

BUIMA GROUP INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR24000683

To the Board of Directors and Shareholders of Buima Group Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Buima Group Inc. and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of

China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Accuracy of the timing of revenue recognition of export sales for the battery products

Description

Please refer to Note 4(31) for accounting policy on revenue recognition and Note 6(22) for details of operating revenue.

Operating revenue from sales of battery-related products represented the Group's consolidated operating revenue for the year ended December 31, 2024, of which, export sale transactions consisted of battery product revenue, which is significant to the consolidated financial statements. There were different transaction terms of the export sales based on the sales orders or other agreements with each customer. Sales revenue was recognised when control of the products was transferred to the customer. As the processes of the revenue recognition usually involve manual confirmation of sales position and check of relevant documents and would potentially result in improper timing of revenue recognition, we consider the accuracy of the timing of revenue recognition of export sales for the battery products a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on, assessed and tested the internal control procedures for the accuracy of the timing of revenue recognition of battery product sales.
2. Obtained details of export sales revenue transactions and performed verification tests, including checking customer orders, shipping orders and export declarations, to confirm the adequacy of the timing of revenue recognition of export sales.
3. Performed confirmation for the accounts receivable.

Evaluation of inventories of battery segment

Description

Please refer to Note 4(13) for accounting policy on evaluation of inventories, Note 5(2) for accounting estimates and assumption uncertainty of evaluation of inventories and Note 6(5) for details of inventories.

The battery segment of the Group is primarily engaged in the manufacture and sale of batteries and their parts. The inventories have a higher risk of incurring loss on decline in market value or obsolescence as the life cycles of products are short and the degree of customisation is relatively high. The Group measured the value of inventories by using the item by item approach and recognised the inventories at the lower of cost and net realisable value. The evaluation of the inventories aged over a certain period is calculated according to the historical experience in accounting for obsolete inventories. As the assessment may involve subjective judgement of the management according to relevant supporting documents obtained and contains a high degree of uncertainty, we consider the evaluation of inventories of battery segment a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of provision policies and procedures used for allowance for inventory valuation loss, including the reasonableness of the inventory clearance and how the management identified obsolete inventory items, based on our understanding on the operations and industrial characteristics.
2. Obtained an understanding of inventory management processes and assessed the inventory position and the effectiveness of management's classification and control of and over obsolete inventory by participating in the observation of annual physical inventory count.
3. Sampled and tested the accuracy of inventory ageing calculation, confirmed the reasonableness of identifying slow-moving and obsolete inventories and verified the reasonableness of assessment basis adopted for net realisable value to assess the reasonableness of provision on allowance for inventory valuation loss and the consistency of policies.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

Wu, Chien-Chih

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 28, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

BUIMA GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 314,243	9	\$ 543,336	14
1136	Current financial assets at amortised cost	6(3) and 8	146,900	4	252,120	6
1140	Current contract assets	6(22)	212,813	6	160,079	4
1150	Notes receivable, net		2,528	-	33,387	1
1170	Accounts receivable, net	6(4)	743,540	21	675,075	17
1180	Accounts receivable - related parties	7	39,046	1	19,317	-
1200	Other receivables		7,124	-	22,068	1
130X	Inventories	5, 6(5) and 8	516,462	15	770,411	19
1410	Prepayments	6(6) and 7	127,339	4	135,541	3
11XX	Current Assets		<u>2,109,995</u>	<u>60</u>	<u>2,611,334</u>	<u>65</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	4,780	-	4,780	-
1535	Non-current financial assets at amortised cost	6(3) and 8	6,428	-	10,414	-
1550	Investments accounted for using equity method		81,601	2	88,497	2
1600	Property, plant and equipment	6(7), 7 and 8	799,991	23	638,758	16
1755	Right-of-use assets	6(8), 7 and 8	182,963	5	203,865	5
1760	Investment property, net	8	21,250	1	-	-
1780	Intangible assets	5 and 6(9)	150,055	4	152,364	4
1840	Deferred income tax assets	6(29)	16,104	1	19,468	1
1900	Other non-current assets	6(10) and 8	147,004	4	277,899	7
15XX	Non-current assets		<u>1,410,176</u>	<u>40</u>	<u>1,396,045</u>	<u>35</u>
1XXX	Total assets		<u>\$ 3,520,171</u>	<u>100</u>	<u>\$ 4,007,379</u>	<u>100</u>

(Continued)

BUIMA GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(11) and 8	\$ 1,103,275	31	\$ 1,148,971	29
2120	Current financial liabilities at fair value through profit or loss	6(12)	-	-	3,430	-
2130	Current contract liabilities	6(22)	85,315	2	131,795	3
2150	Notes payable		116,502	3	137,387	3
2160	Notes payable to related parties	7	-	-	31,415	1
2170	Accounts payable		335,073	10	351,869	9
2180	Accounts payable - related parties	7	11,579	-	10,510	-
2200	Other payables	6(13) and 7	275,264	8	181,088	5
2230	Current income tax liabilities		24,695	1	37,957	1
2250	Current provisions	6(17)	13,195	-	10,814	-
2280	Current lease liabilities	7	19,844	1	20,975	1
2320	Long-term liabilities, current portion	6(14)(15) and 8	205,302	6	401,496	10
21XX	Current Liabilities		<u>2,190,044</u>	<u>62</u>	<u>2,467,707</u>	<u>62</u>
Non-current liabilities						
2530	Bonds payable	6(14) and 8	103,564	3	100,085	2
2540	Non-current portion of non-current borrowings	6(15) and 8	123,470	4	141,476	4
2550	Non-current provisions	6(17)	24,587	1	21,643	1
2570	Deferred income tax liabilities	6(29)	16,694	-	16,476	-
2580	Non-current lease liabilities	7	37,291	1	51,373	1
2645	Guarantee deposits received		4,192	-	7,254	-
25XX	Non-current liabilities		<u>309,798</u>	<u>9</u>	<u>338,307</u>	<u>8</u>
2XXX	Total Liabilities		<u>2,499,842</u>	<u>71</u>	<u>2,806,014</u>	<u>70</u>
Equity						
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(18)(19)	429,836	12	393,045	10
Capital surplus						
3200	Capital surplus	6(19)	323,491	9	314,606	8
Retained earnings						
3310	Legal reserve	6(20)	18,828	-	18,828	-
3320	Special reserve		54,063	2	54,063	1
3350	Unappropriated earnings		(324,564)	(9)	(86,659)	(2)
Other equity interest						
3400	Other equity interest	6(21)	(80,432)	(2)	(73,624)	(2)
31XX	Equity attributable to owners of the parent		<u>421,222</u>	<u>12</u>	<u>620,259</u>	<u>15</u>
36XX	Non-controlling interest	4(3) and 6(32)	599,107	17	581,106	15
3XXX	Total equity		<u>1,020,329</u>	<u>29</u>	<u>1,201,365</u>	<u>30</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 3,520,171</u>	<u>100</u>	<u>\$ 4,007,379</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

BUIMA GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(22) and 7	\$ 3,403,314	100	\$ 3,265,141	100
5000	Operating costs	6(5)(27)(28) and 7	(2,907,935)	(86)	(2,881,554)	(88)
5900	Net operating margin		495,379	14	383,587	12
	Operating expenses	6(9)(27)(28)				
6100	Selling expenses		(208,524)	(6)	(169,732)	(5)
6200	General and administrative expenses		(207,403)	(6)	(165,169)	(5)
6300	Research and development expenses		(113,113)	(3)	(105,321)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(95,415)	(3)	(12,065)	(1)
6000	Total operating expenses		(624,455)	(18)	(452,287)	(14)
	Operating loss		(129,076)	(4)	(68,700)	(2)
	Non-operating income and expenses					
7100	Interest income	6(3)(23)	8,414	-	15,220	1
7010	Other income	6(24)	22,090	1	14,157	-
7020	Other gains and losses	6(12)(25) and 7	22,198	1	7,855	-
7050	Finance costs	6(8)(26) and 7	(60,084)	(2)	(67,198)	(2)
7060	Share of loss of associates and joint ventures accounted for using equity method		(8,688)	-	(2,545)	-
7000	Total non-operating revenue and expenses		(16,070)	-	(32,511)	(1)
	Loss before income tax		(145,146)	(4)	(101,211)	(3)
7950	Income tax expense	6(29)	(41,319)	(1)	(14,988)	(1)
8200	Loss for the year		<u>(\$ 186,465)</u>	<u>(5)</u>	<u>(\$ 116,199)</u>	<u>(4)</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(21)	\$ 2,273	-	\$ -	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	(2,235)	-	(47,262)	(1)
8399	Income tax relating to the components of other comprehensive income	6(21)(29)	777	-	2,224	-
8300	Other comprehensive income (loss) for the year		<u>\$ 815</u>	<u>-</u>	<u>(\$ 45,038)</u>	<u>(1)</u>
8500	Total comprehensive loss for the year		<u>(\$ 185,650)</u>	<u>(5)</u>	<u>(\$ 161,237)</u>	<u>(5)</u>
	Loss, attributable to:					
8610	Owners of the parent		(\$ 231,066)	(7)	(\$ 99,042)	(3)
8620	Non-controlling interest		44,601	2	17,157	1
			<u>(\$ 186,465)</u>	<u>(5)</u>	<u>(\$ 116,199)</u>	<u>(4)</u>
	Comprehensive loss attributable to:					
8710	Owners of the parent		(\$ 235,628)	(6)	(\$ 137,065)	(4)
8720	Non-controlling interest		49,978	1	24,172	1
			<u>(\$ 185,650)</u>	<u>(5)</u>	<u>(\$ 161,237)</u>	<u>(5)</u>
	Basic loss per share	6(30)				
9750	Basic loss per share		<u>(\$ 5.67)</u>		<u>(\$ 2.49)</u>	
9850	Diluted loss per share		<u>(\$ 5.67)</u>		<u>(\$ 2.49)</u>	

The accompanying notes are an integral part of these consolidated financial statements.

BUIMA GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											Total	Non-controlling interest	Total equity
		Capital surplus				Retained Earnings				Other equity interest					
		Share capital - common stock	Additional paid-in capital	Capital Surplus, changes in ownership interests in subsidiaries	Changes in equity of associates and joint ventures accounted for using equity method	Share options	Others	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
Year ended December 31, 2023															
Balance at January 1, 2023		\$ 373,045	\$ 265,803	\$ -	\$ -	\$ 7,700	\$ -	\$ 18,828	\$ 54,063	\$ 12,383	(\$ 35,601)	\$ -	\$ 696,221	\$ 646,842	\$ 1,343,063
Loss		-	-	-	-	-	-	-	-	(99,042)	-	-	(99,042)	(17,157)	(116,199)
Other comprehensive loss	6(21)	-	-	-	-	-	-	-	-	-	(38,023)	-	(38,023)	(7,015)	(45,038)
Total comprehensive loss		-	-	-	-	-	-	-	-	(99,042)	(38,023)	-	(137,065)	(24,172)	(161,237)
Issuance of shares	6(18)	20,000	70,000	-	-	-	-	-	-	-	-	-	90,000	-	90,000
Recognition of conversion right embedded at issuance of convertible bonds		-	-	-	-	165	-	-	-	-	-	-	165	-	165
Cash payment from capital surplus	6(19)	-	(29,844)	-	-	-	-	-	-	-	-	-	(29,844)	-	(29,844)
Payment of cash dividends - non-controlling interest	4(3)	-	-	-	-	-	-	-	-	-	-	-	-	(41,564)	(41,564)
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	782	-	-	-	-	-	-	-	782	-	782
Balance at December 31, 2023		\$ 393,045	\$ 305,959	\$ -	\$ 782	\$ 7,865	\$ -	\$ 18,828	\$ 54,063	(\$ 86,659)	(\$ 73,624)	\$ -	\$ 620,259	\$ 581,106	\$ 1,201,365
Year ended December 31, 2024															
Balance at January 1, 2024		\$ 393,045	\$ 305,959	\$ -	\$ 782	\$ 7,865	\$ -	\$ 18,828	\$ 54,063	(\$ 86,659)	(\$ 73,624)	\$ -	\$ 620,259	\$ 581,106	\$ 1,201,365
Profit (loss)		-	-	-	-	-	-	-	-	(231,066)	-	-	(231,066)	44,601	(186,465)
Other comprehensive income (loss)	6(21)	-	-	-	-	-	-	-	-	-	(6,835)	2,273	(4,562)	5,377	815
Total comprehensive income		-	-	-	-	-	-	-	-	(231,066)	(6,835)	2,273	(235,628)	49,978	(185,650)
Capital increase by issuance of ordinary shares through the private placement	6(18)	25,000	25,000	-	-	-	-	-	-	-	-	-	50,000	-	50,000
Cash payment from capital surplus	6(19)	-	(3,930)	-	-	-	-	-	-	-	-	-	(3,930)	-	(3,930)
Stock dividend from capital surplus	6(18)(19)	11,791	(11,791)	-	-	-	-	-	-	-	-	-	-	-	-
Options expired		-	-	-	(4,469)	4,469	-	-	-	-	-	-	-	-	-
Payment of cash dividends - non-controlling interest	4(3)	-	-	-	-	-	-	-	-	-	-	-	-	(6,927)	(6,927)
Recognition of changes in ownership interest in subsidiaries		-	-	171	-	-	-	-	-	-	-	-	171	-	171
Changes in equity of associates and joint ventures accounted for using equity method	6(21)	-	-	-	(565)	-	-	-	2,246	-	(2,246)	(565)	-	(565)	
Transactions with non-controlling interest	4(3), 6(31)(32)	-	-	-	-	-	-	-	(9,085)	-	-	(9,085)	(25,050)	(34,135)	
Balance at December 31, 2024		\$ 429,836	\$ 315,238	\$ 171	\$ 217	\$ 3,396	\$ 4,469	\$ 18,828	\$ 54,063	(\$ 324,564)	(\$ 80,459)	\$ 27	\$ 421,222	\$ 599,107	\$ 1,020,329

The accompanying notes are an integral part of these consolidated financial statements.

