:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	(\$ 4,130)	(\$ 4,633)
Decrease by 0.25%	\$ 4,230	\$ 4,753
Rate of expected salary increase		
Increase by 0.25%	\$ 4,200	\$ 4,701
Decrease by 0.25%	(\$ 4,122)	(\$ 4,606)

Since the actuarial assumptions might be correlated to each other and it is unlikely that a single assumption changes alone, the aforesaid sensitivity analysis might not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2024	December 31, 2023
Expected contribution within 1 year	\$ 18,738	\$ 18,744
Average maturity of defined benefit obligations	5 years	5 years

XX. Equity

(I) Capital stock

	December 31, 2024	December 31, 2023
Authorized shares (in thousand shares)	180,000	180,000
Authorized capital	\$1,800,000	\$1,800,000
Number of issued shares fully paid (in thousand shares)	162,000	162,000
Issued capital	\$1,620,000	\$1,620,000

A share of issued common stock had a par value of NTD10 and was entitled to one voting right and dividends.

(II) Capital surplus

	December 31, 2024	December 31, 2023
Available for makeup of loss, distribution of cash dividends, or transfer into capital (Note)		
Additional paid-in capital	$106,385	$106,385
Only available for makeup of loss		
Asset disposal gain	2,612	2,612
Others	876	433
	$109,873	$109,430

Note: These capital reserves may be used to make up losses, to distribute cash dividends, or to be transferred into the capital if the Company is not in the red. However, the amount of the transfer into the capital shall be limited to a certain percentage of the paid-in capital in every year.

(III) Retained earnings and dividend policy

According to the dividend policy prescribed in the Company's Articles of Incorporation, in the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated for. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserves. The remainder may be set aside as special reserves, or the previous recognized special reserves may be reversed, in accordance with laws and regulations. If there is remainder surplus, the Board of Directors shall draft a surplus distribution proposal regarding the remainder of the surplus as well as accumulated undistributed surplus, and shall submit the distribution proposal to the Shareholders Meeting for approval.

Considering capital expenditure needs and a sound financial planning requisite for sustainable development, the Company shall distribute no less than 50% of the annual earnings as shareholder dividends in principle. The Company may distribute dividends in cash or in shares. Considering the Company's growth rate and capital expenditure status, the Company shall distribute earnings more in cash than in shares; the cash dividends distributed shall not be less than 60% of total dividends distributed in the given year.

Legal reserves may be used to make up for losses. Where the Company does not sustain loss, the part of the legal reserves that exceeds the total paid-in capital by no greater than 25% may be appropriated as capital or distributed in cash.

The earnings distribution proposal for 2023 and 2022 that was approved at the General Shareholders Meeting in May 2024 and June 2023 respectively, and the dividends per share are as follows:

	Earnings Distribution Proposal		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$ 83,017	$ 81,982		
Cash dividends	567,000	567,000	$ 3.5	$ 3.5

The earnings distribution proposal for 2024 drafted at the Board of Directors meeting in March 2025 is as follows:

	Earnings Distribution Proposal	Dividend per share (NT$)
Legal reserve	$ 88,067	
Cash dividends	583,200	$ 3.6

The Earnings Distribution Proposal for 2024 is pending a resolution from the General Shareholders Meeting to be held in May 2025.

(IV) Other equity

1. Exchange differences arising in the translation of foreign operations

	2024	2023
Balance - beginning of period	($340,618)	($276,525)

Exchange difference arising from translation of the net assets of foreign operations	214,233	(64,093)
Balance - end of year	($126,385)	($340,618)

2. Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income

	2024	2023
Balance - beginning of period	$ 97,676	$ 81,983
Recognized for the year		
Accumulated gains and losses from disposal of equity instruments are transferred to retained earnings	(226)	(8,017)
Equity instrument - unrealized gains or losses	(51,925)	23,721
Share of investment accounted for using equity method	(18)	(11)
Balance - end of year	$ 45,507	$ 97,676

XXI. Operating Revenue

(I) Customer contract revenue breakdown

2024

	Paint Business Department	Coating Engineering Department	Total
Type of product or service			
Product sales revenue	$ 7,073,659	$ -	$ 7,073,659
Construction revenue	-	472,919	472,919
	$ 7,073,659	$ 472,919	$ 7,546,578
Primary regional markets			
Taiwan	$ 6,464,736	$ 472,919	$ 6,937,655
Others	608,923	-	608,923
	$ 7,073,659	$ 472,919	$ 7,546,578
Revenue recognition time point			
At a point in time	$ 7,073,659	$ -	$ 7,073,659
Fulfilled as time elapses	-	472,919	472,919
	$ 7,073,659	$ 472,919	$ 7,546,578

2023

	Paint Business Department	Coating Engineering Department	Total
Type of product or service			
Product sales revenue	$ 6,817,448	$ -	$ 6,817,448
Construction revenue	-	364,608	364,608
	$ 6,817,448	$ 364,608	$ 7,182,056
Primary regional markets			
Taiwan	$ 6,309,098	$ 364,608	$ 6,673,706
Others	508,350	-	508,350
	$ 6,817,448	$ 364,608	$ 7,182,056
Revenue recognition time point			
At a point in time	$ 6,817,448	$ -	$ 6,817,448
Fulfilled as time elapses	-	364,608	364,608
	$ 6,817,448	$ 364,608	$ 7,182,056

(II) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable and accounts receivable	$ 1,990,653	$ 1,846,366	$ 2,116,116
Contract assets			
Coating Engineering	$ 131,179	$ 100,094	$ 95,555
Contract liabilities			
Coating Engineering	$ 48,505	$ 57,675	$ 54,043
Product sales	4,616	71	217
	$ 53,121	$ 57,746	$ 54,260

Changes in contract assets and contract liabilities mainly come from the difference between the points in time when the Company fulfills obligations and when customers make payments.

(III) Customer contracts outstanding

As of December 31, 2024 and 2023, transaction price allocated to unfulfilled performance obligation was NT$1,493,647 thousand and NT$960,303 thousand, respectively. The Company will recognize it as construction revenue when construction items are completed; such revenue is expected to be recognized in 1 to 3 years.

XXII. Net profits before tax

(I) Income from interest

	2024	2023
Bank deposit	$ 3,756	$ 5,172
Others	4,903	8,592
	$ 8,659	$ 13,764

(II) Other income

	2024	2023
Lease income	$ 5,679	$ 5,806
Dividend income	15,486	12,435
Subsidy income	16,245	6,098
Others	5,735	9,627
	$ 43,145	$ 33,966

(III) Other gains and losses

	2024	2023
Net foreign exchange gain	$ 30,110	$ 8,647
Gain (Loss) on disposal of property, plant and equipment	298	(163)
Gain on financial assets at fair value through profit or loss	8,302	4,855
Others	(5,908)	(5,076)
	$ 32,802	$ 8,263

(IV) Financial cost

	2024	2023
Financial cost		
Interest on financing facilities	$ -	$ 68
Interest on lease liabilities	320	104
	$ 320	$ 172

