

# **YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**

## **Consolidated Financial Statements and Independent Auditors' Report**

**For the Years Ended December 31, 2024 and 2023**

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**Tel: 02-25450185**

### Notice to Readers

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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## **REPRESENTATION LETTER**

The Group's financial year 2024 (from January 1 to December 31, 2024) requires the preparation of consolidated financial statements for affiliated companies in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission. The same applies to the companies for which consolidated financial statements and subsidiary companies are prepared. Furthermore, the relevant information disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in the aforementioned parent and subsidiary companies' consolidated financial statements; hence, separate preparation of consolidated financial statements for affiliated enterprises is not required.

Hereby declare.

**YungShin Global Holding Corporation**

Chairman: Fang-Hsin Lee

March 28, 2025

## **Independent Auditors' Report**

To the Board of Directors of YungShin Global Holding Corporation:

### **Opinion**

We have audited the consolidated financial statements of YungShin Group, which comprise the Consolidated Balance Sheet as of December 31, 2024, and December 31, 2023 and the consolidated statements of comprehensive income from January 1 to December 31, 2024 and 2023, consolidated statements of changes in equity, and consolidated statements of cash flows, and notes to the consolidated financial statements, including a summary of significant accounting policies as of period from January 1 to December 31, 2024 and 2023.

In our opinion, based on our audit and other auditors' reports (refer to the Other Matters section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the YungShin Group as of December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations, as well as related guidance endorsed and published by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 consolidated financial statements of the current year. 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. The key audit matters to be communicated in the audit report are as follows:

#### **Revenue Recognition**

Please refer to Notes 4(15) and 6(22) for disclosures related to revenue recognition.

### Explanation of Key Audit Matters:

Revenue recognition is a key audit matter due to its significance as a primary indicator of the financial or business performance of the Group, which inherently carries a higher risk of material misstatement given the Group's status as a listed company. Hence, judgment regarding revenue recognition and the timing of control transfer is crucial to the financial statements and is considered a key audit matter.

### Audit procedures performed in response:

- Testing the effectiveness of internal controls related to revenue recognition design and execution.
- Conducting trend analysis on the top ten sales customers, comparing customer lists and sales revenue amounts for the year against prior year to assess any significant anomalies and investigate their causes.
- Sampling sales transactions throughout the year to assess the authenticity of sales transactions, the accuracy of revenue recognition amounts, and the reasonableness of the timing of recognition.
- Cut off test on sales transactions before and after the year-end to assess the appropriateness of revenue recognition timing.

### Other Matters

YungShin Global Holding Corporation has prepared financial statements for the years 2024 and 2023, both financial year was audited by our CPAs by an unqualified opinion with an emphasis of matter paragraph, respectively, for reference.

Additionally, in certain subsidiaries included in the YungShin Group's consolidated financial statements, the financial statements of some subsidiaries have not been audited by the Company's auditor but by other auditors. Therefore, the amounts presented in the consolidated financial statements of the aforementioned companies in the consolidated financial statements audited by the Company's auditor are based on the audit reports of other auditors. The total assets of these subsidiaries as of December 31, 2024, and December 31, 2023, amounted to NT\$1,483,068 thousand and NT\$1,275,229 thousand, respectively, accounting for 10.75% and 11.08% of the total consolidated assets. The net sales revenue for the periods from January 1, 2024, to December 31, 2024, and January 1, 2023, to December 31, 2023, amounted to NT\$1,677,975 thousand and NT\$1,254,488 thousand, respectively, representing 20.89% and 17.85% of the total consolidated net sales revenue.

Some of the equity method investments of the Group are not audited by our CPAs but by other auditors. Therefore, the amounts presented in the financial statements of these equity method investments in the consolidated financial statements are based on the audit reports of other auditors. As of December 31, 2023, the amount of equity method investments was NT\$112,072 thousand, accounting for 0.97% of the total assets, and the share of profit or loss from equity method investees recognized for the period from January 1 to December 31, 2023, was NT\$13,589 thousand, representing 1.19% of the profit before tax.

## **Responsibilities of Management and Governing Bodies for the Consolidated Financial Statements**

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining such internal procedures as it deems necessary for the preparation thereof, to ensure the consolidated financial statements are free of material misrepresentation, whether due to fraud or mistake.

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

The governing bodies of the Group, including the Audit Committee, are responsible for overseeing its financial reporting process.

## **Auditors' Responsibilities for the Audit of the Individual Financial Statements**

The objectives of our audit of the consolidated financial statements are to obtain reasonable assurance whether the consolidated financial statements as a whole are free of material misrepresentation, whether due to fraud or mistake, and to issue a report on our findings and opinions. Reasonable assurance denotes a high level of certainty but is not a guarantee that an audit conducted according to the Standards on Auditing of the Republic of China will always detect a material misstatements when it exists in the consolidated financial statements. Misstatements may arise from fraud or mistake. Which 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.

We exercised professional judgment and maintained professional skepticism in conducting the audit pursuant to the Standards on Auditing of the Republic of China. In addition, we:

1. Identified and assessed potential material misrepresentations in the consolidated financial statements, whether due to fraud or mistake; planned and executed responsive procedures to the potential thus identified; and obtained valid and sufficient evidence to form the bases for our opinion. Because fraud involves conspiracy, forgery, intentional omissions, deceitful representation, and/or matters beyond internal control, the probability of failing to identify a material misrepresentation as a result of fraud is higher than that as a result of mistake.
2. Obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Evaluated the adequacy of the accounting policies and the reasonableness of the accounting estimates and relevant 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 believed such a material uncertainty existed, we were required in the auditors' report to draw the attention of the users of the consolidated financial statements to the relevant disclosures made therein, or, in the case that the disclosures were deemed inadequate, to amend our opinion. Our conclusions are based on evidence obtained in the course of the audit up to the date of this auditors' report. Future events or conditions might nevertheless affect the ability of the Group to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements fairly represent the underlying transactions and matters.
6. Expressed our opinion concerning the consolidated financial statements upon obtaining adequate and sufficient audit evidence on the financial status of the investees in investments accounted for using the equity method. We were responsible for the direction, supervision and execution of the audit activities and for deriving an opinion therefrom about the Group.