BUIMA GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 145,146)	(\$ 101,211)
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on financial liabilities at fair value through profit or loss	6(12)(25)	(1,170)	226
Expected credit loss	12(2)	95,415	12,065
Share of loss of associates and joint ventures accounted for using equity method		8,688	2,545
Gain on disposal of investment	6(25)	(7,276)	-
Depreciation expense	6(7)(8)(27)	89,663	80,823
Amortisation expense	6(9)(27)	7,290	16,873
Loss on disposal of property, plant and equipment	6(25)	994	1,316
Interest income	6(23)	(8,414)	15,220
Interest expense	6(26)	60,084	67,198
Gain from lease modification	6(8)	(32)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(52,734)	131,515
Notes receivable		23,817	49,810
Accounts receivable		(197,880)	(15,895)
Accounts receivable - related parties		(19,729)	2,598
Other receivables		13,557	(5,661)
Inventories		166,873	142,530
Prepayments		(9,790)	(8,033)
Changes in operating liabilities			
Current contract liabilities		(43,510)	6,639
Notes payable		(17,185)	(90,738)
Notes payable - related parties		-	(83,217)
Accounts payable		3,674	146,321
Accounts payable - related parties		1,069	10,510
Other payables		87,693	51,807
Provisions		5,325	6,638
Cash inflow generated from operations		61,276	409,439
Interest received		8,414	15,220
Dividends received		2,153	14,591
Interest paid		(52,356)	(58,159)
Income taxes paid		(52,746)	(64,808)
Net cash flows (used in) from operating activities		(33,259)	316,283

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BUIMA GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in current financial assets at amortised cost		\$ 91,832	\$ 91,348
Decrease in non-current financial assets at amortised cost		3,986	14,512
Acquisition of investments accounted for using equity method		(2,245)	(99,806)
Acquisition of property, plant and equipment	6(32)	(170,973)	(104,079)
Proceeds from disposal of property, plant and equipment		3,489	-
Acquisition of intangible assets	6(9)	(6,933)	(4,392)
Increase in prepayments for business facilities		(11,793)	(42,128)
Decrease (increase) in guarantee deposits paid		89,003	(71,360)
Acquisition of subsidiaries		(5,022)	-
Cash inflow from acquisition of subsidiaries	6(31)	(898)	-
Net cash flows used in investing activities		(9,554)	(215,905)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(33)	1,686,097	1,717,170
Repayments of short-term borrowings	6(33)	(1,677,196)	(1,628,262)
Proceeds from issuance of bonds payable	6(14)(33)	-	100,000
Repayments of bonds	6(33)	(318,335)	(28,868)
Proceeds from long-term borrowings	6(33)	154,132	125,258
Repayments of long-term borrowings	6(33)	(101,004)	(264,582)
Payments of lease liabilities	6(33)	(23,114)	(22,273)
(Decrease) increase in guarantee deposits received	6(33)	(3,062)	4,661
Proceeds from issuance of shares	6(18)	50,000	90,000
Payment of cash dividends and cash payment from capital surplus	6(19)	-	(29,844)
Payment of cash dividends - non-controlling interest		(6,927)	(41,564)
Net cash flows (used in) from financing activities		(239,409)	21,696
Effect of foreign exchange translations		53,129	(38,941)
Net (decrease) increase in cash and cash equivalents		(229,093)	83,133
Cash and cash equivalents at beginning of year	6(1)	543,336	460,203
Cash and cash equivalents at end of year	6(1)	\$ 314,243	\$ 543,336

The accompanying notes are an integral part of these consolidated financial statements.

BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Buima Group Inc. (the “Company”) was incorporated in the British Cayman Islands in November 2009 for the purpose of the organisational restructuring undertaken prior to listing on the Taiwan Stock Exchange or Taipei Exchange. On November 10, 2009, the Company provided its own shares to exchange shares in Buima Holding Co., Limited and Syntech Holding Limited at a conversion ratio of 0.54:1 and became the holding company of the two companies thereafter. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacture and sales of steel wall partition building materials, fire insulation partitions, metal ceilings, grids, new building materials, battery and electric appliances, comprehensive constructions, development and lease of housings and buildings, development, lease and sales of industrial plants, trading of property, dredging industry and trading of steel.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 14, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Board Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for financial assets and liabilities (including derivative instruments) at fair value through profit or loss, the consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

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B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2024	December 31, 2023	
Buima Group Inc.	Buima Holding Ltd.	Investment and holding	100%	100%	-
Buima Group Inc.	Syntech Holding Co., Ltd.	Investment and holding	100%	100%	-
Buima Group Inc.	Unitory International CO., Ltd.	Sales of new building materials and provision of product consulting services	-	-	Note 4
Buima Group Inc.	Unitory Construction Co., Ltd.	Civil engineering and wholesale of building material	100%	100%	-
Buima Group Inc.	BUIMA ENERGY INC.	Wholesale and retail of energy storage equipment and energy-saving building materials, design of solutions for energy storage equipment and energy technical services, etc.	100%	100%	-
Buima Group Inc.	Buima Green New Materials CO., LTD.	Wholesale of building materials	100%	-	Note 6
BUIMA ENERGY INC.	JOULES MILES CO., LTD.	Battery module manufacturing	25.18%	25.18%	Note 1
BUIMA ENERGY INC.	SHIN JIN COMPANY LIMITED	Wholesale of metal building materials	-	45.83%	Notes 2 and 3
BUIMA ENERGY INC.	Lichu Power Co., Ltd	Energy technical services	80%	100%	Notes 5 and 7
JOULES MILES CO., LTD.	PowerGain Technology Corporation Limited	Wholesale and retail of electrical appliances, batteries, etc.	100%	100%	-
Buima Holding Ltd.	Hong-Ji International Trading (Shanghai) Ltd.	International trade, export trade, trade between entities in the bonded area and trade agency in the area	100%	100%	-

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2024	December 31, 2023	
Buima Holding Ltd.	Buima Holding Hong Kong Ltd.	Investment and holding	100%	100%	-
Buima Holding Hong Kong Ltd.	Buima (China) New Materials Ltd.	Manufactures of steel wall partition building materials, fire insulation partitions and grids	100%	100%	Note 8
OWA Metallic PTE. Ltd.	OWA New Building Materials (Shanghai) Ltd.	Design and manufactures of new building materials and provision of product consulting services	100%	100%	-
Buima (China) New Materials Ltd.	OWA Metallic PTE. Ltd.	Investment and holding	51%	51%	-
Buima (China) New Materials Ltd.	Syntech New Building Materials (Shanghai) Ltd.	Sales of steel wall partition building materials, fire insulation partition	100%	100%	-
Buima (China) New Materials Ltd.	Buima New Building Materials (Shanghai) Ltd.	Sales of stone plastic composite and provision of product consulting services	100%	100%	-
Buima (China) New Materials Ltd.	Shanghai Gotao Construction Engineering Co., Ltd.	All kinds of engineering construction activities, construction labor subcontracting, construction engineering design and other businesses	100%	100%	-
Buima (China) New Materials Ltd.	Chongyou (Shenzhen) New Material Co., Ltd.	Manufacturing and sales of architectural and decoration materials, plumbing parts and other metal products for building.	100%	60%	Note 9

- Note 1: The Group acquired 25.18% equity interest in JOULES MILES CO., LTD. by purchasing shares from the original shareholders and participating in a cash capital increase in consideration of market trends and long-term strategic development. In addition, the Company obtained a majority vote in the shareholders' and board of directors' meeting by signing a letter of commitment with the majority shareholder to conduct its relevant activities, thus, it is classified as a subsidiary.
- Note 2: The Group acquired 45.83% equity interest in SHIN JIN COMPANY LIMITED by participating in a cash capital increase in consideration of market trends and long-term strategic development. In addition, the Group obtained a majority vote in the shareholders' and the board of directors' meeting by signing a letter of commitment with the majority shareholder to conduct its relevant activities, thus, it is classified as a subsidiary..
- Note 3: On April 30, 2024, the Group disposed a 45.83% equity interest in SHIN JIN COMPANY LIMITED in the amount of \$44,000. Refer to Note 6(31) for details.
- Note 4: The company was liquidated as resolved by the Board of Directors during their meeting on December 27, 2022, and the liquidated shares were returned on December 28, 2023. The certificate of dissolution was obtained and the deregistration was approved on January 3, 2024.
- Note 4: The company was liquidated as resolved by the Board of Directors during their meeting on December 27, 2022, and the liquidated shares were returned on December 28, 2023. The certificate of dissolution was obtained and the deregistration was approved on January 3, 2024.
- Note 5: The Group acquired a 100% equity interest in Lichu Power Co., Ltd by purchasing shares from the original shareholders in consideration of market trends and long-term strategic development.
- Note 6: On April 1, 2023, in consideration of market trends and long-term strategic development, the Group invested and established Buima Green New Materials CO., LTD. and held 100% equity interests in the entity.
- Note 7: On June 6, 2024, the Group's Board of Directors resolved to increase the capital of Lichu Power Co., Ltd. by cash of \$29,540 in consideration of market trends and long-term strategic development. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest from 100% to 80%.
- Note 8: On September 28, 2024, the subsidiary, Buima (China) New Materials Ltd., was re-registered as personal ownership held by the director, Chang Chien Chih. However, the Group still has substantial control over the company. Refer to Note 12 (4) for details. The Group completed all related registration of changes relating to the restoration of the original state on November 27, 2024.
- Note 9: On November 4, 2024, the Group purchased 40% equity interests from non-controlling interest shareholders. As a result, the shareholding ratio was increased from 60% to 100%. Please refer to Note 6(31) for details.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiary that have non-controlling interests that is material to the Group:

As of December 31, 2024 and 2023, the non-controlling interest amounted to \$599,107 and \$581,106, respectively. The information of non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest		Non-controlling interest	
		December 31, 2024		December 31, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)
OWA Metallic PTE. Ltd.	Singapore	\$ 110,540	49%	\$ 100,976	49%
JOULES MILES CO., Ltd.	Taiwan	480,774	74.82%	441,956	74.82%
SHIN JIN COMPANY LIMITED	Taiwan	-	-	42,828	54.17%

Summarised financial information of the subsidiary:

Balance sheets

	<u>OWA Metallic PTE. Ltd.</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 292,106	\$ 216,820
Non-current assets	18,854	30,320
Current liabilities	(85,369)	(41,067)
Total net assets	<u>\$ 225,591</u>	<u>\$ 206,073</u>
	<u>JOULES MILES CO., LTD.</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 966,283	\$ 1,056,258
Non-current assets	390,424	285,570
Current liabilities	(636,939)	(703,093)
Non-current liabilities	(92,814)	(63,640)
Total net assets	<u>\$ 626,954</u>	<u>\$ 575,095</u>
	<u>SHIN JIN COMPANY LIMITED (Note)</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ -	\$ 187,749
Non-current assets	-	14,674
Current liabilities	-	(114,762)
Non-current liabilities	-	(8,598)
Total net assets	<u>\$ -</u>	<u>\$ 79,063</u>

Note: As of April 30, 2024, SHIN JIN COMPANY LIMITED was no longer included in the consolidated financial statements of the Group.

Statements of comprehensive income

	<u>OWA Metallic PTE. Ltd.</u>	
	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Revenue	\$ 292,487	\$ 143,710
Profit (loss) for the year	11,485	(33,236)
Other comprehensive loss, net of tax	(6,040)	(5,013)
Total comprehensive income (loss) for the year	<u>\$ 5,445</u>	<u>(\$ 38,249)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 2,668</u>	<u>(\$ 18,742)</u>

	<u>JOULES MILES CO., LTD</u>	
	Year ended December 31, 2024	Year ended December 31, 2023
Revenue	\$ 1,644,997	\$ 1,413,089
Profit for the year	61,117	13,170
Other comprehensive loss, net of tax	-	-
Total comprehensive income for the year	<u>\$ 61,117</u>	<u>\$ 13,170</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 45,728</u>	<u>\$ 9,854</u>
Dividends paid to non-controlling interest	<u>\$ 6,927</u>	<u>\$ 41,564</u>

	<u>SHIN JIN COMPANY LIMITED (Note)</u>	
	Year ended December 31, 2024	Year ended December 31, 2023
Revenue	\$ 82,522	\$ 316,731
Loss for the year	(3,266)	(11,719)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the year	<u>(\$ 3,266)</u>	<u>(\$ 11,719)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 1,769)</u>	<u>(\$ 6,348)</u>

Note: As of April 30, 2024, SHIN JIN COMPANY LIMITED was no longer included in the consolidated financial statements of the Group.

Statements of cash flows

	<u>OWA Metallic PTE. Ltd.</u>	
	Year ended December 31, 2024	Year ended December 31, 2023
Net cash used in operating activities	(\$ 11,849)	(\$ 5,328)
Net cash provided by investing activities	5,394	3,984
Effect of exchange rates on cash and cash equivalents	(4,520)	(4,371)
Decrease in cash and cash equivalents	(10,975)	(5,715)
Cash and cash equivalents, beginning of year	16,717	22,432
Cash and cash equivalents, end of year	<u>\$ 5,742</u>	<u>\$ 16,717</u>

		<u>JOULES MILES CO., LTD.</u>	
		Year ended December 31, 2024	Year ended December 31, 2023
Net cash provided by operating activities	\$	179,176	\$ 178,593
Net cash used in investing activities	(147,184)	(32,524)
Net cash used in financing activities	(71,211)	(189,048)
Decrease in cash and cash equivalents	(39,219)	(42,979)
Cash and cash equivalents, beginning of year		215,202	258,181
Cash and cash equivalents, end of year	\$	<u>175,983</u>	<u>\$ 215,202</u>

		<u>SHIN JIN COMPANY LIMITED (Note)</u>	
		Year ended December 31, 2024	Year ended December 31, 2023
Net cash used in operating activities	\$	-	(\$ 39,577)
Net cash used in investing activities	-	(5,160)
Net cash provided by financing activities	-	-	35,924
Decrease in cash and cash equivalents	-	(8,813)
Cash and cash equivalents, beginning of year		-	21,603
Cash and cash equivalents, end of year	\$	<u>-</u>	<u>\$ 12,790</u>

Note: As of April 30, 2024, SHIN JIN COMPANY LIMITED was no longer included in the consolidated financial statements of the Group.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is US dollars; however the consolidated financial statements are presented in New Taiwan Dollars under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities. However, considering the effect of the efficiency of the Group's fundraising management, the Company changed its main function to having responsibility for the planning of the Group's fundraising activities and conducting fundraising activities in Taiwan mainly in New Taiwan dollars. In response to the change in economic environment, the Company's Board of Directors resolved to change the functional currency from U.S. dollars to New Taiwan dollars. In accordance with IAS 21, 'The effects of changes in foreign exchange rates', the accounting policy was deferred starting from January 1, 2021. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other income and expenses – net' or 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

The Group is engaged in the contracting of construction work and its operating cycle is usually longer than one year. Assets and liabilities related to construction work are classified as current or non-current based on the operating cycle; the remaining accounts classified as current or non-current are as follows:

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

The Group recognises, at each reporting date, the impairment provision for lifetime expected credit losses for accounts receivable or contract assets that do not contain a significant financing component.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using the equity method

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a

change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 50	years
Machinery and equipment	3 ~ 10	years
Transportation equipment	5 ~ 10	years
Other equipment	2 ~ 10	years

(16) Leasing arrangements (lessor) – right-of-use assets/lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are mainly comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability; and
 - (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(18) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Level A construction qualification

Level A construction qualification is stated at cost based on the fair value when the business combination occurred and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Level A construction qualification is not amortised, but is tested annually for impairment.