(V) Depreciation and amortization

	2024	2023
Property, plant and equipment	$ 69,957	$ 72,258
Right-of-use assets	8,314	8,277
Investment property	1,684	1,685
Intangible assets	987	2,236
	$ 80,942	$ 84,456
Summary of depreciation by function		
Operating cost	$ 38,108	$ 37,519
Operating expenses	40,163	43,016
Others	1,684	1,685
	$ 79,955	$ 82,220
Summary of amortization by function		
Operating cost	$ -	$ -

Operating expenses	987	2,236
	$ 987	$ 2,236

(VI) Employee benefit expenses

	2024	2023
Short-term employee benefits		
Salary	$611,019	$582,894
Labor insurance and health insurance	53,185	51,778
Others	25,845	24,983
	690,049	659,655
Post-employment benefit		
Defined contribution plan	19,843	18,754
Defined benefit plan	1,054	1,218
	20,897	19,972
	$710,946	$679,627
Summary by function		
Operating cost	$246,609	$233,005
Operating expenses	464,337	446,622
	$710,946	$679,627

(VII) Employee/director compensation

According to its Articles of Incorporations, the Company shall take the pre-tax profits inclusive of employee and directors compensation and allocate 1% ~ 5% of such profits as employee compensation and no greater than 0.5% as directors compensation. The Board of Directors meetings in March 2025 and 2024 resolved on the employee compensation and directors compensation estimated for 2024 and 2023, respectively - shown as follows:

	2024	2023
Employee compensation	$ 21,903	$ 19,529

Directors compensation	3,352	3,108

Any amount that changes after the approval and publication date of the annual individual financial statements is accounted for as changes in accounting estimates, and will be adjusted and recognized in the following year.

The actually distributed amount of employee compensation and directors compensation for 2023 and 2022 is the same as the amount recognized in the parent company only financial statements for 2023 and 2022.

The information about compensation to employees and directors determined by the Board of Directors may be viewed at TWSE's Market Observation Post System (MOPS).

XXIII. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax:

	2024	2023
Current income tax		
Tax incurred in the year	$179,914	$182,486
Additional levy on undistributed earnings	6,507	6,042
Adjustments for the previous year	25,799	(2,669)
Deferred income tax		
Tax incurred in the year	7,042	(41,716)
Adjustments for the previous year	(3,899)	(40)
	$215,363	$144,103

Reconciliation of accounting income and income tax is as follows:

	2024	2023
Net profits before tax	$1,071,416	$ 975,341
Income tax expense derived from applying the pre-tax profit to the statutory tax rate	$ 214,283	$ 195,068
Expense and loss not deductible from tax	9,600	7,251
Tax exempt income	(22,927)	(25,123)
Income tax paid in other jurisdictions	-	(22,226)
Additional levy on undistributed earnings	6,507	6,042
Investment tax credits generated in the current year	(14,000)	(14,200)
Income tax adjustments for the previous year	21,900	(2,709)
	$ 215,363	$ 144,103

(II) Income tax expense (gain) recognized in OCI

	2024	2023
Generated in current year - defined benefit plan remeasurements	$ 6,098	($2,272)

(III) Current income tax liabilities

	December 31, 2024	December 31, 2023
Current income tax liabilities		
Income tax payable	$137,252	$129,835

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2024

Deferred income tax assets	Balance - beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Balance - end of year
Temporary differences				
Unrealized loss on inventory devaluation	$ 16,358	($ 430)	$ -	$ 15,928
Unrealized impairment loss	11,870	-	-	11,870
Deferred tax credit for construction structure cost	5,388	(209)	-	5,179
Unrealized allowance	6,172	(407)	-	5,765
Unrealized damages	508	-	-	508
Others	9,780	(2,097)	(6,098)	1,585
	$ 50,076	($ 3,143)	($ 6,098)	$ 40,835

Deferred income tax liabilities	Balance - beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Balance - end of year
Temporary differences				
Land value increment tax	$ 82,778	$ -	$ -	$ 82,778

2023

Deferred income tax assets	Balance - beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Balance - end of year
Temporary differences				
Unrealized loss on inventory devaluation	18,083	(1,725)	-	16,358
Unrealized impairment loss	11,870	-	-	11,870
Deferred tax credit for construction structure cost	5,597	(209)	-	5,388
Unrealized allowance	5,459	713	-	6,172
Unrealized damages	508	-	-	508
Others	9,531	(2,023)	2,272	9,780
	$ 51,048	($ 3,244)	$ 2,272	$ 50,076

Deferred income tax liabilities	Balance - beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Balance - end of year
Temporary differences				
Land value increment tax	$ 82,778	$ -	$ -	$ 82,778
Overseas investment gain	45,000	(45,000)	-	-
	$127,778	($ 45,000)	$ -	$ 82,778

(V) Total amount of temporary difference which is related to investment and for which no deferred income tax liability is recognized

As of December 31, 2024 and 2023, taxable temporary difference which is related to investment in subsidiaries or associates and for which no deferred tax liability is recognized was NT$2,033,839 thousand and NT$1,731,662 thousand, respectively.

(VI) Authorization of income tax

The Company's profit-seeking enterprise income tax filings have been approved by the tax authority through 2020.

XXIV. Earnings per share

The earnings and the weighted average number of common shares used for calculating earnings per share are as follows:

Net profit in the current year

	2024	2023
Net profit in the current year	$856,053	$831,238

Shares

Unit: 1,000 shares

	2024	2023
Weighted average number of common shares used for calculating basic earnings per share	162,000	162,000
Plus: Potential common shares that are dilutive - employee compensation	338	313
Weighted average number of shares used for calculating diluted earnings per share	162,338	162,313

Where the Company may elect to distribute employee remuneration in shares or in cash, when calculating the diluted EPS, the Company assumes that all employee remuneration is distributed in shares and counts the potentially dilutive common shares - when deemed dilutive - in the weighted average number of shares outstanding. The Group continues to consider the dilutive effect of such potentially delusive common shares when calculating the dilutive EPS before the number of share dividends is to be resolved on in the following year.

XXV. Capital risk management

Capital management by the Company is to optimize debt and equity balance to effectively use capital and ensure smooth operations of the Company.

The overall strategy of the Company doesn't change. Since the Company's capital structure is composed of net liability and equity, it does not have to comply with other external capital requirement.

XXVI. Financial instruments

(I) Fair value information－financial instruments not measured at fair value

The carrying amount of the Company's financial instruments not measured at fair value, e.g., cash and cash equivalents, receivables, and payables, is a reasonable approximation of fair value.

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

1. Fair value hierarchy

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Fund benefit certificate	$415,223	$ -	$ -	$415,223
Financial assets at fair value through other comprehensive income				
TWSE-listed stocks	$385,527	$ -	$ -	$385,527
Domestic shares not traded on an exchange or OTC	-	-	29,431	29,431
	$385,527	$ -	$ 29,431	$414,958

December 31, 2023				
Financial assets at fair value through profit or loss				
Fund benefit certificate	$355,994	$ -	$ -	$ 355,994
Financial assets at fair value through other comprehensive income				
TWSE-listed stocks	$439,681	$ -	$ -	$439,681
Domestic shares not traded on an exchange or OTC	-	-	29,567	29,567
	$439,681	$ -	$ 29,567	$469,248

There was no transfer between Level 1 and Level 2 fair value measurement in 2024 and 2023.