Matters we discussed with the governing bodies include planned scope and timing of the audit and important audit findings, including significant deficiencies in the internal procedures identified during the course of the audit.

We also provided the governing bodies with a statement that we the practitioners at KPMG who are subject to the standards of independence have complied with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence, and communicated to the governing bodies all the relationships and other matters that might be deemed to affect the independence of the auditors, including relevant 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 prior to the year 2024 and are therefore the key audit matters. We discuss these matters in the auditors' report unless disclosure of the matters is forbidden by law or regulations or when, in extremely rare circumstances, we determined that a matter should not be discussed in our auditors' report, because the adverse consequences of doing so would reasonably be expected to outweigh the public interest.

KPMG in Taiwan

Min-Ju Chao

CPA:

Lily Lu

Competent Securities Authority's  
Approval Document No.

: Financial-Supervisory-Securities-  
Auditing No.1050036075

Financial-Supervisory-Securities-Sixth  
No.0940100754

March 28, 2025

YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
ASSETS		Amount	%	Amount	%	LIABILITIES AND EQUITY		Amount	%	Amount	%
11xx	CURRENT ASSETS:					21xx	CURRENT LIABILITIES:				
1100	Cash and cash equivalents (Note 6(1))	\$ 1,834,235	13	1,486,926	13	2100	Short-term borrowings (Notes 6(10), (14) and 8)	\$ 695,661	5	977,411	9
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	63,482	-	63,482	1	2130	Contract liabilities - current (Note 6(22))	1,888	-	239	-
1136	Financial assets at amortized cost - current (Note 6(4))	371,906	3	257,646	2	2150	Notes payable	600	-	1,514	-
1150	Notes receivable, net (Notes 6(5) and (22))	259,219	2	316,890	3	2170	Accounts payable	597,326	4	545,488	5
1170	Accounts receivable, net (Notes 6(5) and (22))	1,415,396	10	1,315,362	11	2181	Accounts payable to related parties (Note 7)	1,794	-	11,757	-
1180	Accounts receivable from related parties (Notes 6(5), (22) and 7)	74,137	1	51,004	1	2200	Other payables (Note 7)	871,077	7	709,102	6
1200	Other receivables (Note 7)	17,437	-	26,392	-	2230	Current tax liabilities	189,894	1	121,241	1
130x	Inventories (Note 6(6))	3,148,793	23	2,773,031	24	2280	Lease liabilities - Current (Note 6(16) and 7)	18,054	-	8,545	-
1410	Prepayments	179,967	1	146,105	1	2322	Long-term borrowings due within one year (Note 6(10), (15) and 8)	99,694	1	1,551	-
1470	Other current assets	10,865	-	5,090	-	2365	Refund liabilities - current (Note 6(22))	31,915	-	31,567	-
	Total current assets	7,375,437	53	6,441,928	56	2399	Other current liabilities	25,509	-	19,505	-
15xx	NON-CURRENT ASSETS:						Total current liabilities	2,533,412	18	2,427,920	21
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	42,000	-	42,000	-	25xx	NON-CURRENT LIABILITIES:				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3))	177,683	2	66,069	1	2527	Contract liabilities - non-current (Note 6(22))	407,102	3	359,482	3
1550	Investments accounted for using the equity method (Notes 6(7) and (9))	1,028,534	8	1,088,916	10	2540	Long-term borrowings (Notes 6(10), (15) and 8)	384,413	3	241,996	2
1600	Property, plant and equipment (Notes 6(10), (13). (14). (15), 7 and 8)	4,837,382	35	3,537,720	31	2550	Employee benefits liability - Non-current (Note 6(17))	39,119	-	64,116	1
1755	Right-of-use assets (Note 6(11))	60,961	-	28,675	-	2570	Deferred tax liabilities (Note 6(18))	416,622	3	391,534	3
1760	Investment properties, net (Note 6(12))	30,447	-	30,782	-	2580	Lease liabilities -non-current (Note 6(16) and 7)	31,673	-	8,408	-
1780	Intangible assets (Notes 6(10) and (13))	8,547	-	8,547	-	2640	Net defined benefit liability - Non-current (Note 6(17))	4,838	-	28,188	-
1840	Deferred tax assets (Note 6(18))	93,925	1	157,718	1	2675	Refund liabilities - non-current (Note 6(22))	-	-	75,557	1
1975	Net defined benefit asset- Non-current (Note 6(17))	23,761	-	-	-	2670	Other non-current liabilities	4,591	-	270	-
1900	Other non-current assets (Notes 6(5), (10), (22) and 8)	119,465	1	110,079	1		Total non-current liabilities	1,288,358	9	1,169,551	10
	Total non-current assets	6,422,705	47	5,070,506	44	2xxx	TOTAL LIABILITIES	3,821,770	27	3,597,471	31
						31xx	EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 6(7), (8), (17), (18), (19) and (20)):				
						3110	Share capital	2,664,230	19	2,664,230	23
						3200	Capital surplus	2,335,401	17	2,339,474	20
							Retained earnings:				
						3310	Legal reserve	965,266	7	881,899	8
						3320	Special reserve	350,043	3	312,829	3
						3350	Unappropriated earnings	1,940,752	14	1,495,724	13
							Total retained earnings	3,256,061	24	2,690,452	24
						3400	Other equity	(284,622)	(2)	(350,043)	(3)
						3500	Treasury shares	(1,439)	-	(1,439)	-
							Total equity attributed to the owners of the corporation	7,969,631	58	7,342,674	64
						36xx	Non-controlling Interests (Note 6(8))	2,006,741	15	572,289	5
						3xxx	TOTAL EQUITY	9,976,372	73	7,914,963	69
1xxx	TOTAL ASSETS	\$ 13,798,142	100	11,512,434	100	2-3xxx	TOTAL LIABILITIES AND EQUITY	\$ 13,798,142	100	11,512,434	100