D. Contract value

Contract value is stated at cost based on the fair value which was issued when the business combination occurred and is depreciated using the straight-line method to allocate the cost over the estimated completion schedules of construction contract (approximately 2~4 years).

E. Customer relationship

Customer relationships which are acquired during the business combinations are amortised on a straight-line basis over their estimated useful lives of 7 years.

F. Other intangible assets

Other intangible assets, mainly patents and trademarks, both are amortised on a straight-line basis over their estimated useful lives of 10 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

(20) Borrowings

Borrowings comprise of long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption

value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus-share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including ‘bonds payable’ and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and ‘capital surplus—share options’.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees’ compensation and directors’ remuneration

Employees’ compensation and directors’ remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(28) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expense.

(31) Revenue recognition

A. Sales of goods – wholesale

The Group manufactures and sells steel wall partition building materials, fire insulation partitions, grids, battery and battery pack products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Building material installment services

- (a) The Group provides installation related services of building materials such as compartments, partitions and grids. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on installment costs incurred relative to the total expected installment costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) Some contracts include sales and installation services of building materials. The building materials and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification. The Group recognises revenue on the basis of costs incurred relative to the total expected costs of that performance obligation. Conversely, the Group recognises revenue at an amount equal to the cost of a good if the good is not distinct and its cost is significant relative to the total expected costs, the customer is expected to obtain control of the good significantly before receiving services related to the good, and

the Group procures the good from a third party and is not involved in designing and manufacturing the good by acting as a principal.

- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

C. Construction contract revenue

- (a) Revenue is recognised based on the proportion to the incurred contract costs and satisfied over time. Contract consideration is derived from fixed and variable considerations, and customers pay a fixed amount according to an agreed schedule. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Consideration acquired due to transferring goods or services to customers is recognised in contract assets, which will be reclassified to accounts receivable when the Group has the right to collect the consideration without condition. However, when certain contracts require prior collection of certain considerations from customers, and the Group has an obligation to complete the construction subsequently, the Group shall recognise contract liabilities for the transaction.
- (b) If the percentage of completion of a performance obligation cannot be estimated reliably, contract revenue should be recognised only to the extent of contract costs incurred that is probable to be recoverable.
- (c) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.
- (d) The Group provides the standard warranty for construction which meets the regulation specified in the agreement and accounted for the standard warranty in accordance with IAS 37.

D. Financing component

As the time interval of payment exceeds one year among the Group signing a contract with certain customers, the transfer of committed goods or service to customer, the amount is small, so the Group does not separate the financial components to adjust the transaction price to reflect the time value of money.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

As of December 31, 2024, the Group's goodwill amounted to \$120,326.

B. Valuation of accounts receivable

In the process of assessing impairment of accounts receivable, the Group must use judgements and assumptions to measure the credit risk of accounts receivable to evaluate the expected credit loss. The credit risk is affected by various factors such as the customer's financial situation, the Group's internal credit rating, transaction history and others. The assessment depends on reasonable expectation about expected credit loss on the basis of the conditions existing at the balance sheet date. The estimation may differ from the actual result and may lead to significant changes.

As of December 31, 2024, the carrying amount of accounts receivable (including related parties) was \$782,586.

C. Valuation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of inventories was \$516,462.

D. Construction contract revenue recognition

The Company relies on the project condition and objective factors to estimate total cost. The revenue is recognised based on the percentage of input cost to the estimated total cost, and the reasonableness of estimates is reviewed regularly. The estimated total cost will be affected by industry environment transition and construction status to adjust the revenue recognition amount.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand	\$ 2,583	\$ 2,289
Demand deposits checking accounts	309,791	470,425
Time deposits	<u>1,869</u>	<u>70,622</u>
	<u>\$ 314,243</u>	<u>\$ 543,336</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Cash and cash equivalents pledged to others as collateral were classified as financial assets at amortised cost. Details are provided in Notes 6(3) and 8.

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

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items :		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	<u>\$ 4,780</u>	<u>\$ 4,780</u>

(3) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items:		
Demand deposits (Impound)	\$ 6,031	\$ 57,659
Pledged demand deposits	101,527	5,282
Pledged time deposits	<u>39,342</u>	<u>189,179</u>
	<u>\$ 146,900</u>	<u>\$ 252,120</u>
<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Demand deposits (Impound)	\$ 6,428	\$ 6,651
Pledged time deposits	<u>-</u>	<u>3,763</u>
	<u>\$ 6,428</u>	<u>\$ 10,414</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31, 2024	Year ended December 31, 2023
Interest income	\$ 4,081	\$ 4,398

B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$153,328 and \$262,534, respectively.

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

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	\$ 888,338	\$ 759,905
Less: Allowance for bad debts	(144,798)	(84,830)
	<u>\$ 743,540</u>	<u>\$ 675,075</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2024	December 31, 2023
Not past due	\$ 503,012	\$ 533,067
Up to 90 days	92,820	61,065
91 to 180 days	41,741	23,436
181 to 365 days	75,171	24,987
366 to 545 days	37,799	44,610
546 to 730 days	71,940	34,611
Over 731 days	65,855	38,129
	<u>\$ 888,338</u>	<u>\$ 759,905</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, accounts receivable (including related parties) and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables (including notes receivable and related parties) from contracts with customers amounted to \$851,232.

C. The Group does not hold any collateral as security.

D. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the account receivable held by the Group was \$743,540 and \$675,075, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 363,592	(\$ 48,676)	\$ 314,916
Work in progress	92,113	(2,333)	89,780
Finished goods	135,400	(27,322)	108,078
Merchandises	3,688	-	3,688
	<u>\$ 594,793</u>	<u>(\$ 78,331)</u>	<u>\$ 516,462</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 520,149	(\$ 47,227)	\$ 472,922
Work in progress	107,019	(1,088)	105,931
Finished goods	127,878	(13,777)	114,101
Merchandises	78,357	(900)	77,457
	<u>\$ 833,403</u>	<u>(\$ 62,992)</u>	<u>\$ 770,411</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31, 2024	Year ended December 31, 2023
Cost of goods sold	\$ 2,139,716	\$ 2,086,532
Loss on decline in market value	15,434	18,474
Revenue from sale of scraps	(4,170)	(3,640)
Loss on inventory scrap	838	18,362
Others	2,033	4,760
	<u>\$ 2,153,851</u>	<u>\$ 2,124,488</u>

(6) Prepayments

	December 31, 2024	December 31, 2023
Prepayments to suppliers	\$ 69,415	\$ 91,336
Prepaid service expenses	1,140	1,489
Prepaid insurance premiums	4,043	4,349
Other prepaid expenses	52,741	38,367
	<u>\$ 127,339</u>	<u>\$ 135,541</u>

(7) Property, plant and equipment

	Owner-occupied					Unfinished construction and equipment under acceptance	Total
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment		
<u>At January 1, 2024</u>							
Cost	\$ 83,088	\$ 429,971	\$ 530,001	\$ 17,834	\$ 79,155	\$ 146,528	\$ 1,286,577
Accumulated depreciation	-	(138,633)	(435,180)	(11,235)	(62,771)	-	(647,819)
	<u>\$ 83,088</u>	<u>\$ 291,338</u>	<u>\$ 94,821</u>	<u>\$ 6,599</u>	<u>\$ 16,384</u>	<u>\$ 146,528</u>	<u>\$ 638,758</u>
<u>2024</u>							
Opening net book amount as at January 1	\$ 83,088	\$ 291,338	\$ 94,821	\$ 6,599	\$ 16,384	\$ 146,528	\$ 638,758
Additions	59,208	64,266	26,973	5,745	14,748	4,268	175,208
Disposals	-	-	(1,943)	(2,437)	(103)	-	(4,483)
Reclassifications	-	134,945	56,824	1,525	96	(152,459)	40,931
Depreciation charge	-	(20,919)	(31,640)	(2,227)	(6,156)	-	(60,942)
Disposal of subsidiaries	(4,650)	(2,148)	-	(152)	-	-	(6,950)
Net exchange differences	-	10,310	2,251	229	132	4,547	17,469
Closing net book amount as at December 31	<u>\$ 137,646</u>	<u>\$ 477,792</u>	<u>\$ 147,286</u>	<u>\$ 9,282</u>	<u>\$ 25,101</u>	<u>\$ 2,884</u>	<u>\$ 799,991</u>
<u>At December 31, 2024</u>							
Cost	\$ 137,646	\$ 616,674	\$ 610,475	\$ 17,237	\$ 93,679	\$ 2,884	\$ 1,478,595
Accumulated depreciation	-	(138,882)	(463,189)	(7,955)	(68,578)	-	(678,604)
	<u>\$ 137,646</u>	<u>\$ 477,792</u>	<u>\$ 147,286</u>	<u>\$ 9,282</u>	<u>\$ 25,101</u>	<u>\$ 2,884</u>	<u>\$ 799,991</u>

		Owner-occupied				Unfinished construction and equipment under acceptance	Total
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment		
<u>At January 1, 2023</u>							
Cost	\$ 83,088	\$ 440,217	\$ 523,934	\$ 16,620	\$ 84,004	\$ 43,497	\$ 1,191,360
Accumulated depreciation	-	(124,219)	(414,036)	(9,720)	(67,284)	-	(615,259)
	<u>\$ 83,088</u>	<u>\$ 315,998</u>	<u>\$ 109,898</u>	<u>\$ 6,900</u>	<u>\$ 16,720</u>	<u>\$ 43,497</u>	<u>\$ 576,101</u>
<u>2023</u>							
Opening net book amount as at January 1	\$ 83,088	\$ 315,998	\$ 109,898	\$ 6,900	\$ 16,720	\$ 43,497	\$ 576,101
Additions	-	467	14,868	1,200	4,643	61,549	82,727
Disposals	-	-	(273)	(8)	(1,035)	-	(1,316)
Reclassifications	-	(2,923)	3,086	630	2,166	44,153	47,112
Depreciation charge	-	(16,985)	(31,643)	(2,002)	(6,048)	-	(56,678)
Net exchange differences	-	(5,219)	(1,115)	(121)	(62)	(2,671)	(9,188)
Closing net book amount as at December 31	<u>\$ 83,088</u>	<u>\$ 291,338</u>	<u>\$ 94,821</u>	<u>\$ 6,599</u>	<u>\$ 16,384</u>	<u>\$ 146,528</u>	<u>\$ 638,758</u>
<u>At December 31, 2023</u>							
Cost	\$ 83,088	\$ 429,971	\$ 530,001	\$ 17,834	\$ 79,155	\$ 146,528	\$ 1,286,577
Accumulated depreciation	-	(138,633)	(435,180)	(11,235)	(62,771)	-	(647,819)
	<u>\$ 83,088</u>	<u>\$ 291,338</u>	<u>\$ 94,821</u>	<u>\$ 6,599</u>	<u>\$ 16,384</u>	<u>\$ 146,528</u>	<u>\$ 638,758</u>

- A. The significant components of buildings and structures mainly pertain to plants which are depreciated over 20 and 50 years.
- B. For the years ended December 31, 2024 and 2023, the Group had no borrowing interests capitalised as property, plant and equipment.
- C. Information on property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements – lessee

- A. The Group leases various assets including land use rights as well as buildings and structures. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets - buildings and structures may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 131,533	\$ 137,586
Buildings and structures (including owner-occupied and for leasing)	50,547	62,311
Transportation equipment	883	3,968
	<u>\$ 182,963</u>	<u>\$ 203,865</u>
	Year ended December 31, 2024	Year ended December 31, 2023
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 3,858	\$ 3,624
Buildings and structures (including owner-occupied and for leasing)	20,332	17,482
Transportation equipment	2,273	3,039
	<u>\$ 26,463</u>	<u>\$ 24,145</u>

- C. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets (including transferred from other non-current assets) were \$11,571 and \$50,988, respectively.
- D. The Group's subsidiaries, Syntech New Building Materials (Shanghai) Ltd. and Buima (China) New Materials Ltd. entered into 50-year land use right agreements with local governments. Information about the land use right that was pledged to others as collaterals is provided in Note 8.
- E. In April 2024, the Group reclassified right-of-use assets to investment properties, resulting in a decrease of \$7,415 in right-of-use assets.

F. Due to the Group's disposal of subsidiaries, a decrease of \$1,333 was recognised both in the right-of-use assets and lease liabilities as at December 31, 2024.

G. In September 2024, the Group early terminated the certain lease agreements, resulting in a decrease in the right-of-use assets and lease liabilities of \$2,305 and \$2,337, respectively.

H. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,470	\$ 1,442
Expense on short-term lease contracts	15,500	11,275
Expense on leases of low-value assets	2,105	1,887
Gain on sublease of right-of-use assets	8,742	4,088
Gains arising from lease modifications	32	-

I. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases was \$42,189 and \$35,435, respectively.