2. Reconciliation of the financial assets measured at Level 3 fair value

	Financial assets at fair value through other comprehensive income	
	2024	2023
Balance - beginning of period	$ 29,567	$ 44,561
Capital reduction and return	-	(16,199)
Recognized in other comprehensive income	(136)	1,205
Balance - end of year	$ 29,431	$ 29,567

3. Level 3 fair value valuation techniques and inputs

Shares not traded on an exchange or OTC were estimated based on the company's net worth.

(III) Type of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at fair value through profit or loss	$ 415,223	$ 355,994
Financial assets at fair value through other comprehensive income - Equity instrument investment	414,958	469,248
Financial assets at amortized cost (Note 1)	2,627,626	2,893,671
Financial liabilities		
Measured at amortized cost (Note 2)	1,029,403	1,170,176

Note 1: The balance includes financial assets measured at amortized cost, e.g., cash and cash equivalents, other financial assets, notes receivable (including those due from related parties), accounts receivable (including those due from related parties), other receivables (including those due from related parties), and guarantee deposit paid.

Note 2: The balance included the financial liabilities measured at amortized cost such as short-term borrowings, notes payable, accounts payable, other payables, refund liabilities, and guarantee deposits received.

(IV) Financial risk management purpose and policy

The Company's financial risk management objectives are to manage the market risk, credit risk, and liquidity risk arising from operations. We also identify, measure, and manage the said risks according to our policy and risk preference, and seek to reduce the potentially adverse impact on the Company's financial position and financial performance.

The Company has put the said financial risk management policy in writing based on applicable regulations. Risk management work is carried out through close collaboration between the Company's business units and financial department, which are responsible for identifying, assessing, and avoiding financial risks and implementing the policy approved by the Board of Directors.

1. Market risk

    (1) Exchange rate risk

    The Company is exposed to the risk of exchange rate changes because it participates in purchase or sale transactions denominated in a currency other than its functional currency.

    For the book value of the Company's monetary financial assets and monetary financial liabilities denominated in a currency other than the functional currency on the balance sheet date, refer to Note 30.

    The Company is affected primarily by fluctuation in the exchange rate of USD. Below is a sensitivity analysis of the scenarios in which the exchange rate of each functional currency against each relevant foreign currency increases or decrease by 1%. The 1% represents the Company's assessment of a reasonable range of exchange rate change.

    The sensitivity analysis includes only the foreign currency monetary items still outstanding on the balance sheet date. Scenario 1 as described in the following table represents the Company's profit or loss had each functional currency appreciated by 1% against USD. Scenario 2 as described in the following table represents the Company's profit or loss had each functional currency depreciated by 1% against USD.

	Effect of USD currency (Note)	
	2024	2023
Scenario 1 - Pre-tax profit or loss	($ 2,783)	($ 4,203)
Scenario 2 - Pre-tax profit or loss	2,783	4,203

Note:Mainly comes from cash and cash equivalents, receivables, other receivables, short-term borrowings, and payables which were still outstanding on the balance sheet date and for which no cash flow hedge is purchased.

(2) Interest rate risk

The Company's interest rate risk mainly comes from bank deposits and repo bonds, by which the interest income generated would be impacted if interest rate changes. The Company does not expect to be significantly impacted by interest rate change.

(3) Other price risk

The Company is exposed to the risk of equity price change because it invests in domestic and foreign listed and unlisted shares, and fund benefit certificate.

If equity price goes down/up 1%, the pre-tax profit for 2024 and 2023 will go down/up NT$4,152 thousand and NT$3,560 thousand, respectively, due to changes in the fair value of financial assets at fair value through profit or loss, and other comprehensive income for 2024 and 2023 will go down/up NT$4,150 thousand and NT$4,692 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss from the failure of customers or financial instrument counterparties to fulfill their obligations, and mainly comes from the Company's bank deposits, other financial instruments, and the receivables due from customers that are generated from operations,

Operations manage customer credit risk based on the Company's customer credit risk management policy, procedures, and control. Such assessment accounts for the customer's financial condition, past transaction record, current economic environment, and the Company's internal credit rating. In addition, where appropriate, the Company uses some credit enhancement (e.g., trade advance, asset as collateral, etc.) to reduce the credit risk from certain customers.

As of December 31, 2024 and 2023, the Company did not have a single customer which individually accounted for 10% or more of the Company's receivables. Therefore, the receivables did not have a concentrated credit risk.

The financial department manages the credit risk accompanying bank deposits and other financial instruments according to the Company's policy. The Company's counterparties are all creditable banks, posing insignificant concern over default.

3. Liquidity risk

The Company's financial department monitors the forecast of the Company's liquidity needs to ensure that sufficient fund is available to meet operational needs, and maintains an amount of committed loan that is sufficient and left intact, at all times. As of December 31, 2024 and 2023, the amount of the Company's committed loans which have yet to be drawn on was

NT$1,241,591 thousand and NT$1,247,849 thousand, respectively.

The remaining contractual maturity analysis for non-derivative financial liabilities was compiled based on the undiscounted cash flows from financial liabilities (including principal and estimated interest) on the earliest date on which the Company will be demanded to pay. Therefore, the bank loans which the Company is able to pay in full immediately if so demanded are listed in the earliest interval in the following table, without factoring in the chance of banks' immediate execution of the right. The maturity analysis for other non-derivative financial liabilities was compiled based on the repayment date specified on the contract.

	Within 1 year	1~5 years	More than 5 years	Total
December 31, 2024				
Non-derivative financial liabilities				
Non interest bearing debt	$1,015,226	$ 5,918	$ -	$1,021,144
Floating rate liability	8,259	-	-	8,259
Lease liabilities	8,099	8,108	-	16,207
	$1,031,584	$ 14,026	$ -	$1,045,610
December 31, 2023				
Non-derivative financial liabilities				
Non interest bearing debt	$1,162,910	$ 5,888	$ -	$1,168,798
Floating rate liability	1,378	-	-	1,378
Lease liabilities	8,331	15,033	-	23,364
	$1,172,619	$ 20,921	$ -	$1,193,540

XXVII. Related Party Transactions

Name of related party	Relationship with the Company
Sheng Yu Steel Co., Ltd.	The Company assumes the key management role in other company.
YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD. (YUNG CHI Kunshan)	Subsidiary
YUNG CHI PAINT & VARNISH MFG. (Jiaxing) CO., LTD. (YUNG CHI Jiaxing)	Subsidiary

YUNG CHI PAINT & VARNISH MFG. (Vietnam) CO., LTD. (YUNG CHI Vietnam)	Subsidiary
YUNG CHI PAINT & VARNISH MFG. (Malaysia) CO., LTD. (YUNG CHI Malaysia)	Subsidiary
Continental Coatings, Inc. （Continental）	Subsidiary
Yong Ying Investment Co., Ltd.	Substantive related party
Jieyou Industrial Co., Ltd.	Substantive related party
Sanxiangmin Co., Ltd.	Substantive related party
JAUH - HSING ENTERPRISE CO., LTD.	Substantive related party
Yung Yu Paint Shop	Substantive related party
YUNG FEW PAINT CO., LTD.	Substantive related party
Chang Te-Hsiung	Member of the Company’s key management
Chang Te-Jen	Member of the Company’s key management
Chang Te-Sheng	Member of the Company’s key management
Chang Te-Hsien	Member of the Company’s key management

Transactions between the Company and related parties are as follows:

(I) Operating revenue

General ledger account	Type of related party	2024	2023
Goods sales revenue	The Company assumes the key management role in other company.	$ 429,599	$ 439,646
	Subsidiary	496,560	379,018
	Substantive related party	130,467	142,993
		$ 1,056,626	$ 961,657

The products sold by the Company to subsidiaries are mainly preliminarily processed raw materials. The selling price is based on the cost-plus pricing method. Currently, there is no similar transaction which can be used as comparison. In addition, the terms for sale to related parties are the same as those for an arm’s length transaction.