(Please refer to the accompanying notes to the consolidated financial statements for details)

Chairman: Fang-Hsin Lee

President: Chih-Wei Chien

Accounting Manager: Yu-Yi Lee



**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6(22) and 7)</b>	\$ 8,031,903	100	7,027,937	100
5000	<b>Operating costs (Notes 6(6), (10), (13), (16), (17), 7 and 12)</b>	4,512,958	56	4,050,624	58
5900	<b>Gross profit</b>	3,518,945	44	2,977,313	42
6000	<b>Operating expenses (Notes 6(5), (10), (13), (16), (17), (23), 7 and 12)</b>				
6100	Selling and marketing expenses	1,304,434	16	1,224,686	17
6200	General and administrative expenses	536,602	7	492,606	7
6300	Research and development expenses	387,454	5	329,818	5
6450	Expected credit loss (reversal gain)	(945)	-	590	-
	<b>Total operating expenses</b>	2,227,545	28	2,047,700	29
6900	<b>Income from operations</b>	1,291,400	16	929,613	13
7000	<b>Non-operating income and expenses (Notes 6(7), (9), (10), (16), (24) and 7):</b>				
7100	Interest income	57,116	1	54,357	1
7010	Other income	32,668	-	82,305	1
7020	Other gains and losses	191,330	2	(2,103)	-
7050	Finance costs	(28,526)	-	(35,277)	(1)
7060	Share of profit or loss of associates accounted for using the equity method	79,880	1	108,590	2
	<b>Total non-operating income and expenses</b>	332,468	4	207,872	3
	<b>Profit before income tax of continuing operations</b>	1,623,868	20	1,137,485	16
7950	<b>Less: Tax expenses (Note 6(18))</b>	354,424	4	266,314	4
	<b>Net profit for the year</b>	1,269,444	16	871,171	12
8300	<b>Other Comprehensive Income (Notes 6(7), (8), (17) and (18)):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit obligation	13,810	-	7,850	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(38,835)	-	14,723	-
8320	Share of other comprehensive income of associates accounted for using the equity method	-	-	(1,375)	-
8349	Less: Income tax relating to items that will not be reclassified to profit or loss	3,110	-	2,085	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	(28,135)	-	19,113	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translating foreign operations	28,761	-	(24,236)	-
8370	Share of other comprehensive income of associates accounted for using the equity method	101,680	1	(38,572)	(1)
8399	Less: Income tax relating to items that may be reclassified to profit or loss	22,757	-	(12,553)	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	107,684	1	(50,255)	(1)
8300	<b>Other comprehensive income (loss) for the year</b>	79,549	1	(31,142)	(1)
8500	<b>Total comprehensive income (loss) for the year</b>	<b>\$ 1,348,993</b>	<b>17</b>	<b>840,029</b>	<b>11</b>
	<b>Net profit for the year attributable to:</b>				
8610	Owners of the Corporation	\$ 1,168,508	15	827,304	11
8620	Non-controlling interests	100,936	1	43,867	1
		<b>\$ 1,269,444</b>	<b>16</b>	<b>871,171</b>	<b>12</b>
	<b>Total comprehensive income attributable to:</b>				
8710	Owners of the Corporation	\$ 1,243,803	16	796,455	11
8720	Non-controlling interests	105,190	1	43,574	-
		<b>\$ 1,348,993</b>	<b>17</b>	<b>840,029</b>	<b>11</b>
	<b>Earnings per share (Note 6(21))</b>				
9710	Basic earnings per share (Unit: New Taiwan Dollars)	<b>\$ 4.39</b>		<b>3.11</b>	
9810	Diluted earnings per share (Unit: New Taiwan Dollars)	<b>\$ 4.39</b>		<b>3.11</b>	

(Please refer to the accompanying notes to the consolidated financial statements for details)