(9) Intangible assets

	2024						Total
	Software	Contract value	Level A construction qualification	Customer relations	Goodwill	Others	
At January 1							
Cost	\$ 33,311	\$ 45,643	\$ 5,879	\$ 15,322	\$ 122,311	\$ 344	\$ 222,810
Accumulated amortisation and impairment	(19,997)	(45,262)	-	(5,107)	-	(80)	(70,446)
	<u>\$ 13,314</u>	<u>\$ 381</u>	<u>\$ 5,879</u>	<u>\$ 10,215</u>	<u>\$ 122,311</u>	<u>\$ 264</u>	<u>\$ 152,364</u>
Opening net book amount as at January 1	\$ 13,314	\$ 381	\$ 5,879	\$ 10,215	\$ 122,311	\$ 264	\$ 152,364
Additions-acquired separately	6,933	-	-	-	-	-	6,933
Reclassifications	143	-	-	-	-	-	143
Amortisation charge	(4,686)	(381)	-	(2,189)	-	(34)	(7,290)
Disposal of subsidiaries	(111)	-	-	-	(1,985)	-	(2,096)
Net exchange differences	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Closing net book amount as at December 31	<u>\$ 15,594</u>	<u>\$ -</u>	<u>\$ 5,879</u>	<u>\$ 8,026</u>	<u>\$ 120,326</u>	<u>\$ 230</u>	<u>\$ 150,055</u>
At December 31							
Cost	\$ 40,093	\$ 45,643	\$ 5,879	\$ 15,322	\$ 120,326	\$ 344	\$ 227,607
Accumulated amortisation and impairment	(24,499)	(45,643)	-	(7,296)	-	(114)	(77,552)
	<u>\$ 15,594</u>	<u>\$ -</u>	<u>\$ 5,879</u>	<u>\$ 8,026</u>	<u>\$ 120,326</u>	<u>\$ 230</u>	<u>\$ 150,055</u>

2023

	Level A						Total
	Software	Contract value	construction qualification	Customer relations	Goodwill	Others	
At January 1							
Cost	\$ 28,637	\$ 45,643	\$ 5,879	\$ 15,322	\$ 122,311	\$ 344	\$ 218,136
Accumulated amortisation and impairment	(14,791)	(35,818)	-	(2,918)	-	(46)	(53,573)
	<u>\$ 13,846</u>	<u>\$ 9,825</u>	<u>\$ 5,879</u>	<u>\$ 12,404</u>	<u>\$ 122,311</u>	<u>\$ 298</u>	<u>\$ 164,563</u>
Opening net book amount as at January 1	\$ 13,846	\$ 9,825	\$ 5,879	\$ 12,404	\$ 122,311	\$ 298	\$ 164,563
Additions-acquired separately	4,392	-	-	-	-	-	4,392
Reclassifications	282	-	-	-	-	-	282
Amortisation charge	(5,206)	(9,444)	-	(2,189)	-	(34)	(16,873)
Net exchange differences	-	-	-	-	-	-	-
Closing net book amount as at December 31	<u>\$ 13,314</u>	<u>\$ 381</u>	<u>\$ 5,879</u>	<u>\$ 10,215</u>	<u>\$ 122,311</u>	<u>\$ 264</u>	<u>\$ 152,364</u>
At December 31							
Cost	\$ 33,311	\$ 45,643	\$ 5,879	\$ 15,322	\$ 122,311	\$ 344	\$ 222,810
Accumulated amortisation and impairment	(19,997)	(45,262)	-	(5,107)	-	(80)	(70,446)
	<u>\$ 13,314</u>	<u>\$ 381</u>	<u>\$ 5,879</u>	<u>\$ 10,215</u>	<u>\$ 122,311</u>	<u>\$ 264</u>	<u>\$ 152,364</u>

A. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	December 31, 2024	December 31, 2023
Construction department	\$ 117,215	\$ 117,215
Sales of battery department	3,111	3,111
Sales of steel department	-	1,985
	<u>\$ 120,326</u>	<u>\$ 122,311</u>

B. For the years ended December 31, 2024 and 2023, the Group's intangible assets recognised as selling expenses and administrative expenses amounted to \$7,290 and \$16,873, respectively.

C. The significant assumptions for the Group's goodwill impairment test for the years ended December 31, 2024 and 2023 is shown below. No impairment loss was recognised because the recoverable amount was greater than the carrying amount.

	Year ended December 31, 2024	Year ended December 31, 2023
Discount rate	7.70% ~ 11.50%	8.20% ~ 11.80%

(10) Other non-current assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Refundable deposits	\$ 109,945	\$ 200,698
Prepayment for equipment	32,037	77,201
Others	<u>5,022</u>	<u>-</u>
	<u>\$ 147,004</u>	<u>\$ 277,899</u>

Information about other non-current assets that were pledged to others as collaterals is provided in Note 8.

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 898,385	2.07%~6.28%	Financial assets at amortised cost, land, buildings and structures, land use right, small and medium enterprise credit guarantee fund and equity interests in JOULES MILES CO., LTD.
Unsecured borrowings	<u>204,890</u>	1.81%~3.50%	None
	<u>\$ 1,103,275</u>		
<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 900,461	1.67%~7.19%	Financial assets at amortised cost, land, buildings and structures, land use right, small and medium enterprise credit guarantee fund and equity interests in JOULES MILES CO., LTD.
Unsecured borrowings	<u>248,510</u>	1.67%~3.90%	None
	<u>\$ 1,148,971</u>		

(12) Financial liabilities at fair value through profit or loss

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items:		
Financial liabilities held for trading		
Derivative instruments	\$ -	\$ 2,970
Valuation adjustment	<u>-</u>	<u>460</u>
	<u>\$ -</u>	<u>\$ 3,430</u>

A. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are listed below:

	Year ended <u>December 31, 2024</u>	Year ended <u>December 31, 2023</u>
Net gains (losses) recognised in profit		
Financial liabilities held for trading		
Derivative instruments	\$ <u>1,170</u>	(\$ <u>226</u>)

B. Derivative instruments on December 31, 2024 and 2023 are put options embedded in convertible bonds issued by the Group. Refer to Note 6(14) for details.

(13) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Payable on cash dividends from capital surplus	\$ 3,930	\$ -
Salary and bonus payable	99,425	79,814
Payable on machinery and equipment	13,443	9,208
Others	<u>158,466</u>	<u>92,066</u>
	<u>\$ 275,264</u>	<u>\$ 181,088</u>

(14) Bonds payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bonds payable	\$ 207,689	\$ 472,989
Less: Discount on bonds payable	(<u>6,588</u>)	(<u>14,316</u>)
	201,101	458,673
Less: Current portion or exercise of put options	(<u>97,537</u>)	(<u>358,588</u>)
	<u>\$ 103,564</u>	<u>\$ 100,085</u>

A. The issuance of the first domestic convertible bonds by the Company:

(a) The terms of the first domestic secured convertible bonds issued by the Company are as follows:

- i. The Company issued \$200,000, 0% first domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 12, 2021 ~ July 12, 2024) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 12, 2021.
- ii. The bondholders have the right to ask for conversion of the bonds into common shares during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

- iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.
 - iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 1.0025% of the face value as interests upon two years from the issue date.
 - v. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (b) As of December 31, 2024, the Company has repurchased convertible bonds with a face value of \$200,000 from the Taipei Exchange.
- B. The issuance of the second domestic convertible bonds for 2021 by the Company:
- (a) The terms of the first domestic secured convertible bonds issued by the Company are as follows:
 - i. The Company issued \$100,000, 0% second domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 13, 2021 ~ July 13, 2024) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 13, 2021.
 - ii. The bondholders have the right to ask for conversion of the bonds into common shares during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

- iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.
 - iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 2.01% of the face value as interests upon two years from the issue date.
 - v. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (b) As of December 31, 2024, the bonds totaling \$6,400 (face value) had been converted into 105 thousand shares of common stock.
- (c) As of December 31, 2024, the bondholders applied to put the bonds back, which total \$28,300 (face value).
- (d) As of December 31, 2024, the Company has repurchased convertible bonds with a face value of \$65,300 from the Taipei Exchange.
- C. The issuance of the third domestic convertible bonds for 2022 by the Company:
- (a) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:
 - i. The Company issued \$100,000, 0% the third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (December 14, 2022 ~ December 14, 2025) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on December 14, 2022.

- ii. The bondholders have the right to ask for conversion of the bonds into common shares during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.
 - iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 4.04% of the face value as interests upon two years from the issue date.
 - v. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (b) As of December 31, 2024, the Company did not have the convertible bonds converted into common shares.

D. The issuance of the fourth domestic convertible bonds for 2023 by the Company:

- (a) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:
 - i. The Company issued \$100,000, 0% fourth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (February 21, 2023 ~ February 21, 2026) and will be redeemed in cash at face value plus 7.6891% of the face value as interests at the maturity date. The bonds were listed on the Taipei Exchange on February 21, 2023.

- ii. The bondholders have the right to ask for conversion of the bonds into common shares during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.
- iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of December 31, 2024, the Company did not have the convertible bonds converted into common shares.

E. Regarding the issuance of convertible bonds, the non-equity conversion options, call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation ranged between 1.0406% and 3.4765%.

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank				
Secured borrowings	Borrowing period of NTD is from June 27, 2023 to June 27, 2028; interest is repayable monthly.	2.22%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan, reserve account	\$ 17,509
Unsecured borrowings	Borrowing period of NTD is from June 27, 2023 to June 27, 2028; interest is repayable monthly.	2.22%	None	4,377
Secured borrowings	Borrowing period of RMB is from July 28, 2022 to July 20, 2025; interest is repayable monthly.	3.80%	Machinery and equipment, unfinished construction and equipment under acceptance	2,600
Secured borrowings	Borrowing period of RMB is from October 27, 2022 to October 26, 2025; interest is repayable monthly.	3.30%	Land, buildings and structures	44,003
Secured borrowings	Borrowing period of NTD is from April 15, 2024 to April 15, 2039; interest is repayable monthly.	2.23%	Land, buildings and structures	22,265
Secured borrowings	Borrowing period of NTD is from December 20, 2023 to December 20, 2028; interest is repayable monthly.	2.22%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan, reserve account	20,000
Secured borrowings	Borrowing period of NTD is from December 22, 2023 to November 22, 2033; interest is repayable monthly.	2.45%	Land, buildings and structures	9,088

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank Secured borrowings	Borrowing period of NTD is from December 22, 2023 to December 22, 2033; interest is	2.45%	Land, buildings and structures	\$ 6,314
Secured borrowings	Borrowing period of NTD is from January 22, 2024 to January 22, 2039; interest is repayable monthly.	2.45%	Land, buildings and structures	15,955
Secured borrowings	Borrowing period of NTD is from March 1, 2024 to March 1, 2039; interest is repayable monthly.	2.44%	Land, buildings and structures	9,255
Secured borrowings	Borrowing period of NTD is from March 20, 2024 to September 20, 2026; interest is repayable monthly.	2.87%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	30,132
Unsecured borrowings	Borrowing period of NTD is from August 22, 2024 to August 22, 2029; interest is repayable monthly.	2.22%	None	937
Long-term non-bank borrowings				
Unsecured borrowings	Borrowing period of NTD is from July 17, 2024 to July 17, 2026; interest is repayable monthly.	4.59%	Guarantee deposits paid , Inventory	48,800
				231,235
Less: current portion				(107,765)
				<u>\$ 123,470</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank				
Secured borrowings	Borrowing period of NTD is from June 27, 2023 to June 27, 2028; interest is repayable monthly.	2.10%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan, reserve account	\$ 22,512
Secured borrowings	Borrowing period of NTD is from August 19, 2022 to November 19, 2026; interest is repayable monthly. (Note 3)	2.90%	Reserve account	33,254
Unsecured borrowings	Borrowing period of NTD is from June 27, 2023 to June 27, 2028; interest is repayable monthly.	2.10%	None	5,628
Secured borrowings	Borrowing period of NTD is from February 25, 2016 to February 25, 2026; interest is repayable monthly. (Note 1)	2.29%	Land, buildings and structures	2,600
Secured borrowings	Borrowing period of USD is from June 22, 2022 to June 20, 2025; interest is repayable monthly.	7.13%	Reserve account	21,877
Secured borrowings	Borrowing period of RMB is from July 28, 2022 to July 20, 2025; interest is repayable monthly. (Note 2)	3.85%	Machinery and equipment, unfinished construction and equipment under acceptance	8,052
Secured borrowings	Borrowing period of RMB is from October 27, 2022 to October 26, 2025; interest is repayable monthly.	3.65%	Buildings and strictures	43,225

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank				
Secured borrowings	Borrowing period of NTD is from November 7, 2023 to December 12, 2028; interest is repayable monthly.	2.10%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	\$ 9,890
Secured borrowings	Borrowing period of NTD is from December 20, 2023 to December 20, 2028; interest is repayable monthly.	2.10%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	20,000
Secured borrowings	Borrowing period of NTD is from December 22, 2023 to November 22, 2033; interest is repayable monthly.	2.23%	Land, buildings and structures	10,240
Secured borrowings	Borrowing period of NTD is from December 22, 2023 to December 22, 2033; interest is repayable monthly.	2.23%	Land, buildings and structures	7,106
				184,384
Less: current portion				(42,908)
				\$ 141,476

Note 1: The borrowing was repaid in advance in January 2024.

Note 2: The borrowing was repaid in advance in May 2024.

Note 3: The borrowing was repaid in advance in September 2024.

(16) Pensions

A. The Company's mainland China subsidiaries, OWA New Building Materials (Shanghai) Ltd., Buima (China) New Materials Ltd. (formerly: Jiangsu Buima New Materials Ltd.), Syntech New Building Materials (Shanghai) Ltd., Buima New Materials (Shanghai) Ltd., Shanghai Gotao Construction Engineering Co., Ltd., Chongyou (Shenzhen) New Material Co., Ltd. and Hong-Ji International Trading (Shanghai) Ltd., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended

December 31, 2024 and 2023, was all 16%. Other than the monthly contributions, the Group has no further obligations.

B. The Company and its domestic investees have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company's domestic branches contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

C. The above pension costs under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023, were \$25,659 and \$24,971, respectively.

(17) Provisions

	<u>At January 1</u>	<u>Additional provisions</u>	<u>Used during the year</u>	<u>Transferred to revenue</u>	<u>At December 31</u>
2024					
Provision for warranty	\$ 32,457	\$ 8,305	(\$ 287)	(\$ 2,693)	\$ 37,782
	<u>At January 1</u>	<u>Additional provisions</u>	<u>Used during the year</u>	<u>Transferred to revenue</u>	<u>At December 31</u>
2023					
Provision for warranty	\$ 25,819	\$ 6,981	(\$ 343)	\$ -	\$ 32,457

Analysis of total provisions:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current	\$ 13,195	\$ 10,814
Non-current	\$ 24,587	\$ 21,643

The Group gives warranties on the completed construction contract. Provision for warranty is referenced on historical warranty data.

(18) Share capital

A. On December 31, 2024, the Company calculated the share capital based on the historical exchange rate of issued shares amounting to NT\$429,836, and the issued share was 42,984 thousand shares with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	(Units: in thousand shares)	
	2024	2023
At January 1	\$ 39,305	\$ 37,305
Capitalisation of capital surplus	1,179	-
Cash capital increase	-	2,000
Cash capital increase-private placement	2,500	-
At December 31	\$ 42,984	\$ 39,305

- B. To repay bank borrowings and increase the Company's working capital, the Board of Directors at their annual meeting on March 6, 2023 adopted a resolution to raise additional cash with the effective date set on May 10, 2023. The number of shares to be issued is 2,000 thousand shares at a subscription price of NT\$45 (in dollars) per share. The amount of capital raised was \$90,000 which had been registered.
- C. On June 6, 2024, the Company's shareholders at their meeting resolved to increase the capital from capital surplus amounting to \$11,791, and the total number of new shares issued was 1,179 thousand shares. The capital increase has been completed.
- D. On June 6, 2024, the Company's shareholder at their meeting resolved to issue ordinary shares through the private placement, with the total number of shares not exceeding 5,000 thousand shares, in two tranches within one year from the date of the shareholders' meeting. On November 21, 2024, the Company's Board of Directors resolved to increase the capital through the first private placement. The number of private placement shares was 2,500 thousand shares with a par value of NT\$10 (in dollars) per share and the issuing price was NT\$20 (in dollars) per share. The total amount of capital raised was \$50,000 and the registration was completed. On January 20, 2025, the Company's Board of Directors resolved to increase the capital through the second private placement for the remaining shares. The number of private placement shares was 2,500 thousand shares with a par value of NT\$10 (in dollars) per share and the issuing price was NT\$20 (in dollars) per share. The total amount of capital raised was \$50,000 and the registration was completed.