(II) Purchase

Type of related party	2024	2023
Subsidiary	$ 97,024	$ 75,146

The price of products sold by related parties to the Company is based on market price; there is no comparably similar transaction between the Company and other related party.

(III) Receivables due from related parties

General ledger account	Name and type of related party	December 31, 2024	December 31, 2023
Notes receivable and accounts receivable	The Company assumes the key management role in other company.	$120,253	$111,300
	Subsidiary		
	Continental	88,868	45,491
	Others	58,404	39,723
	Substantive related party	71,815	71,802
		$339,340	$268,316
Other receivables	Subsidiary		
	YUNG CHI	$ 10,996	$ 8,913
	Kunshan		
	YUNG CHI	14,823	7,465
	Malaysia		
	YUNG CHI	7,462	18,273
	Vietnam		
	YUNG CHI	18	721
	Jiaxing		
	Continental	83	-
	Substantive related party	200	118
		$ 33,582	$ 35,490

(IV) Payables due to related parties (excluding financing facilities)

General ledger account	Type of related party	December 31, 2024	December 31, 2023
Accounts payable	Subsidiary	$ 5,897	$ 8,816
Other payables	Substantive related party	$ 2,297	$ 1,253

The outstanding balance of the payables due to related parties was not secured against collateral.

(V) Joint suretyship:

Joint surety for short-term borrowings as of December 31, 2024 and 2023 was provided by the key management.

(VI) Other related party transactions

1. Lease agreements

The Company leased operational premises and shipping hubs from substantive related parties and members of the Company's key management. The lease term was 3 years and the rental, which was negotiated upon by referencing the rental charged in nearby areas, did not differ significantly from general lease terms and conditions. Lease liabilities recognized by the Company for said leases amounted to NT$14,546 thousand and NT$21,629 thousand as of December 31, 2024 and 2023, respectivelyy.

2. Commissioned processing fee

The Group's fire resistance coating materials are processed by a substantive related party on a commission basis. The said expenses for 2024 and 2023 amounted to NT$19,206 thousand and NT$14,692 thousand, respectively. There was no transaction between the Company and other related parties which is similar enough for comparison.

3. Below are the details of transactions in which the Company purchased raw materials, machinery and equipment, and hardware parts on behalf of subsidiaries in 2024 and 2023:

		Transaction price	
Counterparty	Transaction content	2024	2023
Subsidiary	Purchase of material on behalf of another party	$156,257	$156,001
	Purchase of equipment and hardware parts	1,886	2,943

on behalf of others		
	$158,143	$158,944

The income generated from the Company's purchase of said items on behalf of related parties (recognized as other income) amounted to NT$1,086 thousand and NT$4,111 thousand.

Below are the receivables (recognized as other receivables) generated from the said transactions made on behalf of others, as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Subsidiary	$ 33,382	$ 35,372

The credit period for receivables arising from the Company's purchase of said items on behalf of related parties is between 90 days to 100 days.

(VII) Remuneration to key management

	2024	2023
Short-term employee benefits	$ 34,986	$ 33,795
Post-employment benefit	1,140	1,115
	$ 36,126	$ 34,910

XXVIII. Pledged and Mortgaged Assets

The following assets were provided as collateral for short-term borrowings or guarantee for construction warranty or L/C issuance:

	December 31, 2024	December 31, 2023
Property, plant and equipment - net	$360,836	$361,954
Other financial assets - time deposit	400	400
	$361,236	$362,354

XXIX. Material contingent liabilities and unrecognized contractual commitments

As of December 31, 2024, the Company had the following material commitments yet to be fulfilled:

(I) The L/Cs issued for purchase of materials but not used amounted to about NT$28,783 thousand.

(II) The guarantee letter issued by financial institutions for performance of contractual obligations amounted to about NT$120,778 thousand.

(III) The unfulfilled obligations under construction contracts undertaken amounted to about NT$1,493,647 thousand.

XXX. Information on foreign currency assets and liabilities with significant effects

The following information is summarized and stated based on the foreign currencies other than the functional currency of the Company. The disclosed exchange rate represents the exchange rate of such foreign currency against the functional currency. Information on foreign currency assets and liabilities with significant effects is as follows:

Unit: In thousand foreign currency; exchange rate: dollars

	Foreign currency	Exchange rate	Book value
December 31, 2024			
Foreign currency assets			
Monetary items			
USD	$ 9,181	32.735	$ 300,545
CNY	17,152	4.453	76,380
Non-monetary items			
Investments accounted for using equity method			
USD	131,472	32.735	4,303,729
Foreign currency liabilities			
Monetary items			
USD	678	32.835	22,255
December 31, 2023			
Foreign currency assets			
Monetary items			
USD	14,797	30.655	453,602
CNY	13,625	4.302	58,616
Non-monetary items			
Investments accounted for using equity			

method			
USD	131,165	30.655	4,002,828
Foreign currency liabilities			
Monetary items			
USD	1,081	30.755	33,259

The Company's net foreign currency exchange gain (including realized and unrealized) for 2024 and 2023 totaled NT$30,110 thousand and NT$8,647 thousand, respectively.

XXXI. Supplementary Disclosures

(I) Significant Transactions and (II) Information on Investees

1. Loaning of funds to others: None.Appendix Table 1
2. Making endorsements/guarantees for others: Appendix Table 2.
3. Marketable securities held at the end of year (excluding investment in subsidiaries and associates): Appendix Table 3
4. Accumulated purchase or sale of the same marketable securities reaching NT$300 million or 20% of paid-in capital or more: None.
5. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
7. Purchase or sale of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Appendix Table 4.
8. Receivables due from related parties reaching NT$100 million or 20% of paid-in capital or more: Appendix Table 5.
9. Engagement in derivatives trading: None.
10. Information on investees: Appendix Table 6.

(III) Information on Investments in Mainland China

1. Name of investees in China; major business activities; paid-in capital; investment method; inward and outward remittance; shareholding percentage; investment gains or losses; carrying

amount of investments at the end of year; investment gain (loss) remitted back; and limit on the amount of investment in China: Appendix Table 7.

2. Major transactions made with China investees through a third region, either directly or indirectly, and the price, payment terms, and unrealized gains or losses thereof:

(1) Purchase amount and the percentage thereof, and balance of related payables and the percentage thereof at the end of year

The purchase amount made by the Company from the subsidiary YUNG CHI Kunshan in 2024 was as follows:

	Purchase amount	Payables at the end of year
YUNG CHI Kunshan	$ 95,228	$ 5,897

The price of goods purchased by the Company from YUNG CHI Kunshan is formulated by referencing the market price; the average credit period is about three months after acceptance of goods or receipt of required payment requisition documents.