**Chairman: Fang-Hsin Lee**

**President: Chih-Wei Chien**

**Accounting Manager: Yu-Yi Lee**

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	Equity Attributed to the Owners of the Corporation												
	Retained Earnings						Exchange Differences on Translating Foreign Operations	Other Equity Items		Treasury Shares	Total Equity Attributed to the Owners of the Corporation	Non-Controlling Interests	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total					
Balance on January 1, 2023	\$ 2,664,230	2,340,374	800,994	391,162	1,277,400	2,469,556	(336,084)	23,255	(312,829)	(1,439)	7,159,892	543,259	7,703,151
Appropriation of earnings:													
Recognition of Legal reserve	-	-	80,905	-	(80,905)	-	-	-	-	-	-	-	-
Reversal of Special reserve	-	-	-	(78,333)	78,333	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(612,773)	(612,773)	-	-	-	-	(612,773)	-	(612,773)
Net profit for the year	-	-	-	-	827,304	827,304	-	-	-	-	827,304	43,867	871,171
Other comprehensive income (loss) for the year	-	-	-	-	6,365	6,365	(50,212)	12,998	(37,214)	-	(30,849)	(293)	(31,142)
Total comprehensive income (loss) for the year	-	-	-	-	833,669	833,669	(50,212)	12,998	(37,214)	-	796,455	43,574	840,029
Adjustment to capital surplus from dividends paid to subsidiaries	-	98	-	-	-	-	-	-	-	-	98	-	98
Changes in capital surplus from investments in associates accounted for using the equity method	-	(12,550)	-	-	-	-	-	-	-	-	(12,550)	-	(12,550)
Changes in ownership interests in subsidiaries	-	15,684	-	-	-	-	-	-	-	-	15,684	25,514	41,198
Cash dividends of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(37,258)	(37,258)
Decrease in non-controlling interests	-	(4,132)	-	-	-	-	-	-	-	-	(4,132)	(2,800)	(6,932)
Balance on December 31, 2023	2,664,230	2,339,474	881,899	312,829	1,495,724	2,690,452	(386,296)	36,253	(350,043)	(1,439)	7,342,674	572,289	7,914,963
Appropriation of earnings:													
Recognition of Legal reserve	-	-	83,367	-	(83,367)	-	-	-	-	-	-	-	-
Recognition of Special reserve	-	-	-	37,214	(37,214)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(612,773)	(612,773)	-	-	-	-	(612,773)	-	(612,773)
Net profit for the year	-	-	-	-	1,168,508	1,168,508	-	-	-	-	1,168,508	100,936	1,269,444
Other comprehensive income for the year	-	-	-	-	9,874	9,874	91,418	(25,997)	65,421	-	75,295	4,254	79,549
Total comprehensive income (loss) for the year	-	-	-	-	1,178,382	1,178,382	91,418	(25,997)	65,421	-	1,243,803	105,190	1,348,993
Adjustment to capital surplus from dividends paid to subsidiaries	-	98	-	-	-	-	-	-	-	-	98	-	98
Changes in ownership interests in subsidiaries	-	(4,171)	-	-	-	-	-	-	-	-	(4,171)	30,728	26,557
Cash dividends of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(60,208)	(60,208)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,358,742	1,358,742
Balance on December 31, 2024	\$ 2,664,230	2,335,401	965,266	350,043	1,940,752	3,256,061	(294,878)	10,256	(284,622)	(1,439)	7,969,631	2,006,741	9,976,372

(Please refer to the accompanying notes to the consolidated financial statements for details)

**Chairman: Fang-Hsin Lee**

**President: Chih-Wei Chien**

**Accounting Manager: Yu-Yi Lee**

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before income tax	\$ 1,623,868	1,137,485
Adjustments for:		
Profit and loss items		
Depreciation	294,078	280,737
Amortization	2,376	13,795
Expected credit gain on reversal	(945)	590
Interest expenses	28,526	35,277
Interest income	(57,116)	(54,357)
Dividend income	(5,842)	(830)
Share of profit or loss of associates accounted for using the equity method	(79,880)	(108,590)
Gain (loss) on disposal of property, plant and equipment	1,020	(281)
Property, plant and equipment transferred to expenses	359	2,599
Gains on lease modifications	(12)	-
Gain recognized in bargain purchase transaction	(12,763)	-
Gain on re-measurement of investment	(113,185)	-
Total profit and loss items	<u>56,616</u>	<u>168,940</u>
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Notes receivable	61,337	1,786
Accounts receivable	33,501	20,887
Accounts receivable from related parties	(6,520)	24,407
Other receivables	9,975	8,178
Inventories	(227,640)	(53,708)
Prepayments	(22,809)	(3,731)
Other current assets	6,251	10,252
Net defined benefit assets	<u>(23,761)</u>	<u>-</u>
Total net changes in operating assets	<u>(169,666)</u>	<u>8,071</u>
Net changes in operating liabilities:		
Contract liabilities	49,238	(124)
Notes payable	(914)	837
Accounts payable	3,372	120,703
Accounts payable to related parties	(9,963)	(9,273)
Other payables	91,177	34,281
Provisions for liabilities	(24,997)	6,231
Other liabilities	5,526	(10,563)
Net defined benefit liabilities	(9,540)	(39,046)
Refund Liabilities	<u>(75,209)</u>	<u>(69,756)</u>
Total net changes in operating liabilities	<u>28,690</u>	<u>33,290</u>
Total net changes in assets and liabilities related to operating activities	<u>(140,976)</u>	<u>41,361</u>
Total adjustments	<u>(84,360)</u>	<u>210,301</u>
Cash inflow from operations	1,539,508	1,347,786
Interest received	56,683	52,464
Dividend received	39,619	42,045
Interest paid	(30,379)	(35,679)
Income tax paid	<u>(248,310)</u>	<u>(226,201)</u>
<b>Net cash inflow from operating activities</b>	<u>1,357,121</u>	<u>1,180,415</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(224)	(212)
Acquisition of financial assets at amortized cost	(223,508)	(499,452)
Disposal of financial assets at amortized cost	125,318	248,091
Acquisition of financial assets at fair value through profit or loss (FVTPL)	-	(18,000)
Acquisition of property, plant and equipment	(215,499)	(82,790)
Proceeds from disposal of property, plant and equipment	6,797	502
Increase in refundable deposits	14,972	(9,648)
Purchase of intangible assets	(890)	(1,324)
Cash inflow from business combination	132,393	-
Increase in other non-current assets	(14,303)	(37,353)
Increase in prepayments for equipment	(10,207)	(3,529)
Dividend received	5,842	830
<b>Net cash used in investing activities</b>	<u>(179,309)</u>	<u>(402,885)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in short-term borrowings	1,923,630	262,210
Decrease in short-term borrowings	(2,218,594)	(831,253)
Proceeds from long-term borrowings	265,000	110,388
Repayments of long-term borrowings	(153,526)	(113,181)
Increase (decrease) in guarantee deposits received	(20)	246
Repayment of the principal portion of lease liabilities	(16,248)	(14,263)
Distribution of cash dividends	(672,883)	(649,933)
Disposal of equity in subsidiaries	-	39,927
Changes in non-controlling interests	26,557	(5,661)
<b>Net cash outflow from financing activities</b>	<u>(846,084)</u>	<u>(1,201,520)</u>
Effects of exchange rate changes on cash and cash equivalents	15,581	(45,632)
Net increase (decrease) in cash and cash equivalents	347,309	(469,622)
Balance of cash and cash equivalents at the beginning of year	1,486,926	1,956,548
Balance of cash and cash equivalents at the end of the year	<u>\$ 1,834,235</u>	<u>1,486,926</u>