(19) Capital surplus

- A. Under the Company's Articles of Incorporation, capital surplus shall be proposed by the Board of Directors and resolved by the shareholders to cover accumulated deficit, capitalise or distribute.
- B. The shareholders resolved the Company to distribute cash and stock dividends by capital surplus, additional paid-in capital on June 30, 2024 of \$29,844 (NT\$0.8 (in dollars) per share).
- C. The shareholders resolved the Company to distribute cash and stock dividends by capital surplus, additional paid-in capital on June 6, 2024 of \$3,930 (NT\$0.1 (in dollars) per share) and \$11,791 (NT\$0.3 (in dollars) per share).

(20) Retained earnings

A. Under the Company's Articles of Incorporation, while listing on any security market in the R.O.C, earnings will be distributed upon the Board of Directors' proposal for earnings distribution and approval by the stockholders. The restrictions on the yearly earnings distribution are as follows:

- (a) Paying all taxes.
- (b) Offsetting accumulated deficits.
- (c) Setting aside 10% earnings as legal reserve in accordance with the public offering regulations until the legal reserve equals the paid-in capital.
- (d) Based on the resolution of the Board of Directors of the Company, appropriate special reserve in accordance with the Company's Articles of Incorporation or as required by the securities exchange regulations.
- (e) At least 25% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends in the form of cash or new shares.

B. The Company's dividend policy is summarised below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 25% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends, and cash dividends shall account for at least 15% of the total dividends distributed.

(21) Other equity items

	2024		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ -	(\$ 73,624)	(\$ 73,624)
Revaluation	2,273	-	2,273
Revaluation transferred to retained earnings			
– associates	(2,246)	-	(2,246)
Currency translation			
– Group	-	(7,612)	(7,612)
– Tax on Group	-	777	777
At December 31	<u>\$ 27</u>	<u>(\$ 80,459)</u>	<u>(\$ 80,432)</u>

2023				
	Unrealised gains (losses) on valuation	Currency translation	Total	
At January 1	\$ -	(\$ 35,601)	(\$	35,601)
Currency translation				
-Group	-	(40,247)	(40,247)
-Tax on Group	-	2,224		2,224
At December 31	<u>\$ -</u>	<u>(\$ 73,624)</u>	<u>(\$</u>	<u>73,624)</u>

(22) Operating revenue

	Year ended December 31, 2024	Year ended December 31, 2023
Revenue from contracts with customers		
-Sale of goods	\$ 2,504,136	\$ 2,365,149
-Construction revenue	884,313	883,136
-Revenue from processing	14,865	16,856
	<u>\$ 3,403,314</u>	<u>\$ 3,265,141</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

<u>Year ended</u> <u>December 31, 2024</u>	<u>Sales of battery</u>				
	Building materials - wholesale	Engineering construction	Battery products	Revenue from processing	Total
Domestic revenue	\$ 588,109	\$ 884,313	\$ 721,499	\$ 10,989	\$ 2,204,910
Export revenue	285,197	-	909,331	3,876	1,198,404
Total	<u>\$ 873,306</u>	<u>\$ 884,313</u>	<u>\$ 1,630,830</u>	<u>\$ 14,865</u>	<u>\$ 3,403,314</u>
Timing of revenue recognition					
At a point in time	\$ 873,306	\$ -	\$ 1,630,830	\$ 14,865	\$ 2,519,001
Over time	-	884,313	-	-	884,313
	<u>\$ 873,306</u>	<u>\$ 884,313</u>	<u>\$ 1,630,830</u>	<u>\$ 14,865</u>	<u>\$ 3,403,314</u>

<u>Year ended</u> <u>December 31, 2023</u>	Building materials - wholesale	Engineering construction	Sales of battery		Total
			Battery products	Revenue from processing	
Domestic revenue	\$ 767,424	\$ 883,136	\$ 609,439	\$ 8,049	\$ 2,268,048
Export revenue	<u>111,625</u>	<u>-</u>	<u>876,661</u>	<u>8,807</u>	<u>997,093</u>
Total	<u>\$ 879,049</u>	<u>\$ 883,136</u>	<u>\$ 1,486,100</u>	<u>\$ 16,856</u>	<u>\$ 3,265,141</u>
Timing of revenue recognition					
At a point in time	\$ 879,049	\$ -	\$ 1,486,100	\$ 16,856	\$ 2,382,005
Over time	<u>-</u>	<u>883,136</u>	<u>-</u>	<u>-</u>	<u>883,136</u>
	<u>\$ 879,049</u>	<u>\$ 883,136</u>	<u>\$ 1,486,100</u>	<u>\$ 16,856</u>	<u>\$ 3,265,141</u>

B. Contract assets and liabilities

(a) As of December 31, 2024, December 31, 2023 and January 1, 2023, the Group recognised revenue-related contract assets (mainly construction agreement) of \$212,813, \$160,079 and \$291,594 and liabilities (mainly advanced sales receipt and construction agreement) of \$85,315, \$131,795 and \$125,156, respectively.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year.

	<u>Year ended</u> <u>December 31, 2024</u>	<u>Year ended</u> <u>December 31, 2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Building material	\$ 7,381	\$ 9,912
Battery product	37,106	30,486
Construction agreement	<u>62,298</u>	<u>36,359</u>
	<u>\$ 106,785</u>	<u>\$ 76,757</u>

(23) Interest income

	<u>Year ended</u> <u>December 31, 2024</u>	<u>Year ended</u> <u>December 31, 2023</u>
Interest income from bank deposits	\$ 7,974	\$ 14,892
Other interest income	<u>440</u>	<u>328</u>
	<u>\$ 8,414</u>	<u>\$ 15,220</u>

(24) Other income

	Year ended December 31, 2024	Year ended December 31, 2023
Rent income	\$ 9,045	\$ 4,624
Inspection revenue	5,821	5,552
Government grants	2,062	492
Other income, others	5,162	3,489
	<u>\$ 22,090</u>	<u>\$ 14,157</u>

(25) Other gains and losses

	Year ended December 31, 2024	Year ended December 31, 2023
Losses on disposals of property, plant and equipment	(\$ 994)	(\$ 1,316)
Foreign exchange gains	25,330	6,474
Gains (losses) on financial liabilities at fair value through profit or loss	1,170	(226)
Warranty liabilities transferred to revenue	2,693	-
Gains on disposals of investments	7,276	-
Other (losses) gains	(13,277)	2,923
	<u>\$ 22,198</u>	<u>\$ 7,855</u>

(26) Finance costs

	Year ended December 31, 2024	Year ended December 31, 2023
Interest expense		
Bank borrowings	\$ 50,886	\$ 56,717
Convertible bonds	7,728	9,039
Lease liability	1,470	1,442
	<u>\$ 60,084</u>	<u>\$ 67,198</u>

(27) Expenses by nature

	Year ended December 31, 2024	Year ended December 31, 2023
Employee benefit expense	\$ 630,826	\$ 541,387
Depreciation charges on property, plant, equipment and right-of-use assets	89,663	80,823
Amortisation	7,290	16,873
	<u>\$ 727,779</u>	<u>\$ 639,083</u>

(28) Employee benefit expense

	Year ended December 31, 2024	Year ended December 31, 2023
Wages and salaries	\$ 517,203	\$ 442,202
Labour and health insurance fees	48,718	44,158
Pension costs	25,659	24,971
Other personnel expenses	39,246	30,056
	<u>\$ 630,826</u>	<u>\$ 541,387</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% and shall not be higher than 10% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the years ended December 31, 2024 and 2023, no employees' compensation and directors' remuneration was accrued because of losses incurred for the year.

Employees' compensation and directors' remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2024	Year ended December 31, 2023
Current tax:		
Current tax on profits for the year	\$ 27,813	\$ 22,337
Prior year income tax overestimation	7,384	(1,014)
Tax on undistributed surplus earnings	2,009	1,794
Total current tax	<u>37,206</u>	<u>23,117</u>
Deferred tax:		
Origination and reversal of temporary differences	4,113	(8,129)
Income tax expense	<u>\$ 41,319</u>	<u>\$ 14,988</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income (loss) is as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Currency translation differences	(\$ 777)	(\$ 2,224)

B. Reconciliation between income tax expense and accounting (loss) profit:

	Year ended December 31, 2024	Year ended December 31, 2023
Tax calculated based on profit (loss) before tax and statutory tax rate (Note)	(\$ 36,204)	(\$ 21,013)
Effects from items disallowed by tax regulation	2,660	1,169
Temporary difference not recognised as deferred tax assets	(1,884)	881
Taxable loss not recognised as deferred tax assets	67,354	33,171
Effect from investment tax credits	7,384	(1,014)
Tax on undistributed earnings	2,009	1,794
Income tax expense	<u>\$ 41,319</u>	<u>\$ 14,988</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2024					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	Business combinations	December 31
Temporary differences:						
– Deferred tax assets:						
Allowance for inventory valuation losses	\$ 7,721	\$ 658	\$ -	\$ -	\$ -	\$ 8,379
Unused compensated absences	439	-	-	-	-	439
Unrealised exchange loss	2,037	(2,037)	-	-	-	-
Warranties	5,556	1,065	-	-	-	6,621
Unrealised gross profit from sales	-	665	-	-	-	665
Other	3,715	(3,715)	-	-	-	-
	<u>\$ 19,468</u>	<u>(\$ 3,364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,104</u>

2024						
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	Business combinations	December 31
– Deferred tax liabilities:						
Effect from foreign earnings income	2,455	-	-	-	-	2,455
Currency translation difference	3,648	-	-	(777)	246	3,117
Intangible assets	10,304	-	-	-	-	10,304
Unrealised exchange gain	-	818	-	-	-	818
Other	69	(69)	-	-	-	-
	<u>\$ 16,476</u>	<u>\$ 749</u>	<u>\$ -</u>	<u>(\$ 777)</u>	<u>\$ 246</u>	<u>\$ 16,694</u>
	<u>\$ 2,992</u>	<u>(\$ 4,113)</u>	<u>\$ -</u>	<u>\$ 777</u>	<u>(\$ 246)</u>	<u>(\$ 590)</u>
2023						
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	Business combinations	December 31
Temporary differences:						
– Deferred tax assets:						
Allowance for inventory valuation losses	\$ 4,737	\$ 2,984	\$ -	\$ -	\$ -	\$ 7,721
Unused compensated absences	439	-	-	-	-	439
Unrealised exchange loss	-	2,037	-	-	-	2,037
Warranties	4,229	1,327	-	-	-	5,556
Other	2,019	1,696	-	-	-	3,715
	<u>\$ 11,424</u>	<u>\$ 8,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,468</u>
– Deferred tax liabilities:						
Effect from foreign earnings income	2,455	-	-	-	-	2,455
Currency translation difference	4,514	-	(2,224)	1,358	-	3,648
Intangible assets	10,304	-	-	-	-	10,304
Other	154	(85)	-	-	-	69
	<u>\$ 17,427</u>	<u>(\$ 85)</u>	<u>(\$ 2,224)</u>	<u>\$ 1,358</u>	<u>\$ -</u>	<u>\$ 16,476</u>
	<u>(\$ 6,003)</u>	<u>\$ 8,129</u>	<u>\$ 2,224</u>	<u>(\$ 1,358)</u>	<u>\$ -</u>	<u>\$ 2,992</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

(a) Subsidiaries in PRC

December 31, 2024					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised		Expiry year
			deferred tax assets		
2020	Amount assessed	\$ 20,733	\$ 20,733		2025
2021	Amount assessed	41,949	41,949		2026
2022	Amount filed	40,536	40,536		2027
2023	Amount filed	118,327	118,327		2028
2024	Estimated amount filed	256,124	256,124		2029

December 31, 2023					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised		Expiry year
			deferred tax assets		
2020	Amount assessed	\$ 20,733	\$ 20,733		2025
2021	Amount assessed	41,949	41,949		2026
2022	Amount filed	40,536	40,536		2027
2023	Estimated amount filed	118,327	118,327		2028

(b) Buima Group Inc. Taiwan subsidiary / branch

December 31, 2024					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised		Expiry year
			deferred tax assets		
2015	Amount assessed	\$ 3,488	\$ 3,488		2025
2016	Amount assessed	7,285	7,285		2026
2017	Amount assessed	9,728	9,728		2027
2018	Amount assessed	10,511	10,511		2028
2019	Amount assessed	18,299	18,299		2029
2020	Amount assessed	9,863	9,863		2030
2021	Amount assessed	8,712	8,712		2031
2022	Amount assessed	13,982	13,200		2032
2023	Amount filed	31,537	17,945		2033
2024	Estimated amount filed	16,614	16,614		2034

December 31, 2023

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised		Expiry year
			deferred tax assets		
2015	Amount assessed	\$ 3,488	\$ 3,488		2025
2016	Amount assessed	7,285	7,285		2026
2017	Amount assessed	9,728	9,728		2027
2018	Amount assessed	10,511	10,511		2028
2019	Amount assessed	18,299	18,299		2029
2020	Amount assessed	9,863	9,863		2030
2021	Amount filed	8,712	8,712		2031
2022	Amount filed	13,982	13,200		2032
2023	Estimated amount filed	31,537	17,945		2033

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	\$ 26,279	\$ 18,743

F. The income tax returns of the Company's Taiwan branch through 2020 have been assessed and approved by the Tax Authority. The income tax returns of the Company's subsidiaries, Unitary Construction Co., Ltd., JOULES MILES CO., LTD. and SHIN JIN COMPANY LIMITED through 2021 have been assessed and approved by the Tax Authority.

(30) Losses per loss

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic and diluted losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 231,066)	40,731	(\$ 5.67)
	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic and diluted losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 99,042)	39,777	(\$ 2.49)

Note: The Group's convertible bonds had anti-dilution effect for the years ended December 31, 2024 and 2023, and were not included in the conversion of potential ordinary shares that had an anti-dilution effect on loss per share.

(31) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

The Company acquired an additional 20% outstanding shares of PowerGain Technology Corporation Limited by cash of \$4,000 in September 2022. The carrying amount of non-controlling interest in PowerGain Technology Corporation Limited was \$3,867 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$3,867 and a decrease in the equity attributable to owners of the parent by \$33. The effect of changes in interests in PowerGain Technology Corporation Limited on the equity attributable to owners of the parent for the year ended December 31, 2024 is shown below:

	Year ended December 31, 2024
Carrying amount of non-controlling interest acquired	(\$ 8,220)
Consideration paid to non-controlling interest	(898)
Other equity (Currency translation)	33
Unappropriated retained earnings	(\$ 9,085)

There were no such transactions on December 31, 2023.