(2) Sales amount and the percentage thereof, and balance of related receivables and the percentage thereof at the end of year

The amount of sales made by the Company to the subsidiary YUNG CHI Kunshan in 2024 was as follows:

	Sales amount	Accounts receivable at the end of year
YUNG CHI Kunshan	$100,947	$ 35,317

The price of goods sold by the Company to YUNG CHI Kunshan is set by using the cost-plus pricing approach; the average credit period is about 90 days to 100 days. The unrealized sales gain of NT$546 thousand as of December 31, 2024 was arising from the Company's sale of goods to YUNG CHI Kunshan.

(3) Asset transaction price and the amount of gain or loss arising therefrom: None.

(4) The balance and purpose of endorsements and guarantees made for notes, or collateral provided, at the end of the year: None.

(5) Financing facilities in terms of maximum balance, year-end balance, interest interval, and total interest in the same year: None.

(6) Transactions significantly affected the profit or loss or financial position in the current year

Below are the details of transactions in which the Company purchased raw materials on behalf of YUNG CHI Kunshan in 2024:

	Transaction content	Transaction price	Other receivables at the end of year
YUNG CHI Kunshan	Purchase of material on behalf of another party	$ 56,391	$ 10,996

(IV) Major shareholders: Name of major shareholders with a 5% or more stake in the Company, and the number and percentage of shares the person holds: Appendix Table 8.

XXXII. Segment Information

Segment information is exempted from having to be included in the parent company only financial statements.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Loans to others

January 1 through December 31, 2024

Appendix Table 1

Unit: NT$1,000

No.	Lending company	Borrowing company	Financial account	Whether a related party or not	Maximum balance during the period	Balance, end of period	Drawdown (Note 2)	Interest rate range (%)	Nature of loaning of funds	Business transaction amount	Reasons for the need of short-term financing	Appropriated provisions	Collateral		Limit of loans to a single borrower (Note 1)	Limit of total loaning of funds (Note 1)	Remarks
													Name	Value			
1	YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD.	YUNG CHI PAINT & VARNISH MFG. (Jiaxing) CO., LTD.	Other receivables	Yes	$ 270,871	$ 270,871	$ 223,771	3	Short-term financing fund	$ -	Working capital	$ -	None	$ -	$ 558,275	$ 558,275	

Note 1: According to the "Regulations Governing Loaning of Funds" of YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD., the amount of intra-group loaning of funds made by an individual group entity or all group entities must not exceed 100% of the Company's paid-in capital.

Note 2: This is the amount converted using the exchange rates at the end of drawdown month.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Making endorsements/guarantees for others

January 1 through December 31, 2024

Appendix Table 2

Unit: NT$1,000

No.	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsement/ guarantees provided for a single party (Note 2)	Maximum balance for the period	Ending balance	Drawdown	Amount of endorsement/ guarantees collateralized with properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statement (%)	Highest limit (Note 2)	Guarantee provided by parent company to subsidiary	Guarantee provided by subsidiary to a parent company	Guarantee provided to entities in Mainland China	Remarks
		Company name	Relationship (Note 1)											
0	The Company	Twinahead International Material Co., Ltd.	1	324,000	33,290	33,290	-	-	0.32	648,000	N	N	N	
0	The Company	Superkuma International Co., Ltd.	1	324,000	126,000	126,000	-	-	1.23	648,000	N	N	N	
0	The Company	Jusheng Co., Ltd.	1	324,000	31,835	31,835	-	-	0.31	648,000	N	N	N	
0	The Company	Chief-Go Co., Ltd.	1	324,000	99,786	99,786	-	-	0.97	648,000	N	N	N	
0	The Company	Quan Shao Industrial Co., Ltd.	1	324,000	24,302	24,302	-	-	0.24	648,000	N	N	N	
0	The Company	Quan Cheng Industrial Co., Ltd.	1	324,000	7,560	7,560	-	-	0.07	648,000	N	N	N	
0	The Company	Quan Young Engineering Co., Ltd.	1	324,000	6,326	6,326	-	-	0.06	648,000	N	N	N	

Note 1: Companies with which the Company transacts.

Note 2: This is in accordance with the Company's Regulations for Making of Endorsements and Guarantees, which cap the Company's provision of endorsement and guarantee at 40% of the Company's paid-in capital, and which also cap the Company's provision of endorsement and guarantee for a single enterprise at 20% of the Company's paid-in capital.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Marketable Securities Held at the End of Period

December 31, 2024

Appendix Table 3

Unit: NT$ thousand, unless otherwise stated

Investor	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	End of Period				Remarks
				Shares/units	Book value	Shareholding Percentage (%)	Fair value	
The Company	Fund benefit certificate							
	Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss-current	22,232,970	$314,541	-	$314,541	
	Fubon Jixiang Money Market Fund		Financial assets at fair value through profit or loss-current	6,164,810	100,682	-	100,682	
					$415,223		$415,223	
	Common shares							
	Sheng Yu Steel Co., Ltd.	The Company assumes the key management role in other company.	Financial assets at fair value through other comprehensive income - current	3,668,477	$ 87,677	1.14	$ 87,677	
	China Steel Structure Co., Ltd.		Financial assets at fair value through other comprehensive income - current	5,000,000	253,000	2.50	253,000	
	Aerospace Industrial Development Corporation		Financial assets at fair value through other comprehensive income - current	1,000,000	44,850	0.11	44,850	
					$385,527		$385,527	
	Common shares							
	CANDO		Financial assets at fair value through other comprehensive income - non-current	3,520,359	$ -	0.90	$ -	Note1
	Hua Nan Investment Co., Ltd.		Financial assets at fair value through other comprehensive income - non-current	85,887	-	15.85	-	Note2
	SHIN CHOU ENTERPRISE CO.,		Financial assets at fair value through other	2,850,000	19,391	15.00	19,391	

	LTD.		comprehensive income - non-current					
	ASIA HEPATO GENE CO.		Financial assets at fair value through other comprehensive income - non-current	333,250	2,089	3.84	2,089	
	RISING CHEMICAL CO., LTD.		Financial assets at fair value through other comprehensive income - non-current	1,080,000	7,951	5.14	7,951	
					$ 29,431		$ 29,431	
Dmass Investment International Co., Ltd	Common shares							
	SELATAN COATING & INSULATION SDN.BHD		Financial assets at fair value through other comprehensive income - non-current	50,000	$ 149	10.00	$ 149	

Note 1: Declared bankrupted by the bank.