(Please refer to the accompanying notes to the consolidated financial statements for details)

Chairman: Fang-Hsin Lee

President: Chih-Wei Chien

Accounting Manager: Yu-Yi Lee

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements**  
**For the Years Ended December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

**1. General Information**

YungShin Global Holding Corporation (the "Company") was established in January 2011. The Corporation and its subsidiaries (collectively referred herein as the "Group") are mainly engaged in investing, manufacturing and selling medicines, animal drugs, agricultural chemicals, pharmaceuticals for industrial use, and cosmetics.

The Corporation was incorporated on January 3, 2011, as a holding company through a share swap with Yung Shin Pharmaceutical Industrial Co., Ltd. (hereinafter referred to as Yung Shin Pharmaceutical). The Corporation's shares were listed on the Taiwan Stock Exchange on the same day, and Yung Shin Pharmaceutical became a wholly-owned subsidiary of the Corporation following the share swap.

**2. Approval of Financial Statements**

The consolidated financial statements have been approved for issuance by the Board of Directors on March 28, 2025.

**3. Application of New and Amended Standards and Interpretations**

- (1) Effect of adopted newly issued and amended standards and interpretations endorsed by the Financial Supervisory Commission (hereafter referred to as the "FSC")

The Group has applied the following newly amended IFRS IAS effective January 1, 2024, which have not caused any material impact on its consolidated financial statements.

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

- (2) The impact of IFRS issued by the FSC but not yet effective

The Group expects that the following IFRS amendments, effective on January 1, 2025, will not have a material impact on its consolidated financial statements.

- Amendments to IAS 21: "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments," including Application Guidance on Section 4.1 of IFRS 9 and Related Disclosure Requirements under IFRS 7

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

(3) New and amended standards and interpretations not yet endorsed by the FSC

The International Accounting Standards Board (IASB) has issued and amended standards and interpretations that have not yet been endorsed by the Financial Supervisory Commission (FSC). Those that may be relevant to the Group are summarized below:

Newly Issued or Amended Standards	Significant Amendments	Effective Date of the Standards Issued by the IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standards introduce three categories of income and expenses, two subtotals in the income statement, and a single note regarding management performance measures (MPMs). These three amendments and enhancements to the guidelines for disaggregating information in the financial statements provide a foundation for better and more consistent information for users and will impact all companies.</p> <ul style="list-style-type: none"> <li>• More Structured Income Statement: Under the current standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standards adopt a more structured income statement, introducing a newly defined subtotal for "operating profit." Additionally, all income and expenses will be classified into three new distinct categories based on the Corporation's primary operating activities.</li> <li>• Management Performance Measures (MPM): The new standards introduce a definition for management performance measures and require companies to include a single note in the financial statements explaining why each measure provides useful information, how it is calculated, and how the measure reconciles to amounts recognized according to International Financial Reporting Standards.</li> <li>• More Disaggregated Information: The new standards include guidance on how companies should enhance the grouping of information in their financial statements. This includes guidance on whether information should be included in the primary financial statements or further disaggregated in the notes.</li> </ul>	January 1, 2027

The Group is currently assessing the impact of the aforementioned standards and interpretations on its financial position and operating results. The related impacts will be disclosed upon completion of the assessment.

# **YUNGSHIN GLOBAL HOLDING CORPORATION**

## **Notes to Consolidated Financial Statements (Continued)**

The Group anticipates that the following newly issued and amended standards yet to be endorsed will not have significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments," including Application Guidance on Sections 3.1 and 3.3 of IFRS 9 and Related Disclosure Requirements under IFRS 7
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

### **4. Summary of Significant Accounting Policies**

A summary of significant accounting policies adopted in the consolidated financial statements is as follows. The following accounting policies have been consistently applied to the consolidated financial statements.

#### **(1) Statement of Compliance**

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Regulations") and the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretations endorsed by the Financial Supervisory Commission (hereinafter referred to as the "FSC-endorsed International Financial Reporting Standards").

#### **(2) Basis for Preparation**

##### **1) Basis of measurement**

Apart from the financial assets measured at fair value through profit or loss, the consolidated financial statements are prepared on the basis of historical cost.

- a. Financial assets measured at fair value through profit or loss are measured at fair value;
- b. Financial assets measured at fair value through other comprehensive income are measured at fair value.
- c. The net defined benefit liability is measured by deducting the fair value of retirement fund assets from the present value of defined benefit obligations, and is subject to the limit impact measure as disclosed in Note 4(17).

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

2) Functional and presentation currency

The Group uses the currency of the primary economic environment in which each entity operates as its functional currency. The accompanying consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar (NT\$). Unless otherwise stated, all financial information presented in New Taiwan Dollars is expressed in thousands of New Taiwan Dollars.

(3) Basis of Consolidation

1) Principles of preparation of consolidated financial statements

Principles of Consolidated Financial Statements Preparation:

The consolidated financial statements include the Group and entities controlled by the Group (i.e., subsidiaries).

From the date control is obtained over a subsidiary, its financial statements are included in the consolidated financial statements until the date when control is lost. Intercompany transactions, balances, and unrealized gains and losses have been fully eliminated in the preparation of the consolidated financial statements. The total comprehensive income of subsidiaries is attributed to the owners of the Group and non-controlling interests, even if non-controlling interests result in a deficit balance.