(32) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31, 2024	Year ended December 31, 2023
Purchase of property, plant and equipment	\$ 175,208	\$ 82,727
Plus: Opening balance of payable on equipment	9,208	30,560
Less: Ending balance of payable on equipment	(13,443)	(9,208)
Cash paid during the year	\$ 170,973	\$ 104,079

B. Investing activities with no cash flow effects

	Year ended <u>December 31, 2024</u>	Year ended <u>December 31, 2023</u>
Other non-current assets transferred to property, plant and equipment	\$ <u>56,957</u>	\$ <u>4,803</u>
Property, plant and equipment transferred to intangible assets	\$ <u>143</u>	\$ <u>282</u>
Property, plant and equipment transferred to right-of-use assets	\$ <u>-</u>	\$ <u>609</u>
Property, plant and equipment transferred to Investment property	\$ <u>15,883</u>	\$ <u>-</u>
Right-of-use assets transferred to Investment property	\$ <u>7,415</u>	\$ <u>-</u>

C. Financing activities with no cash flow effects:

	Year ended <u>December 31, 2024</u>	Year ended <u>December 31, 2023</u>
Undistributed cash dividends from capital surplus	\$ <u>3,930</u>	\$ <u>-</u>

D. On April 30, 2024, the Group sold a 45.83% equity interest in its subsidiary, SHIN JIN COMPANY LIMITED, which was purchased by the existing shareholders of SHIN JIN COMPANY LIMITED. The details of the consideration received from the transaction (including cash and cash equivalent) and assets and liabilities relating to the subsidiary are as follows:

	<u>April 4, 2024</u>
(1) Consideration received	
Cash	\$ 44,000
Total consideration	<u>\$ 44,000</u>
(2) Carrying amount of the assets and liabilities of the SHIN JIN COMPANY	
Cash	22,350
Current financial assets at amortised cost	13,388
Notes receivable, net	7,042
Accounts receivable, net	34,000
Other receivables	1,387
Inventories	87,076
Prepayments	17,992
Property, plant and equipment	6,950
Right-of-use assets	1,333
Intangible assets	111
Deferred income tax assets	4,657
Guarantee deposits paid	1,750
Short-term borrowings	(82,860)
Current contract liabilities	(2,970)
Notes payable	(3,700)
Accounts payable	(20,470)
Other payables	(1,682)
Current lease liabilities	(803)
Long-term liabilities, current portion	(2,000)
Non-current lease liabilities	(530)
Long-term borrowings	(7,224)
Total assets	<u>\$ 75,797</u>
(3) Gain on disposal of subsidiaries	<u>2024/1/1-2024/4/30</u>
Consideration received	\$ 44,000
Disposal of net assets	(34,739)
Disposal of goodwill	(1,935)
Gain on disposal	<u>\$ 7,326</u>
(4) Net cash inflows from disposal of subsidiaries	<u>2024/1/1-2024/4/30</u>
Consideration received in cash	\$ 44,000
Less: Cash balance of the subsidiary disposed	(22,350)
	<u>\$ 21,650</u>

(33) Changes in liabilities from financing activities

	January 1, 2024	Changes in cash flow from financing	Changes in other non-cash items	Effect of exchange rate changes	December 31, 2024
Short-term borrowings	\$ 1,148,971	\$ 8,901	(\$ 82,860)	\$ 28,263	\$ 1,103,275
Long-term borrowings	184,384	53,128	(9,224)	2,947	231,235
Lease liability	72,348	(23,114)	7,901	-	57,135
Bonds payable	458,673	(318,335)	7,728	53,035	201,101
Guarantee deposits received	7,254	(3,062)	-	-	4,192
Other payables (Note)	-	321	-	-	321
	<u>\$ 1,871,630</u>	<u>(\$ 282,161)</u>	<u>(\$ 76,455)</u>	<u>\$ 84,245</u>	<u>\$ 1,597,259</u>

	January 1, 2023	Changes in cash flow from financing	Changes in other non-cash items	Effect of exchange rate changes	December 31, 2023
Short-term borrowings	\$ 1,113,170	\$ 88,908	(\$ 44,187)	(\$ 8,920)	\$ 1,148,971
Long-term borrowings	280,083	(139,324)	44,187	(562)	184,384
Lease liability	43,400	(20,831)	49,779	-	72,348
Bonds payable	380,309	71,132	7,232	-	458,673
Guarantee deposits received	2,593	4,661	-	-	7,254
	<u>\$ 1,819,555</u>	<u>\$ 4,546</u>	<u>\$ 57,011</u>	<u>(\$ 9,482)</u>	<u>\$ 1,871,630</u>

Note: Please refer to Note 7 (2)9 I for the related information.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Odenwald Faserplattenwerk GmbH(Odenwald)	Other related party
POWERSKY TECHNOLOGY CORPORATION (POWERSKY TECHNOLOGY)	Other related party
POWERPCM TECHNOLOGY CORPORATION (POWERPCM TECHNOLOGY)	Other related party
GWA ENERGY, INC.(GWA ENERGY)	Associate(Note 1)
ChargeON Corp.(ChargeON)	Other related party(Note 2)
Chang Chien Chih	Director of the Company
Jian-Ying Wu	Key management of the Group's second- tier subsidiary
TSENG WEI CHIEH	Note 3
TSENG WEI HSIANG	Note 3
Suzhou Xingtie Technology Co., Ltd.(Suzhou Xingtie)	Associate(Note 4)

Note 1: GWA ENERGY, INC. became a related party of the Group starting from July 1, 2023.

Note 2: ChargeON Corp. became a related party of the Group starting from March 29, 2024.

Note 3: It pertained to the key management of the Group's second-tier subsidiary. The second-tier subsidiary was no longer a consolidated entity of the Group since April 30, 2024.

Note 4: Suzhou Xingtie Technology Co., Ltd. became a related party of the Group starting from December 29, 2024.

(2) Significant related party transactions

A. Sales:

	Year ended December 31, 2024	Year ended December 31, 2023
Sales of goods:		
- Odenwald	\$ 138,161	\$ 63,774
- Suzhou Xingtie	36	-
- GWA ENERGY	6,374	28,592
- ChargeON	147	-
Sales of services:		
- GWA ENERGY	-	2,525
	<u>\$ 144,718</u>	<u>\$ 94,891</u>

Goods are sold to related parties based on the mutual agreements by referring to the cost by product types, market price competition and other transaction terms. The credit term is 30 ~ 90 days after the date of sales.

B. Purchases:

	Year ended December 31, 2024	Year ended December 31, 2023
Purchases of goods:		
-Suzhou Xingtie	\$ 2,011	\$ -
-POWERSKY TECHNOLOGY	-	132,490
	<u>\$ 2,011</u>	<u>\$ 132,490</u>

The purchase price and payment terms for related parties are in accordance with mutual agreement, and the payment terms are 90 to 120 days after monthly billings.

C. Receivables from related parties:

	December 31, 2024	December 31, 2023
Accounts receivable:		
- Odenwald	\$ 36,676	\$ 16,441
- ChargeON	1,791	2,876
- Suzhou Xingtie	579	-
	<u>\$ 39,046</u>	<u>\$ 19,317</u>

The receivables from related parties are primarily derived from merchandise sales transactions, with payments from sales transactions due 30 to 120 days after the date of sale. The receivables are unsecured and interest-bearing. No allowance for losses has been made for amounts due from related parties.

D. Amounts payable to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes payable:		
-POWERSKY TECHNOLOGY	\$ -	\$ 31,415
Accounts payable:		
-POWERSKY TECHNOLOGY	\$ 10,439	\$ 10,510
-Suzhou Xingtie	1,140	-
	<u>\$ 11,579</u>	<u>\$ 10,510</u>

Amounts payable to related parties are mainly derived from purchase transactions, with payment terms ranging from 90 to 120 days per month. The amount payable does not carry any interest.

E. Property transactions

(a) Acquisition of property, plant and equipment

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Machinery and equipment:		
- POWERSKY TECHNOLOGY	\$ -	\$ 5,294
Office equipment:		
- POWERSKY TECHNOLOGY	-	27
	<u>\$ -</u>	<u>\$ 5,321</u>

(b) Acquisition of financial assets

Considering the overall development plan of the Group, as described in Note 4(3), on April 30, 2024, the Group disposed of its equity interests in SHIN JIN COMPANY LIMITED.

Information relating to the consideration is as follows:

	<u>Year ended December 31, 2024</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
TSENG WEI CHIEH	\$ 17,250	\$ 2,897
TSENG WEI HSIANG	26,480	4,379
	<u>\$ 43,730</u>	<u>\$ 7,276</u>

No such transaction for the year ended December 31, 2023.

F. Prepayment:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
- Suzhou Xingtie	\$ 2,138	\$ -

G. Lease transactions — lessee

(a) The Group leases buildings (including parking spaces) from other related parties. Rental contracts are typically made for periods of 5 years. Rents are paid monthly.

(b) Right-of-use assets

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
- POWERSKY TECHNOLOGY	\$ -	\$ 21,327
- POWERPCM TECHNOLOGY	-	3,828
	<u>\$ -</u>	<u>\$ 25,155</u>

(c) Lease liabilities

(i) Outstanding balance:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
- POWERSKY TECHNOLOGY	\$ 9,925	\$ 18,387
- POWERPCM TECHNOLOGY	2,565	3,310
	<u>\$ 12,490</u>	<u>\$ 21,697</u>

(ii) Interest expense

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
- POWERSKY TECHNOLOGY	\$ 236	\$ 297
- POWERPCM TECHNOLOGY	61	53
	<u>\$ 297</u>	<u>\$ 350</u>

H. Endorsements and guarantees provided from related parties:

As of December 31, 2024 and 2023, financing guarantees provided by key management of the Company's second-tier subsidiary, PowerGain Technology Corporation Limited, were \$50,000 and \$60,000, respectively.

I. Loans from related parties (show as other payables)

Outstanding balance :

	<u>December 31, 2024</u>
- Odenwald	\$ 321

(3) Key management compensation

	Year ended December 31, 2024	Year ended December 31, 2023
Salaries and other short-term employee benefits	\$ 9,860	\$ 11,368

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2024	December 31, 2023	
Current financial assets at amortised cost	\$ 146,900	\$ 252,120	Short-term loan, guarantee for corporate bond, performance guarantee
Non-current financial assets at amortised cost	6,428	10,414	Long-term loan, guarantee for corporate bond
Inventory	18,000	-	Long-term loan
Property, plant and equipment - land	119,723	83,088	Short-term loan, long-term loan
Property, plant and equipment - buildings and structure	290,378	265,140	Short-term loan, long-term loan
Property, plant and equipment - machinery and equipment	33,787	8,391	Long-term loan
Property, plant and equipment - unfinished construction and equipment under acceptance	-	17,463	Long-term borrowings
Investment property - Houses and Construction	3,948	-	Short-term loan
Right-of-use assets - land use right	127,400	125,592	Short-term loan
Other non-current assets - guarantee deposits paid (performance guarantee)	75,789	146,162	Performance guarantee
Other non-current assets - guarantee deposits paid (bid bond)			Bid bond
	<u>16,957</u>	<u>14,420</u>	
	<u>\$ 839,310</u>	<u>\$ 922,790</u>	

As of December 31, 2024 and 2023, 25.18% of the equity interests in the Group's subsidiary, JOULES MILES CO., LTD., were pledged as collateral for short-term borrowings.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, plant and equipment	\$ 5,428	\$ 46,048

B. As of December 31, 2024 and 2023, performance guarantee letters issued for construction undertaking, warranty and leases of the Group amounted to \$317,734 and \$316,318, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 6 (18) for the related information.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss - equity securities	\$ 4,780	\$ 4,780
Financial assets at amortised cost		
Cash and cash equivalents	314,243	543,336
Financial assets at amortised cost	153,328	262,534
Notes receivable	2,528	33,387
Accounts receivable	743,540	675,075
Accounts receivable due from related parties	39,046	19,317
Other receivables	7,124	22,068
Guarantee deposits paid	<u>109,945</u>	<u>200,698</u>
	<u>\$ 1,369,754</u>	<u>\$ 1,756,415</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading - derivative instrument	\$ -	\$ 3,430
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,103,275	\$ 1,148,971
Notes payable	116,502	137,387
Notes payable to related party	-	31,415
Accounts payable	335,073	351,869
Accounts payable to related party	11,579	10,510
Other payables	275,264	181,088
Bonds payable (including current portion)	201,101	458,673
Long-term borrowings (including current portion)	231,235	184,384
Guarantee deposits received	<u>4,192</u>	<u>7,254</u>
	<u>\$ 2,278,221</u>	<u>\$ 2,511,551</u>
Lease liability	<u>\$ 57,135</u>	<u>\$ 72,348</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally, and its businesses involve some non-functional currency operations, and is exposed to foreign exchange risk arising from various currency. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

		<u>December 31, 2024</u>		<u>Year ended December 31, 2024</u>	
				<u>Sensitivity analysis</u>	
	Foreign currency amount (In thousands)	Exchange rate	Book value (In thousands of NTD)	Degree of variation	Effect on other comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:RMB	\$ 201	7.30	\$ 6,572	1%	\$ 66
USD:NTD	11,506	32.79	377,224	1%	3,772
EUR:NTD	113	34.14	3,858	1%	39
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	959	32.79	31,441	1%	314

December 31, 2023			Year ended December 31, 2023		
			Sensitivity analysis		
Foreign currency amount (In thousands)	Exchange rate	Book value (In thousands of NTD)	Degree of variation	Effect on other comprehensive income	
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:RMB	\$ 246	7.10	\$ 7,561	1%	\$ 76
USD:NTD	10,731	30.71	329,495	1%	3,295
EUR:NTD	111	33.98	3,772	1%	38
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	815	30.71	25,029	1%	250

- ii. Total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to \$25,330 and \$6,474, respectively.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in RMB and USD, respectively.
- ii. If the borrowing interest rate had increased/decreased by 0.25% or with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$3,336 and \$3,333, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivable, accounts receivable and contract assets based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new

- clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - iv. In line with credit risk management procedure, except for some customers whose collection schedules are based on mutual agreements, general customers are considered to be in default when the contract payments are past due over 180 days
 - v. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit risk on trade and customer types. The Group applies the modified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.
 - vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
 - vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 2024 and 2023, the provision matrix is as follows:

	Not past due	1 ~ 90 days past due	91 ~ 180 days past due	181 ~ 365 days past due
<u>At December 31, 2024</u>				
Expected loss rate	0% ~ 1.01%	0% ~ 2.93%	0% ~ 17.8%	3.57% ~ 15%
Total book value	\$ 503,012	\$ 92,820	\$ 41,741	\$ 75,171
Loss allowance	(4,237)	(833)	(1,145)	(10,112)