Note 2: Suspended operations.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Purchase or sale of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

January 1 through December 31, 2024

Appendix Table 4

Unit: NT$ thousand, unless otherwise stated

Purchase from (sale to)	Transaction counterparty	Relationship	Transaction details				Occurrence of transaction terms other than those for an arms-length transaction and reasons therefor		Notes/Accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Ratio to total purchase (sales) (%)	Credit period	Unit price	Credit period	Balance	Ratio to total notes and accounts receivable (payable)	
The Company	Sheng Yu Steel Co., Ltd.	The Company assumes the key management role in other company.	Sales	$429,599	4.51	The credit periods average 90 days to 100 days.	$ -	-	$120,253	4.82	
	Continental Coatings, Inc.	Subsidiary	Sales	276,348	2.90	The credit periods average 90 days to 100 days.	-	-	88,868	3.56	
	Yung Few Paint Co., Ltd.	Substantive related party	Sales	129,392	1.36	The credit periods average 90 days to 180 days.	-	-	71,668	2.87	
	Yung Chi Paint & Varnish Mfg. (Kunshan) Co., Ltd.	Subsidiary	Sales	100,947	1.06	The credit periods average 90 days to 100 days.	-	-	35,317	1.41	
Yung Chi Paint & Varnish Mfg. (Jiaxing) Co., Ltd.	Yung Chi Paint & Varnish Mfg. (Kunshan) Co., Ltd.	Fellow subsidiary	Sales	129,242	1.36	The credit periods average payment at sight to 30 days.	-	-	3,311	0.13	

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Receivables due from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2024

Appendix Table 5

Unit: NT$ thousand, unless otherwise stated

Company from which receivables are due	Transaction counterparty	Relationship	Item	Balance of receivables due from related parties	Turnover rate	Overdue receivables due from related parties		Receivables due from related party that were recovered after the reporting period	Appropriated allowance for bad debt
						Amount	Handling method		
The Company	Sheng Yu Steel Co., Ltd.	The Company assumes the key management role in other company.	Accounts receivable	$ 120,253	3.71	$ -	-	$ 34,260	$ 2,454
Yung Chi Paint & Varnish Mfg. (Kunshan) Co., Ltd.	Yung Chi Paint & Varnish Mfg. (Jiaxing) Co., Ltd.	Fellow subsidiary	Other receivables	223,771	- (Note)	-	-	-	-

Note: Other receivables

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Information on investees

January 1 through December 31, 2024

Appendix Table 6

Unit: NT$ thousand, unless otherwise stated

Name of investor	Investee	Region	Main business line	Original investment amount		Shares held at the period-end			Net profit or loss of investee in the year	Investment gains of losses recognized in the year	Remarks
				End of year	End of the previous year	Shares	Percentage (%)	Book value			
The Company	Bmass Investment Co., Ltd	British Virgin Islands	Professional investment company	$ 652,182	$ 652,182	16,714,658	94	$ 2,767,705	$ 23,547	$ 22,151	Subsidiary
The Company	Cmass Investment Co., Ltd	Samoa	Professional investment company	755,921	755,921	23,800,000	100	891,595	63,755	63,755	Subsidiary
The Company	Emass Investment International Co., Ltd	Samoa	Professional investment company	858,390	858,390	22,020,000	100	644,429	4,132	4,132	Subsidiary
The Company	PPG Yung Chi Coatings Co., Ltd	Vietnam	Paint and pigments manufacture	30,797	30,797	-	35	27,399	2,327	814	Associate
Cmass Investment Co., Ltd	Dmass Investment International Co., Ltd	Samoa	Professional investment company	755,921	755,921	23,800,000	100	893,074	63,749	63,749	Subsidiary
Emass Investment International Co., Ltd	Yung Chi America Corp	USA	Professional investment company	858,390	858,390	2,202,000	100	661,022	4,131	4,131	Subsidiary
Yung Chi America Corp	Continental Coatings, Inc.	USA	Sale and processing of paints	507,554	507,554	10,736,000	100	338,476	9,023	9,023	Subsidiary
Dmass Investment International Co., Ltd	Bmass Investment Co., Ltd	British Virgin Islands	Professional investment company	138,420	138,420	1,053,408	6	174,621	23,547	1,396	Subsidiary
Dmass Investment International Co., Ltd	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Vietnam)	Vietnam	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	488,081	488,081	-	100	512,366	61,558	61,558	Subsidiary
Dmass Investment International Co., Ltd	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Malaysia)	Malaysia	Manufacture and sale of paints	383,127	383,127	44,552,170	100	187,833	12	12	Subsidiary
YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Malaysia)	TLT Engineering Sdn Bhd	Malaysia	Thermal insulation and painting projects	16,011	16,011	1,960,000	49	6,686	(2,935)	(1,438)	Associate

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Information on Investments in Mainland China

January 1 through December 31, 2024

Appendix Table 7

Unit: NT$ thousand, unless otherwise stated

Investee in Mainland China	Main business line	Paid-in Capital	Method of investment	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in this period		Accumulated amount of investments from Taiwan at the end of period	Profit (loss) of investee in the current period (Note 1)	The Company's shareholding of direct or indirect investment	Investment gains of losses recognized in current period (losses)	Investment book value at the end of the period	Profit received from investments as of the end of current period	Remarks
					Outflow	Inflow							
YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	$ 493,722	Investment in China through a company in a third region	$ 483,140	$ -	$ -	$ 483,140	$ 141,926	100.00	$ 141,926	$ 1,690,893	$ 1,366,447	-
YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Jiaxing)	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	1,517,013	Investment in China through a company in a third region	158,460	-	-	158,460	(118,525)	100.00	(118,525)	1,249,762	-	-

Name of investor	Accumulated amount of investments from Taiwan to Mainland China at the end of period (Note 2)	Investment amount approved by the Investment Review Committee, MOEA (Note 3)	Limit on the Company's investment in China (Note 4)
The Company	$ 652,182	$ 1,211,195	$ 6,158,516

Note 1: The investment gain or loss is recognized based on the Taiwan parent's financial statements audited and attested by CPAs.

Note 2: The accumulated investment amount remitted from Taiwan to Bmass at the end of this year was US$20,132 thousand, but the amount actually invested in YUNG CHI Kunshan and YUNG CHI Jiaxing by Bmass was US$14,687 thousand and US$ 5,132 thousand, respectively.

Note 3: This is the amount converted using the exchange rates at the end of December 2024.

Note 4: Calculated by the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" promulgated by the Investment Review Committee on August 29, 2008: Net worth $\$10,264,194 \times 60\% = \$6,158,516$

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Information on Major Shareholders

December 31, 2024

Appendix Table 8

Name of major shareholder	shares	
	Number of shares held (shares)	Shareholding percentage
Yong Ying Investment Co., Ltd.	36,698,653	22.65%
Chang Te-Hsiung	12,248,846	7.56%
CITI Bank as the custodian of the dedicated investment account of Yuanta Securities	12,167,000	7.51%
Chang Te-Jen	11,529,971	7.11%
Chang Te-Sheng	10,365,996	6.39%
Huang Hsiang-Hui	9,336,101	5.76%

§ Schedule of Major Accounts §

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YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of cash and cash equivalents

December 31, 2024

Schedule 1

Unit: NT$1,000 thousand, unless otherwise stated

Item	Maturity date	Annual interest rate (%)	Amount
Cash on hand and working capital			$ 1,197
Bank check and demand deposit (including USD 2,166 thousand and RMB 6,748 thousand) (Note)			543,593
			$544,790

Note: USD and RMB are converted at the exchange rates of US$1=NT32.735 and CNY1=NT4.453 respectively.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Financial assets at fair value through profit or loss - current