The accounting policies of subsidiaries are consistent with those used by the Group.

Intercompany transactions, balances, and unrealized gains and losses have been eliminated upon preparation of the consolidated financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in loss of control are accounted for as equity transactions.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 2) The subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are listed as follows:

Investor Company	Subsidiary Name	Business Activities	Proportion of Ownership (%)		Remark
			Dec 31, 2024	Dec 31, 2023	
The Corporation	Yung Shin Pharmaceutical Industrial Co., Ltd. (Yung Shin Pharm.)	Manufacturing and sale of medicine and cosmetics	100.00%	100.00%	
The Corporation	Chemix Inc. (Chemix)	Sale of medicine	100.00%	100.00%	
The Corporation	YSP International Company Limited (YSP Inc)	Trade, investment, and other related businesses	100.00%	100.00%	
The Corporation	Vetnostrum Animal Health Co., Ltd. (Vetnostrum Animal Health)	Manufacturing and sale of medicine	55.12%	54.97%	Note 1
The Corporation	Yung Zip Chemical Ind. Co., Ltd. (Yung Zip)	Manufacture and sale of active pharmaceutical ingredients	20.81%	-%	Note 3
Yung Shin Pharm. Ind. Co., Ltd.	Angel Associates (Taiwan), Inc. (Angel Associates)	Import and export trading	73.50%	73.50%	
Yung Zip	YZP Oversea Investment Co., Ltd.	General investments	100.00%	-%	Note 3
Yung Zip	Taiwan Way Chein Industrial Co., Ltd.	Food Manufacturing	70.00%	-%	Note 3
Yung Zip	Carlsbad Technology, Inc. (CTI)	Manufacturing and sale of medicine	2.34%	-%	Notes 3 and 4
YSP INC	Carlsbad Technology, Inc. (CTI)	Manufacturing and sale of medicine	68.96%	74.13%	Note 4
YSP INC	YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd.	Import and export trading	100.00%	100.00%	Note 2
YSP INC	Yung Shin Company Limited (YHK)	Sale of medicine	96.50%	96.50%	

Note 1: Vetnostrum Animal Health issued 77 thousand new shares in August 2023 due to the exercise of employee stock options. Additionally, the Group acquired 175 thousand shares of Vetnostrum Animal Health in December 2023. After the aforementioned transaction, the Group's shareholding percentage in Vetnostrum Animal Health Co., Ltd. was adjusted from 54.71% to 54.97%. The Group acquired 84 thousand shares, 17 thousand shares and 24 thousand shares of Vetnostrum Animal Health in January, February and May 2024, respectively. Vetnostrum Animal Health issued 3 thousand and 47 thousand new shares in March and August 2024 due to the exercise of employee stock options. After the aforementioned transaction, the Group's shareholding percentage in Vetnostrum Animal Health Co., Ltd. was adjusted from 54.97% to 55.12%.

Note 2: Shanghai Yung Zip Pharmaceutical Trading Co., Ltd. changed its name to YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd. on August 2, 2023.

Note 3: On May 30, 2024, Yung Zip held a by-election for one director position. After the by-election, the Group obtained more than half of the director seats, giving it control over Yung Zip and its subsidiaries.

Note 4: CTI conducted a cash capital increase in December 2024 by issuing 1,050 thousand new shares, of which the Group subscribed 207 thousand shares, resulting in a change in the ownership percentage.

### 3) Subsidiaries excluded from the consolidated financial statements: None.



**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(4) Foreign Currency

1) Foreign currency transactions

Transactions using foreign currencies are translated into NTD at the exchange rates prevailing on the dates of the respective transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing on the reporting period's end date ("the reporting date").

Non-monetary items measured at fair value that are denominated in foreign currencies are translated into NTD at the exchange rates prevailing on the date when the fair value was determined. Non-monetary items measured at historical cost in foreign currencies are translated into NTD at the exchange rates prevailing on the transaction date. Foreign exchange differences arising from translation are recognized in profit or loss, except for those arising from the translation of equity instruments designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

2) Overseas operations

Assets and liabilities of overseas operations, including goodwill generated from acquisitions and fair value adjustments, are translated into the reporting currency of the entity at the exchange rates prevailing on the reporting date. Income and expenses are translated into the reporting currency of the entity at the average exchange rate for the reporting period, and the resulting exchange differences are recognized in other comprehensive income.

When the disposal of an overseas operation results in the loss or sharing of control, or in significant consequences, the cumulative exchange differences related to the operation are reclassified into profit or loss. Upon the partial disposal of a subsidiary with overseas operations, the relevant cumulative exchange differences are re-attributed proportionally to non-controlling interests.

(5) Guidelines for Classification of Assets and Liabilities into Current and Non-current

The Group classifies assets as current if they meet any of the following criteria, with all other assets classified as non-current.

- 1) Assets expected to be realized in the normal operating cycle or intended to be sold or consumed;
- 2) Assets held primarily for trading purposes;
- 3) Assets expected to be realized within twelve months after the reporting period; or
- 4) Assets that are cash or cash equivalents (as defined in IAS 7), unless there are restrictions on exchanging the asset or using it to settle liabilities for at least twelve months after the reporting period.

## **YUNGSHIN GLOBAL HOLDING CORPORATION**

### **Notes to Consolidated Financial Statements (Continued)**

The Group classifies liabilities as current if they meet any of the following criteria, with all other liabilities classified as non-current.

- 1) Liabilities expected to be settled in the normal operating cycle;
- 2) Liabilities held primarily for trading purposes;
- 3) Liabilities that are due to be settled within twelve months after the reporting period;  
or
- 4) Liabilities for which the Group does not have the right to defer settlement beyond twelve months after the reporting period as of the end of the reporting period.