	365~545 days past due	546~730 days past due	Over 731 days past due	Total
Expected loss rate	20.34%~75%	50%~81.46%	100.00%	
Total book value	\$ 37,799	\$ 71,940	\$ 65,855	\$ 888,338
Loss allowance	(9,470)	(53,146)	(65,855)	(144,798)
	Not past due	1~90 days past due	91~180 days past due	181~365 days past due

At December 31, 2023

Expected loss rate	0%~1.03%	0.45%~1.31%	1.17%~3.24%	1.47%~65.79%
Total book value	\$ 533,067	\$ 61,065	\$ 23,436	\$ 24,987
Loss allowance	(3,465)	(406)	(535)	(10,245)

	365~545 days past due	546~730 days past due	Over 731 days past due	Total
Expected loss rate	18%~25.35%	31.51%~75.9%	100.00%	
Total book value	\$ 44,610	\$ 34,611	\$ 38,129	\$ 759,905
Loss allowance	(8,933)	(23,117)	(38,129)	(84,830)

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2024	
	Accounts receivable	Contract assets
At January 1	\$ 84,830	\$ -
Provision for impairment	65,353	30,062
Write-offs	(8,891)	
Effect of foreign exchange	3,506	(2,110)
At December 31	<u>\$ 144,798</u>	<u>\$ 27,952</u>
	2023	
	Accounts receivable	Contract assets
At January 1	\$ 74,875	\$ -
Provision for impairment	12,065	-
Effect of foreign exchange	(2,110)	-
At December 31	<u>\$ 84,830</u>	<u>\$ -</u>

(c) Liquidity risk

- i. Surplus cash held by the Group over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2024 and 2023, the Group held money market position of \$311,660 and \$541,047, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>December 31, 2024</u>	Between 3			<u>Total</u>
	<u>Less than 3 months</u>	<u>months and 1 year</u>	<u>Over 1 year</u>	
Non-derivative financial liabilities:				
Short-term borrowings	\$ 580,098	\$ 541,165	\$ -	\$ 1,121,263
Notes payable (including related party)	94,471	13,495	8,536	116,502
Accounts payable (including related party)	213,421	62,079	71,152	346,652
Other payables	275,264	-	-	275,264
Bonds payable (including current portion)	-	104,040	107,689	211,729
Lease liability	5,343	14,929	38,222	58,494
Long-term borrowings (including current portion)	17,363	93,678	132,116	243,157
Derivative financial liabilities:				
Current financial liabilities at fair value through profit or loss	\$ -	\$ -	\$ -	\$ -
Put options of bonds payable				

<u>December 31, 2023</u>	<u>Less than 3</u> <u>months</u>	<u>Between 3</u> <u>months and</u> <u>1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 548,625	\$ 619,318	\$ -	\$ 1,167,943
Notes payable (including related party)	125,611	43,191	-	168,802
Accounts payable (including related party)	362,379	-	-	362,379
Other payables	181,088	-	-	181,088
Bonds payable (including current portion)	-	372,658	107,689	480,347
Lease liability	5,719	16,619	53,000	75,338
Long-term borrowings (including current portion)	11,430	33,285	146,553	191,268
Derivative financial liabilities:				
Current financial liabilities at fair value through profit or loss	\$ -	\$ 3,430	\$ -	\$ 3,430
Put options of bonds payable				

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's put options embedded in convertible bonds issued by the Group are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid short-term borrowings, notes payable, accounts payable, other payables, lease liability, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

		December 31, 2024		
		Fair value		
Financial liabilities:	Book value	Level 1	Level 2	Level 3
Bonds payable	\$ 201,101	\$ -	\$ -	\$ 202,980

		December 31, 2023		
		Fair value		
Financial liabilities:	Book value	Level 1	Level 2	Level 3
Bonds payable	\$ 458,673	\$ -	\$ -	\$ 460,544

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable were evaluated by using the Binomial-Tree approach to convertible bonds.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 and 2023 are as follows:

(a) The related information of financial and non-financial instruments measured at fair value are as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 4,780	\$ 4,780
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ -	\$ -	\$ -
<u>December 31, 2023</u>	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 4,780	\$ 4,780
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 3,430	\$ -	\$ 3,430

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. When assessing non-standard and low-complexity financial instruments, for example, equity instruments without active market and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- ii. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as option pricing models.

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

F. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	2024	2023
At January 1 (and December 31)	\$ 4,780	\$ 4,780

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 4,780	Market - comparable companies	Price to earnings ratio multiple Discount for lack of marketability	0.84~1.54 20%	The higher the net assets, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 4,780	Market - comparable companies	Price to earnings ratio multiple Discount for lack of marketability	0.84~1.54 20%	The higher the net assets, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2024			
		Recognised in profit or loss	Recognised in other comprehensive income		
	Input	Change			
Financial assets	Price to earnings				
Equity instrument	ratio multiple	±5%	\$ 241	(\$ 241)	\$ - \$ -
		December 31, 2023			
		Recognised in profit or loss	Recognised in other comprehensive income		
	Input	Change			
Financial assets	Price to earnings				
Equity instrument	ratio multiple	±5%	\$ 241	(\$ 241)	\$ - \$ -

(4) On September 28, 2024, the subsidiary, Buima (China) New Materials Ltd., was re-registered as personal ownership held by the director, Chang Chien Chih. However, the Group still has substantial control over the Company. The relevant details of this event are as follows:

- A. On August 22, 2024, the Company held a special meeting of the Board of Directors to re-elect Mr. Hung-Wei Chuang as the Company's chairman. However, the former chairman, Mr. Chang Chien Chih, claimed that the resolution contained flaws and was subject to controversy. Therefore, he insisted that the proceedings of the Board of Directors' resolution was illegal, which was deemed as an illegal resolution, and that he should still be the chairman of the Company.

- B. After August 22, 2024, the Company began the process of the registration of change for related entities (including subsidiaries). On September 9, 2024, the director, Chang Chien Chih, received a notice from the General Registry Department of the Cayman Islands Government that the chairman of the Company had changed to Mr. Hung-Wei Chuang. Since the change process has not yet been determined through the litigation procedure, the director, Chang Chien Chih, considered the registration of change was illegal. The director, Chang Chien Chih, personally claimed that in order to protect the completeness of the Company's assets in Mainland China, he transferred the 100% equity interest in Buima (China) New Materials Ltd., which was held by Buima Holding Hong Kong Limited, into his own name by using the method of shareholding entrustment. Additionally, he asserted that the shareholding entrustment was legal in Mainland China, and the shareholding entrustment agreement has been signed and approved for reference. The change process involved a shareholding entrustment agreement that Mr. Chang Chien Chih signed in his capacity as an executive director of Buima Holding Hong Kong Limited with himself in individual capacity. The equity transfer agreement was prepared according to the context of the shareholding entrustment agreement, and submitted to Market Supervision Administration of Zhenjiang City, Jiangsu Province in China for the change of the shareholder.
- C. Through a negotiation between the Company and the director, Chang Chien Chih, on November 11, 2024, the director, Chang Chien Chih, signed a letter of commitment which was witnessed by lawyers, WANG CHUN-MEI and ZHANG MAO-CHENG, from Jiangsu Jiang Cheng Law Firm. In the letter of commitment, the director, Chang Chien Chih, indicated that during the period of shareholding entrustment claimed personally by him, his original intention was to hold the equity on behalf of all shareholders, without any intent to misappropriate. Thus, although the equity of Buima (China) New Materials Ltd. was recorded under his own name, the actual control and interests were attributable to the Company. Complying with the Company's requirements, the director, Chang Chien Chih, has handed over the corporate seal of Buima (China) New Materials Ltd., which was under the chairman's authority, and the financial institution keys under the chairman's authority to the Company's designated custodian. Additionally, he cooperated with the subsidiary to reassign new directors and supervisors for the subsidiary. The above actions all provided sufficient evidence that the control of Buima (China) New Materials Ltd. was still attributable to the Company and did not affect the Company's normal financial operations.

As there was a misunderstanding in the issues related to procedural disputes of the change, which has been confirmed by both parties under the negotiation, the director, Chang Chien Chih, has complied with the Company's request to sign an agreement to transfer back all equity of Buima (China) New Materials Ltd. to the Company. According to a legal opinion provided by lawyers, WANG CHUN-MEI and ZHANG MAO-CHENG, from Jiangsu Jiang Cheng Law Firm on November 11, 2024, which expressed their views on the validity of the equity transfer agreement, the legality of documents intended to be submitted to the State Administration for Market

Regulation, the authenticity of Chang Chien Chih's signature on the submitted documents, special matters in the change process, the revocability after the completion of changes and the irrevocability of the submitted application. The lawyers considered that the procedure of the equity transferring back to Buima Holding Hong Kong Limited was in accordance with relevant laws, regulations, and the regulation of the Company's Articles of Incorporation, and the content of the documents prepared for signing was conformed with the legal requirement. The Company has prepared all the necessary documents for the Buima (China) New Materials Ltd.'s equity transfer and registration of changes. The Company along with the director, Chang Chien Chih, jointly appointed a Hong Kong lawyer to submit documents to withdraw all submitted change applications from the Hong Kong Companies Registry. When the Buima Holding Hong Kong Limited's corporate entity was notarized and the required preliminary procedure for the withdrawal of pending documents was completed, the registration of change for Buima (China) New Materials Ltd. would start to proceed. All relevant registrations of change were completed by the Company on November 27, 2024.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(12) on the financial statements for details.
- J. Significant inter-company transactions during the reporting periods: Please refer to tables 6 and 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 1.

(4) Major shareholders information

Names, number of shares held by and ownership of shareholders whose ownership over 5%: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The chief operating decision-maker considers the business from a geographic and product type perspective; In terms of products, the Group focuses on the manufacturing, R&D and sales of new building materials, batteries and electrical appliances, as well as engineering construction; in terms of regions, the Group currently focuses on construction, production and sales in Taiwan, Mainland China and Cambodia.

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the operating profit (loss) after tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

(3) Information about segment profit or loss, assets and liabilities

Year ended December 31, 2024

	Taiwan	Mainland China	Other	Reconciliation and elimination	Total
Revenue from external customers	\$ 2,776,329	\$ 626,985	\$ -	\$ -	\$ 3,403,314
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>\$ 2,776,329</u>	<u>\$ 626,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,403,314</u>
Segment income (loss)	<u>\$ 69,644</u>	<u>(\$ 450,246)</u>	<u>\$ -</u>	<u>\$ 194,137</u>	<u>(\$ 186,465)</u>
Interest income	<u>\$ 5,217</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>(\$ 368)</u>	<u>\$ 8,414</u>
Depreciation and amortisation	<u>\$ 55,368</u>	<u>\$ 41,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,953</u>
Profit or loss of investments accounted for using equity method	<u>(\$ 8,688)</u>	<u>(\$ 193,551)</u>	<u>\$ -</u>	<u>\$ 193,551</u>	<u>(\$ 8,688)</u>
Income tax expense	<u>(\$ 37,256)</u>	<u>(\$ 4,063)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 41,319)</u>
Segment assets	<u>\$ 2,362,363</u>	<u>\$2,956,436</u>	<u>\$ -</u>	<u>(\$ 1,798,628)</u>	<u>\$ 3,520,171</u>
Long-term equity investment accounted for using equity method	<u>\$ 79,356</u>	<u>\$1,435,086</u>	<u>\$ -</u>	<u>(\$ 1,432,841)</u>	<u>\$ 81,601</u>
Capital expenditure for other non-current assets	<u>\$ 162,389</u>	<u>\$ 31,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,712</u>
Segment liabilities	<u>\$ 1,232,937</u>	<u>\$1,795,014</u>	<u>\$ -</u>	<u>(\$ 528,109)</u>	<u>\$ 2,499,842</u>

Year ended December 31, 2023

	Taiwan	Mainland China	Other	Reconciliation and elimination	Total
Revenue from external customers	\$ 2,463,655	\$ 801,486	\$ -	\$ -	\$ 3,265,141
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>\$ 2,463,655</u>	<u>\$ 801,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,265,141</u>
Segment income (loss)	<u>\$ 31,473</u>	<u>(\$ 171,682)</u>	<u>(\$ 962)</u>	<u>\$ 24,972</u>	<u>(\$ 116,199)</u>
Interest income	<u>\$ 9,896</u>	<u>\$ 5,054</u>	<u>\$ 270</u>	<u>\$ -</u>	<u>\$ 15,220</u>
Depreciation and amortisation	<u>\$ 55,684</u>	<u>\$ 41,902</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 97,696</u>
Profit or loss of investments accounted for using equity method	<u>(\$ 3,103)</u>	<u>(\$ 47,809)</u>	<u>\$ -</u>	<u>\$ 48,367</u>	<u>(\$ 2,545)</u>
Income tax expense	<u>(\$ 14,638)</u>	<u>\$ 29,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,988</u>
Segment assets	<u>\$ 2,672,502</u>	<u>\$3,201,337</u>	<u>\$ -</u>	<u>(\$ 1,866,460)</u>	<u>\$ 4,007,379</u>
Long-term equity investment accounted for using equity method	<u>\$ 287,184</u>	<u>\$1,460,103</u>	<u>\$ -</u>	<u>(\$ 1,658,790)</u>	<u>\$ 88,497</u>
Capital expenditure for other non-current assets	<u>\$ 72,787</u>	<u>\$ 113,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,896</u>
Segment liabilities	<u>\$ 1,402,233</u>	<u>\$1,738,574</u>	<u>\$ -</u>	<u>(\$ 334,793)</u>	<u>\$ 2,806,014</u>

(4) Information on products and services

Please refer to Note 6 (22) for the related information.

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	<u>Year ended December 31, 2024</u>		<u>Year ended December 31, 2023</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Mainland China	\$ 2,772,807	\$ 499,159	\$ 2,475,719	\$ 292,428
Taiwan	630,507	655,100	789,422	702,559
Cambodia	-	-	-	-
	<u>\$ 3,403,314</u>	<u>\$ 1,154,259</u>	<u>\$ 3,265,141</u>	<u>\$ 994,987</u>

(6) Major customer information

Details of the customers accounting for more than 10% of the consolidated net operating revenue are as follows:

	<u>Year ended December 31, 2024</u>		<u>Year ended December 31, 2023</u>	
	<u>Sales amount</u>	<u>Percentage(%)</u>	<u>Sales amount</u>	<u>Percentage(%)</u>
A	<u>\$ 359,629</u>	10%	<u>\$ 228,736</u>	7%

Buima Group Inc.
Loans to others
Year ended December 31, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2024	Balance at December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Notes 1 and 2)	Footnote	
												Allowance for doubtful accounts	Item Value				
1	Buima (China) New Materials Ltd.	The Company	Other receivables	Yes	\$ 91,926	\$ 81,963	\$ 81,963	-	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 120,143	\$ 120,143	
1	Buima (China) New Materials Ltd.	OWA Metallic. Pte. Ltd.	Other receivables	Yes	335	334	334	-	Short-term financing	-	Working capital	-	-	-	24,028	120,143	
2	Buima (China) New Materials Ltd.	The Company	Other receivables	Yes	11,492	11,475	11,475	-	Short-term financing	-	Working capital	-	-	-	20,055	20,055	
3	Syntech New Building Materials (Shanghai) Ltd.	The Company	Other receivables	Yes	235,200	215,200	215,200	-	Short-term financing	-	Working capital	-	-	-	176,520	176,520	Note 3
4	Unitory Construction Co., Ltd.	The Company	Other receivables	Yes	36,259	36,259	36,259	0.1%~1.8%	Short-term financing	-	Working capital	-	-	-	80,955	80,955	
4	Unitory Construction Co., Ltd.	Lichu Power Co., Ltd	Other receivables	Yes	5,000	-	-	3.2%	Short-term financing	-	Working capital	-	-	-	80,955	80,955	
5	Buima Energy Co., Ltd.	The Company	Other receivables	Yes	3,800	3,800	3,800	0.1%	Short-term financing	-	Working capital	-	-	-	3,142	3,142	Note 4

Note 1: Ceiling on total loans granted by the Company is 40% of the Company's net assets.