December 31, 2024

Schedule 2 Unit: NT$1,000 thousand, unless otherwise stated

Name of marketable securities	Units	Cost	Fair Value (Note) Unit price (NT$)	Fair Value (Note) Total amount	Remarks
Taishin 1699 Money Market Fund	22,232,970	$ 309,221	$ 14.1475	$ 314,541	
Fubon Jixiang Money Market Fund	6,164,810	100,000	16.3317	100,682	
				$415,223	

Note:The fair value is calculated on the basis of the net value of funds at the balance sheet date.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Financial assets at fair value through other comprehensive income - current

December 31, 2024

Schedule 3

Unit: NT$ thousand, unless otherwise stated

Name of financial products	Shares	Face value (NT$)	Total amount	Acquisition cost	Accumulated impairment loss	Fair value (Note) Unit price (NT$)	Fair value (Note) Total amount	Remarks
TWSE-listed stocks								
Sheng Yu Steel Co., Ltd.	3,668,477	$10	$ 36,685	$ 56,173	$ -	$ 23.90	$ 87,677	
China Steel Structure Co., Ltd.	5,000,000	10	50,000	134,011	-	50.60	253,000	
Aerospace Industrial Development Corporation	1,000,000	10	10,000	49,383	-	44.85	44,850	
			$ 96,685	$ 239,567	$ -		$ 385,527	

Note: The fair value is calculated by taking the closing price on the balance sheet date.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Notes Receivable

December 31, 2024

Schedule 4 Unit: NT$1,000

Customer name	Amount (Note 2)	Remarks
Related party		
YUNG FEW PAINT CO., LTD.	$ 55,098	Sales proceeds
Less: loss allowance	1,102	
	$ 53,996	
Not a related party		
SOON-XIN INDUSTRIAL CO., LTD	$ 24,077	Sales proceeds
FAN-GAO Engineering Co., Ltd.	14,584	Sales proceeds
HUI-YANG Machinery Co., Ltd.	13,740	Sales proceeds
FAN-GAO INTERNATIONAL TRADING CO., LTD.	13,729	Sales proceeds
GUOYING Engineering Co., Ltd.	15,837	
Others (Note 1)	140,367	
	222,334	
Less: loss allowance	4,447	
	$ 217,887	

Note 1: The balance of each individual customer did not exceed 5% of this account.

Note 2: There were no notes receivable whose maturity were more than one year.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Accounts Receivable

December 31, 2024

Schedule 5 | Unit: NT$1,000

Customer name	Amount	Remarks
Related party		
Sheng Yu Steel Co., Ltd.	$ 122,707	Sales proceeds
Continental Coatings, Inc.	88,868	Sales proceeds
YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD.	35,317	Sales proceeds
YUNG FEW PAINT CO., LTD.	18,033	Sales proceeds
Others (Note 2)	23,237	
	288,162	
Less: loss allowance	2,818	
	$ 285,344	
Not a related party		
YIEH PHUI ENTERPRISE CO.,LTD.	$ 128,078	Sales proceeds
Others (Note 2)	1,346,014	(Note 1)
	1,474,092	
Less: loss allowance	40,666	
	$1,433,426	

Note 1: The accounts receivable more than 270 days past due amounted to NT$16,913 thousand, for which the Company already set aside a provision of NT$10,118 thousand.

Note 2: The balance of each individual customer did not exceed 5% of this account.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Other Receivables

December 31, 2024

Schedule 6 Unit: NT$1,000

Item	Amount
Related party	
Purchase of materials, machinery and equipment, and hardware on behalf of another party	$ 33,382
Human resource support service receivable	200
	$ 33,582
Not a related party	
Material purchase discount receivable	$ 10,431
Expenses of purchase of raw materials and utility payments paid on behalf of others	6,187
Others	719
	$ 17,337

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Inventories

December 31, 2024

Schedule 7 Unit: NT$1,000

Item	Amount	
	Cost	Net realizable value (Note)
Finished-goods	$ 508,844	$ 780,318
Products	18,879	22,295
Raw materials	1,155,751	1,164,115
Materials	12,465	12,720
Inventory in transit	7,638	7,638
	$1,703,577	$1,987,086

Note: Net realizable value of raw materials is estimated based on replacement costs, and net realizable value of other accounts is estimated at the remainder of estimated sales price less sales cost under ordinary course of business.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of other current assets

December 31, 2024

Schedule 8 Unit: NT$1,000

Item	Amount
Trade prepayment	$ 89,139
Others (Note)	18,968
	$108,107

Note: The balance of each individual customer did not exceed 5% of this account.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of changes in financial assets at fair value through other comprehensive income - non-current

2024

Schedule 9

Unit: NT$ thousand, unless otherwise stated

Name	Beginning of year		Increase in the current year		Decrease in the current year		End of year		Provision of guarantee or pledge	Remarks
	Shares or thousands of shares	Fair value	Shares or thousands of shares	Amount	Shares or thousands of shares	Amount	Shares or thousands of shares	Fair value (Note 1)		
Domestic shares not traded on an exchange or OTC										
CANDO	3,520,359	-	-	-	-	-	3,520,359	-	None	Note2
SHIN CHOU ENTERPRISE CO., LTD.	2,850,000	19,010	-	381	-	-	2,850,000	19,391	None	
ASIA HEPATO GENE CO.	333,250	2,217	-	-	-	(128)	333,250	2,089	None	
Hua Nan Investment Co., Ltd.	85,887	-	-	-	-	-	85,887	-	None	Note2
RISING CHEMICAL CO., LTD.	1,080,000	8,340	-	-	-	(389)	1,080,000	7,951	None	
		$ 29,567		$ 381		($ 517)		$ 29,431		

Note 1: Fair value is estimated using the valuation technique specified in Note 26.

Note 2: CANDO was declared bankrupt by the court, and Hua Nan Investment Co., Ltd. already ceased operations. Sufficient impairment loss allowance has been provided.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Investments Accounted for Using Equity Method

2024

Schedule 10

Unit: NT$ thousand, unless otherwise stated

Investee	Balance - beginning of period		Increase in the current year (Note 1)		Decrease in the current year (Note 1)		Balance - end of year			Market value or net equity		Provision of guarantee or pledge	Remarks
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding percentage (%)	Amount	Unit price (NT$)	Total amount (Note 2)		
Investment in subsidiary													
Bmass Investment Co., Ltd	16,714,658	$ 2,609,545	-	$ 158,160	-	$ -	16,714,658	94	$ 2,767,705	$ 165.73	$ 2,770,085	None	
Cmass Investment Co., Ltd	23,800,000	792,529	-	99,066	-	-	23,800,000	100	891,595	37.54	893,541	None	
Emass Investment International Co., Ltd	22,020,000	600,754	-	43,675	-	-	22,020,000	100	644,429	30.02	661,022	None	
		4,002,828		300,901		-			4,303,729		4,324,648		
Investment in associates													
PPG Yung Chi Coatings Co., Ltd	-	26,124	-	1,275	-	-	-	35	27,399		27,399	None	
		$ 4,028,952		$ 302,176		$ -			$ 4,331,128		$ 4,352,047		

Note 1: The increase or decrease in this year was mainly due to elimination of unrealized gains from downstream transactions, gains and losses on investment accounted for using the equity method, and adjustment of relevant equity items.