#### **(6) Cash and Cash Equivalents**

Cash includes cash on hand, checking deposits, and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and subject to a minimal risk of value variation. Term deposits meeting the above definition and held for the purpose of fulfilling short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

#### **(7) Financial Instruments**

Accounts receivable are recognized at the time they are originated. All other financial assets and financial liabilities are recognized when initially the Group becomes a party to the contractual provisions of the financial instruments. Financial assets (other than accounts receivable which do not involve a significant financial element) or financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance thereof. Accounts receivable that does not involve significant financial elements are measured initially at their transaction prices.

##### **1) Financial Assets**

For the purchase or sale of financial assets consistent with customary trading practices, the Group categorically accounts for all purchases and sales of the financial assets that are classified in the same manner on the date of the transaction or settlement.

Financial assets are classified on initial recognition as financial assets measured at amortized cost, equity instruments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. The Group will reclassify all the affected financial assets effective the first day of the next reporting period when the Group changes its operating models for managing financial assets

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

a. Financial assets at amortized cost

A financial asset is measured at amortized cost if it is not designated as measured at fair value through profit or loss and meets both of the following criteria:

- The financial asset is held under an operating model whose purpose is to receive cash flows based on the contractual terms.
- The financial asset under contractual terms is to generate cash flows on specific dates and solely for the purpose of paying the principal and interest on the outstanding principal amount.

These assets are subsequently measured at their initially recognized values plus or minus the cumulative amortization using the effective interest method, adjusted for the amortized cost of any loss allowances. Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. Upon derecognition, the gains or losses are recognized in profit or loss.

b. Financial assets at fair value through other comprehensive income

Upon initial recognition, the Group may make an irrevocable election to report subsequent fair value changes of equity instruments not held for trading in other comprehensive income. Such election is made on an instrument-by-instrument basis.

Equity instruments are subsequently measured at fair value. Dividend income (unless representing a recovery of part of the investment cost) is recognized in profit or loss. Any remaining net profit or loss is recognized in other comprehensive income and not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date the consolidated company has the right to receive the dividend (typically the ex-dividend date).

c. Financial assets at fair value through profit or loss

Financial assets not measured at amortized cost as described above are measured at fair value through profit or loss, including derivative financial assets. Upon initial recognition, the Group may irrevocably designate such financial assets, which qualify as measured at amortized cost or at fair value through other comprehensive income, as financial assets measured at fair value through profit or loss, for the purpose of eliminating or significantly reducing accounting mismatches.

These assets are subsequently measured at fair value, which net gains or losses (including any dividends and interest income) are recognized in profit or loss.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

d. Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

On each reporting date, the Group assesses financial assets and significant components of accounts receivable, considering reasonable and verifiable information (obtained without undue cost or effort), including qualitative and quantitative information, as well as analysis based on the Group's historical experience, credit evaluations, and forward-looking information. For those with low credit risk or where the credit risk has not significantly increased since initial recognition, expected credit losses over twelve months are recognized. If it is determined that the credit risk has significantly increased since initial recognition, credit losses are measured over the remaining period of exposure. For accounts receivable that do not contain significant financial components, expected credit losses are measured using the lifetime expected credit loss method.

For financial assets measured at amortized cost, the allowance for credit losses is deducted from the carrying amount of the asset. The amount of the provision for credit losses or reversals thereof is recognized in the income statement.

The Group reduces the total carrying amount of a financial asset when it cannot reasonably expect to recover all or part of the financial asset. However, financial assets that have been written off are still enforceable to comply with the Group's procedures for recovering past due amounts.

e. Derecognition of financial assets

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

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

2) Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual agreements and the definition of financial liabilities.

b. Equity transactions

An equity instrument is any contract that recognizes the Group's remaining interest in an asset from which all of its liabilities are deducted. Equity instruments issued by the Group are recognized at the acquisition price less direct issue costs.

c. Financial liabilities

Financial liabilities not designated as held for trading and not measured at fair value through profit or loss upon initial recognition are initially measured at fair value plus directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method. Interest expense that has not been capitalized as part of asset cost is reported under operating income and expenses.

d. Derecognition of financial liabilities

The Group derecognizes a financial liability when the contractual obligations pertaining thereto expire or are discharged or canceled. When the terms of a financial liability are amended and the cash flows per the liability are materially different upon amendment, the pre-amendment financial liability is derecognized and the amended liability is recognized at fair value based on the amended terms.

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

e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented at their net amount on the balance sheet, when the Group has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(8) Inventories

The original cost of inventory is the necessary expenditure incurred to bring the inventory to a saleable or producible condition and location, with variable production costs allocated based on actual output; fixed production costs are allocated to finished goods and work in progress based on normal production capacity of production equipment, with any unallocated fixed production costs due to lower capacity or idle equipment recognized as cost of goods sold in the year incurred. Any excess of actual output over normal capacity is treated as a reduction in cost of goods sold. Cost is calculated using the weighted average method on a monthly basis.

Subsequent measurement of inventory is based on the lower of cost and net realizable value for each category of inventory, with net realizable value calculated as the estimated selling price in the ordinary course of business on the balance sheet date, less the cost of completion and sales expenses. When the cost of inventory exceeds its net realizable value, the inventory cost is written down to the net realizable value, with the written-down amount recognized as cost of goods sold. If the net realizable value increases in subsequent periods, the reversal of the previously recognized write-down is limited to the amount of the original write-down, and the increase is recognized as a reduction in cost of goods sold for the year.

(9) Investments in Associates

An associate is an entity on which the Group has significant influence, but not control or joint control, in its financial and operating policies.