Note 2: Limit on loans granted by the Company and subsidiaries to a single party is 10% of the Company's net assets. However, loans to or between the entities whose 100% voting shares are directly and indirectly held by the Company are not limited. Except for subsidiaries in Taiwan, whose limit on loans granted to a single party and ceiling on total loans granted are restricted to not exceed 40% of the borrower's net assets, other companies' limit on loans granted to a single party and ceiling on total loans granted are 50% of the borrower's net assets.

Note 3: The improvement plan for the excess in loan has been implemented in accordance with Zheng-Gui-Jian-Zi No. 1130202199, which is quarterly reported to the Board of Directors for tracking. As of March 28, 2025, the improvement plan has not yet been completed, which is expected to be completed by the third quarter of 2025.

Note 4: Other receivables had been settled in January 2025.

Buima Group Inc.
Provision of endorsements and guarantees to others
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

		<u>Party being endorsed/guaranteed</u>												
Number	Endorser/guarantor	Company name	Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 4)	Actual amount drawn down (Note 5)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 6)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 6)	Provision of endorsements/ guarantees to the party in Mainland China (Note 6)	Footnote
0	The Company	Unitory Construction Co., Ltd.	2	\$ 842,444	\$ 597,300	\$ 346,471	\$ 162,150	\$ -	82%	\$ 842,444	Y	N	N	
0	The Company	Buima Energy Co., Ltd.	2	842,444	189,806	90,000	89,800	-	21%	842,444	Y	N	N	
0	The Company	Buima (China) Materials Ltd.	2	842,444	107,472	107,472	53,736	-	26%	842,444	Y	N	Y	
1	Buima New Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	-	35,824	35,824	35,824	-	0%	-	N	N	Y	Note 7
2	Syntech New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	240,661	385,108	385,108	328,367	-	960%	240,661	N	N	Y	Note 8
3	Buima (China) New Materials Ltd.	Syntech New Building Materials (Shanghai) Ltd.	2	480,574	45,450	44,780	44,780	-	19%	480,574	N	N	Y	
3	Buima (China) New Materials Ltd.	Syntech New Building Materials (Shanghai) Ltd.	2	480,574	134,340	135,690	46,571	-	56%	480,574	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Ceiling on total amount of endorsements/guarantees provided by the Company and subsidiaries is 50% of the net assets of the endorser/guarantor based on the latest financial statements.

Limit on endorsements/guarantees provided by the Company and subsidiaries for a single party is 20% of the net assets of the endorser/guarantor based on the latest financial statements.

However, endorsements/guarantees for or between the entities whose 100% voting shares are directly and indirectly held by the Company shall not exceed (1) 200% of the net assets of the Company, Buima Holding Hong Kong Limited and Buima (China) New Materials Ltd. and (2) 400% of the net assets of Buima New Materials (Shanghai) Ltd. and Syntech New Building Materials (Shanghai) Ltd.

Note 4: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.

And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 5: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 6: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 7: The outstanding endorsement/ guarantee amount at December 31, 2024 exceeded the limit and is expected to improve by increasing capital.

Note 8: The outstanding endorsement/ guarantee amount at December 31, 2024 exceeded the limit. However, there was no excess situation when the limit was raised as approved by the Board of Directors.

Buima Group Inc.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Footnote
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value	
The Company	UNITED MOTORS GROUP LTD.	None	Non-current financial assets at fair value through profit or loss	469	\$ 4,690	19%	\$ 4,690	
JOULES MILES CO., LTD.	INTEGRATED CIRCUIT COLUTION INC.	None	Non-current financial assets at fair value through profit or loss	1	90	-	90	

Buima Group Inc.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions (Note)		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
OWA New Building Materials (Shanghai) Ltd.	Odenwald	Other related party	Sales	(\$ 138,161)	(47%)	Note 1	\$ -	-	\$ 363,676	21%	
JOULES MILES CO., LTD.	POWERSKY TECHNOLOGY CORPORATION	Subsidiary	Purchases	178,291	20%	60 days after montly billings	-	-	(37,143)	(24%)	

Note : The abovementioned sales prices are negotiated between both parties, except for certain product types, of which the price are determined by reference to the cost and other transaction conditions.
The payments terms are 30 to 120 days after monthly billings.

Buima Group Inc.
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for Creditor Counterparty doubtful accounts
					Amount	Action taken		
Syntech Holding Co., Ltd	Buima (China) New Materials Ltd.	Fellow subsidiary	\$ 162,050	Note 1	\$ -	\$ -	\$ -	\$ -
Unitory Construction Co., Ltd.	The Company	Parent company	215,200	Note 1	-	-	-	-
OWA New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	Fellow subsidiary	92,484	0.78	-	-	8,448	-

Note 1: There was no turnover rate as the account was other receivables from equity transactions and loans to others and there was no actual sales transaction.

Note 2: The abovementioned transactions had been written-off during the preparation of the consolidated financial statements.

Buima Group Inc.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Inter-company transactions reaching NT\$10 million is provided below:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Buima (China) New Materials Ltd.	BUIIMA ENERGY INC.	3	Sales revenue	\$ 58,245	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	2%
1	Buima (China) New Materials Ltd.	Chongyou (Shenzhen) New Material Co., Ltd.	3	Sales revenue	56,900	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	2%
1	Buima (China) New Materials Ltd.	Chongyou (Shenzhen) New Material Co., Ltd.	3	Accounts receivable	44,494	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%
1	Buima (China) New Materials Ltd.	Syntech New Building Materials (Shanghai) Ltd.	3	Sales revenue	25,817	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%
1	Buima (China) New Materials Ltd.	The Company	2	Other receivables	81,963	Financing	2%
1	Buima (China) New Materials Ltd.	Buima New Materials (Shanghai) Ltd.	3	Prepayments to suppliers	56,729	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	2%
1	Buima (China) New Materials Ltd.	Hong-Ji International Trading (Shanghai) Ltd.	3	Advance sales receipts	48,628	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%

Inter-company transactions reaching NT\$10 million is provided below:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Buima (China) New Materials Ltd.	OWA New Building Materials (Shanghai) Ltd.	3	Sales revenue	12,093	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	-
2	OWA New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Sales revenue	67,321	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	2%
2	OWA New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Accounts receivable	92,484	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	3%
2	OWA New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Prepayments to suppliers	22,176	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%
2	OWA New Building Materials (Shanghai) Ltd.	BUIMA ENERGY INC.	3	Sales revenue	76,830	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	2%
2	OWA New Building Materials (Shanghai) Ltd.	BUIMA ENERGY INC.	3	Accounts receivable	40,065	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%
3	Syntech New Building Materials (Shanghai) Ltd.	The Company	2	Other receivables	11,475	Financing	-
3	Syntech New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Prepayments to suppliers	91,487	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	3%

Inter-company transactions reaching NT\$10 million is provided below:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
3	Syntech New Building Materials (Shanghai) Ltd.	Hong-Ji International Trading (Shanghai) Ltd.	3	Prepayments to suppliers	48,628	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%
4	Syntech Holding Co., Ltd	Buima (China) New Materials Ltd.	3	Other receivables	162,050	In accordance with the mutual agreements	5%
5	Unitory Construction Co., Ltd.	The Company	2	Other receivables	215,200	Financing	6%
6	BUIIMA ENERGY INC.	The Company	2	Other receivables	36,259	Financing	1%
7	JOULES MILES CO., LTD.	PowerGain Technology Corporation Limited	3	purchase	178,291	60 days after montly billings	5%
7	JOULES MILES CO., LTD.	PowerGain Technology Corporation Limited	3	Notes Payable	16,769	60 days after montly billings	-
7	JOULES MILES CO., LTD.	PowerGain Technology Corporation Limited	3	Accounts Payable	20,374	60 days after montly billings	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Buima Group Inc.
Information on investees
Year ended December 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares (in thousands)	Ownership (%)	Book value			
The Company	Buima Holding Ltd.	Hong Kong	Investment and holding	\$ 468,253	\$ 438,545	111,085	100%	\$ 314,137	(\$ 219,304)	(\$ 219,304)	Notes 1, 2 and 3
The Company	Syntech Holding CO.,Ltd.	British Virgin IS.	Investment and holding	104,670	98,029	3,223	100%	162,100	(3)	(3)	Notes 1, 2 and 3
The Company	Unitory Construction Co., Ltd.	Taiwan	Construction industry	365,000	365,000	23,000	100%	441,302	34,981	34,981	Notes 1, 2 and 3
The Company	BUIMA ENERGY INC.	Taiwan	Investment and holding, electornics andd building materials industry	221,832	221,832	22,183	100%	202,389	(7,703)	(7,703)	Notes 1, 2 and 3
The Company	Buima Green New Materials CO., LTD.	Taiwan	Building materials industry	10,000	-	1,000	100%	7,856	(2,144)	(2,144)	Notes 1, 2 and 3
Buima Energy INC	SHIN JIN COMPANY LIMITED	Taiwan	Building materials industry	-	44,000	-	-	-	(3,266)	(1,497)	Notes 1, 2, 3 and 5
Buima Energy INC	JOULES MILES CO., LTD.	Taiwan	Electronics industry	131,000	131,000	9,324	25.18%	157,850	61,117	14,828	Notes 1, 2, 3 and 4
Buima Energy INC	GWA ENERGY, INC	Taiwan	Electronics industry	99,806	99,806	5,980	25.20%	79,358	(34,477)	(8,688)	Notes 1, 2 and 3
Buima Energy INC	Lichu Power Co., Ltd	Taiwan	Electronics industry	30,940	1,400	3,184	80%	31,114	(175)	(165)	Notes 1, 2 and 3
JOULES MILES CO., LTD.	PowerGain Technology Corporation Limited	Taiwan	Electronics industry	50,000	50,000	5,000	100%	67,733	12,951	16,975	Notes 1, 2 and 3
Buima Holding Ltd.	Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	Hong Kong	Investment and holding	493,414	462,110	15,050	100%	321,854	(217,482)	(217,482)	Notes 1, 2 and 3
Buima (China) New Materials Ltd.	OWA Metallic Pte. Ltd.	Singapore	Investment and holding	273,344	256,002	1,224	51%	113,259	11,485	5,857	Notes 1, 2 and 3

Note 1: The abovementioned information related to the investees is valued and disclosed based on the audited financial statements of each investee for the corresponding period.

Note 2: The relevant figures in this table are listed in New Taiwan Dollar. Foreign currency involved is converted to NTD at the exchange rate on the balance sheet date (at the end of December 31, 2024: USD: 32.785; RMB: 4.478; average exchange rate for the year ended December 31, 2024: USD: 32.112; RMB: 4.454).

Note 3: It was written-off during the preparation of the consolidated financial statements.

Note 4: As of December 31, 2024, 25.18% of equity interests in JOULES MILES CO.,LTD. were used as collateral for loan. No such transection for the year ended December 31,2023.

Note 5:On April 30, 2024, the Group disposed of its 45.83% shares in SHIN JIN COMPANY LIMITED. for a consideration of \$44,000.

Buima Group Inc.
Information on investments in Mainland China
Year ended December 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan							
Syntech New Building Materials (Shanghai) Ltd.	Sales of steel wall partition building materials and fire insulation partitions	\$ 135,417	Note 1	\$ -	\$ -	\$ -	(\$ 38,367)	100%	(\$ 38,367)	\$ 40,110	\$ -		
Hong-Ji International Trading (Shanghai) Ltd.	International trade, export trade, trade between entities in the bonded area and trade agency in the	7,192	Note 1	-	-	-	(4,142)	100%	(4,142)	5,072	-		
Buima (China) New Materials Ltd.	Manufactures of steel wall partition building materials, fire insulation partitions and grids	532,901	Note 1	-	-	-	(217,479)	100%	(217,479)	240,287	-		
OWA New Building Materials (Shanghai) Ltd.	Design and manufactures of new building materials and provision of product consulting services	117,090	Note 1	-	-	-	11,485	51%	5,857	113,259	-		
Buima New Materials (Shanghai) Ltd.	Sales of steel wall partition building materials, fire insulation partitions and grids	38,166	Note 1	-	-	-	(32,994)	100%	(32,994)	(12,743)	-		
Shanghai Gotao Construction Engineering Co., Ltd.	Various engineering construction activities, construction labor subcontracting and construction engineering design	7,184	Note 1	-	-	-	(7,554)	100%	(7,554)	(10,614)	-		
Chongyou (Shenzhen) New Material Co., Ltd.	Manufactures and sales of architectural and decoration materials, plumbing parts and other metal products for construction	13,470	Note 1	-	-	-	(20,677)	100%	(17,363)	(21,717)	-		
Suzhou Xingtie Technology Co., Ltd.	Various engineering construction activities and manufacturing and sales of metal structures	4,490	Note 1	-	-	-	409	20%	-	2,245	-		

Note 1: Through investing in Buima Holding Ltd. in the third area, which then invested in the investee in Mainland China.

Note 2: The basis for investment income (loss) recognition is the audited financial statements of the investees in Mainland China for the corresponding period.

Note 3: The figures in this table are presented in New Taiwan Dollars. Foreign currency involved is converted to NTD at the exchange rate on the balance sheet date (at the end of December 31, 2024: USD: 32.785; RMB: 4.478; average exchange rate for the year ended December 31, 2024: USD:32.112; RMB:4.454).

Buima Group Inc.
Major shareholders information
December 31, 2024

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
LIN SHIH HSUN	3,157,597	7.55%
CHEN TI SHENG	3,057,228	7.31%
CHEN HSIU CHUAN	3,034,743	7.25%
CHEE SHING INVESTMENT LIMITED	2,967,240	7.09%