Note 2: Net equity is calculated by applying the amount indicated on the financial statements of each investee to the Company's shareholding percentage in them. The deviation from book value at the end of year is adjusted through unrealized gain or loss on downstream transactions at the end of year.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Changes in Right-of-use Assets

2024

Schedule 11

Unit: NT$1,000

Item	Balance - beginning of period	Increase in the current year	Decrease in the current year	Balance - end of year
Cost				
Buildings	$ 21,629	$ -	$ -	$ 21,629
Transportation equipment	3,436	1,330	(1,667)	3,099
	25,065	$ 1,330	($ 1,667)	24,728
Accumulated depreciation				
Buildings	-	$ 7,210	$ -	7,210
Transportation equipment	2,249	1,104	(1,667)	1,686
	2,249	$ 8,314	($ 1,667)	8,896
	$ 22,816			$ 15,832

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Short-term Borrowings

2024

Schedule 12

Unit: NT$ thousand, unless otherwise stated

Type	Contract period	Range of interest rates (%)	Loan commitment	Amount	Collateral
Letters of credit					
ICBC Bank	2024.11.21～2025.02.13	Settled before interest accrual	500,000（Note）	$ 8,259	Note 28

Note: The loan commitment denominated in NT dollars can be converted into equivalent amounts in other currencies, and the commitment remains unchanged.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Notes Payable

December 31, 2024

Schedule 13 | Unit: NT$1,000

Supplier name	Amount	Remarks
NAN YA PLASTICS CORPORATION.	$ 18,090	Materials purchase proceeds
HUA TUNG CHEMICAL INDUSTRIAL CO., LTD.	8,091	Materials purchase proceeds
Others (Note)	1,411	
	$ 27,592	

Note: The balance of each individual customer did not exceed 5% of this account.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Accounts Payable

December 31, 2024

Schedule 14 | Unit: NT$1,000

Supplier name	Amount
Related party	
YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD.	$ 5,897
Not a related party	
GUOYING ENGINEERING CO., Ltd.	$ 52,024
ETERNAL MATERIALS CO., LTD.	49,976
CHEMOURS TITANIUM TECHNOLOGIES (TAIWAN) LTD.	40,517
Others (Note)	445,438
	$587,955

Note: The balance of each individual customer did not exceed 5% of this account.

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Lease Liability

December 31, 2024

Schedule 15 Unit: NT$1,000

Name	Lease term	Discount rate (%)	Balance
Buildings	2024.01.01～2026.12.31	1.775	$14,546
Transportation equipment	2022.02.24～2027.11.18	1.775～2.625	1,425
			15,971
Less: current portion			7,912
			$ 8,059

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Operating Income

2024

Schedule 16

Unit: NT$1,000 thousand, unless otherwise stated

Item	Quantity (kg)	Amount
Revenue from sale of paints and coatings manufactured by the Company itself	82,454,923	$7,482,992
Less: sales return	349,891	(32,298)
Sales discounts		(377,035)
Net sales revenue		7,073,659
Income from painting projects undertaken		472,919
		$7,546,578

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Operating Costs

2024

Schedule 17 Unit: NT$1,000

Item	Amount
Cost of purchased goods sold	
Products - beginning balance	$ 11,874
Material purchase	96,637
Products - ending balance	(18,879)
Others	2,809
	92,441
Cost of self-manufactured products sold	
Direct raw materials	
Raw materials - beginning balance	942,138
Material purchase	4,477,135
Raw materials - ending balance	(1,155,751)
	4,263,522
Direct labor	164,187
Manufacturing overheads	704,791
Others	(24,511)
Manufacturing expenses	5,107,989
Add: finished-goods - beginning balance	557,611
Less: finished-goods - ending balance	(508,844)
Others	(32,430)
	5,124,326
Sales cost	5,216,767
Construction cost	421,402
	$5,638,169

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Operating Expenses

2024

Schedule 18 Unit: NT$1,000

Item	Marketing expenses	General and administrative expenses	R&D expense	Gains on expected reversal of credit impairment	Total
Labor costs	$ 206,326	$ 125,839	$ 132,172	$ -	$ 464,337
Advertising expenditure	102,706	3,909	168	-	106,783
Travel and freight charges	94,341	1,649	4,157	-	100,147
Export expenses	48,110	-	-	-	48,110
Depreciation and amortization	17,886	14,797	8,467	-	41,150
Entertainment fee	28,642	3,569	671	-	32,882
Loss on expected credit impairment	-	-	-	2,720	2,720
Others	85,859	48,464	78,788	-	213,111
	$ 583,870	$ 198,227	$ 224,423	$ 2,720	$1,009,240

YUNG CHI PAINT & VARNISH MFG. CO., LTD

Schedule of Employee Benefits, Depreciation, and Amortization

2024 and 2023

Schedule 19

Unit: NT$1,000

	2024				2023			
	Operating cost	Operating expenses	Non-operating expenditures	Total	Operating cost	Operating expenses	Non-operating expenditures	Total
Employee benefit expenses								
Salary	$207,691	$399,778	$ -	$607,469	$195,312	$384,288	$ -	$579,600
Labor insurance and health insurance	20,410	32,775	-	53,185	19,717	32,061	-	51,778
Post-employment benefit	6,551	14,346	-	20,897	6,275	13,697	-	19,972
Directors' remuneration	-	3,550	-	3,550	-	3,294	-	3,294
Others	11,957	13,888	-	25,845	11,701	13,282	-	24,983
	$246,609	$464,337	$ -	$710,946	$233,005	$446,622	$ -	$679,627
Depreciation	$ 38,108	$ 40,163	$ 1,684	$ 79,955	$ 37,519	$ 43,016	$ 1,685	$ 82,220
Amortization	-	987	-	987	-	2,236	-	2,236

Note 1: The number of the Company's employees in 2024 and 2023 is 736 and 730, respectively, of whom the number of directors not concurrently serving as an employee is 6 for both years.

Note 2: The following information is additionally disclosed:

1. Average employee benefits expenses in 2024 in the amount of NT$969 thousand = (Total employee benefits expenses in 2024 - Total remuneration to directors) / (Total number of employees in 2024 - Total number of directors who are not concurrently an employee)

   Average employee benefits expenses in 2023 in the amount of NT$934 thousand = (Total employee benefits expenses in 2023 - Total remuneration to directors) / (Total number of employees in 2023 - Total number of directors who are not concurrently an employee)

2. Average employee salary expenses in 2024 in the amount of NT$832 thousand = Total salary expenses in 2024 / (Total number of employees in 2024 - Total number of directors who are not concurrently an employee).

   Average employee salary expenses in 2023 in the amount of NT$801 thousand = Total salary expenses in 2023 / (Total number of employees in 2023 - Total number of directors who are not concurrently an employee).

3. The average employee salary adjustment is 3.9% = (Average employee salary expenses in 2024 - Average employee salary expenses in 2023) / Average employee salary expenses in 2023.

4. The Company's remuneration policy: Remuneration to directors are based on the stipulation on the Articles of Incorporation. Salary to managers and employees are based on their education, years of service in a profession, their position, and their past performance. In addition, appropriate rewards and employee compensation will also be provided, subject to the Company's operating performance and employees' personal performance. In addition, salary will be adjusted every two to three years to reflect the increase in commodity prices.