The Group's equity interest in an associate is accounted for using the equity method. Under the equity method, the acquisition is recognized at cost, and the cost of investment includes the transaction cost. The carrying amount of an investment in an associate includes goodwill recognized at the time of investment, less any accumulated impairment loss.

Consolidated financial statements include the recognition of the profit and loss and other comprehensive income of each investee associated company in accordance with the equity method from the date of significant influence to the date of loss of significant influence, after adjusting for consistency with the accounting policies of the Group. When an associate's equity changes, but is not recognized as profit or loss or other comprehensive income, and does not affect the Group's proportional share, the Group recognizes the change as capital surplus in proportion to its holdings.

Unrealized gains and losses arising from transactions between the Group and its associates are recognized in its financial statements to the extent of equity interest in the associates not owned by the Corporation. The Group ceases to recognize an associate's losses when its share of such losses equals or exceeds its equity interest. Therefore, the Group recognizes additional losses and liabilities to the extent of any legal or constructive obligations or payments made on behalf of the investee.

## **YUNGSHIN GLOBAL HOLDING CORPORATION**

### **Notes to Consolidated Financial Statements (Continued)**

When an associate issues new shares and the Group does not subscribe to them in proportion to its ownership, resulting in a change in ownership percentage and fluctuations in the investment's equity value, these fluctuations adjust the capital reserve and the investment under the equity method. If the adjustment reduces the capital reserve but there is insufficient balance, the difference is debited to retained earnings. If the Group's ownership in the associate decreases due to not subscribing to shares in proportion, any amounts previously recognized in other comprehensive income are reclassified based on the decrease, following the same treatment as if the associate directly disposed of related assets or liabilities.

#### **(10) Investment Properties**

Investment properties refer to properties held for earning rentals, for capital appreciation, or for both, rather than for use in the production or supply of goods or services or for administrative purposes. Investment properties are initially measured at cost and subsequently at cost less accumulated depreciation and impairment losses. Depreciation methods, useful lives, and residual values follow the provisions for property, plant, and equipment.

Gains or losses on the disposal of investment properties (calculated as the difference between the net disposal proceeds and the carrying amount of the item) are recognized in profit or loss.

Rental income from investment properties is recognized on a straight-line basis over the lease term as other income. Lease incentives granted are recognized as a part of lease income over the lease term.

#### **(11) Property, Plant and Equipment**

##### **1) Recognition and measurement**

Items of property, plant and equipment are measured at cost, including capitalized borrowing costs, less accumulated depreciation and any accumulated impairment.

If the major components of property, plant, and equipment have different useful lives, they are treated as separate assets (major components) of property, plant, and equipment.

Gains or losses upon disposal of property, plant and equipment is recognized in profit or loss.

##### **2) Subsequent costs**

Subsequent expenditures are capitalized if it is likely that future economic benefits will flow into the Group.

# **YUNGSHIN GLOBAL HOLDING CORPORATION**

## **Notes to Consolidated Financial Statements (Continued)**

### 3) Depreciation

Depreciation is calculated as the cost of an asset less its residual value and is recognized in profit or loss over the estimated useful lives of each component using the straight-line method.

Land is not subject to depreciation and is not depreciated in the financial statements of the Group.

The estimated useful lives for the current and comparative periods are as follows:

Buildings and structures	1~45 years
Machinery and equipment	1~20 years
Transportation equipment	4~6 years
Office equipment	2~12 years
Other equipment	1~11 years

The Group reviews the depreciation method, useful life and residual value at each reporting date and makes appropriate adjustments as necessary.

### (12) Lease

#### 1) Assessment of leases

The Group assesses, on the date a contract is entered into, whether a contract is a lease or includes a lease.

#### 2) Lessee

The Group recognizes a right-of-use asset and a lease liability on the lease commencement date. A right-of-use asset is initially measured at cost, which includes the initial lease liability, adjusted for any lease payments made before or on the commencement date, plus initial direct costs and estimated costs for dismantling, removing, and restoring the asset, whether at its current location or elsewhere, less any lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date of the lease to either the end of the useful life or the end of the lease term, whichever is earlier. In addition, the Group periodically assesses whether a right-of-use asset is impaired and addresses any impairment loss incurred and, when lease liability is remeasured, adjusts the right-of-use asset accordingly.



# **YUNGSHIN GLOBAL HOLDING CORPORATION**

## **Notes to Consolidated Financial Statements (Continued)**

Lease liabilities are measured initially at the present value of lease payments outstanding on the date the lease is entered into, using the incremental borrowing rate. Subsequently, interest is accrued using the effective interest method. When there are changes in lease payments and lease terms during the lease term, the lease liability is remeasured. The carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss.

For leases of low-value assets, the Group chooses not to recognize the right-of-use asset and lease liability. Instead, the lease payments are recognized as an expense on a straight-line basis over the lease term.

### **3) Lessor**

Transactions of the Group acting as the lessor are classified on the lease inception date based on whether substantially all of the risks and rewards incidental to ownership of the leased asset are transferred. If so, they are classified as finance leases; otherwise, they are classified as operating leases.

## **(13) Intangible Assets**

### **1) Recognition and measurement**

Intangible assets are measured at cost, less accumulated amortization and accumulated impairment losses.

### **2) Subsequent expenditures**

Subsequent expenditures are capitalized only if they are expected to enhance the future economic benefits of the specific asset to which they relate.

### **3) Amortization**

Amortization is calculated by deducting the estimated residual value from the cost of the asset and is recognized in profit or loss on a straight-line basis over its estimated useful life, starting from the date the intangible asset is available for use.

The estimated useful lives for the current and comparative periods are as follows:

Computer software	3~5 years
Trademark	1~14 years
Others	3~19 years

The Group reviews the amortization method, useful life, and residual value of intangible assets at each reporting date and adjusts them appropriately when necessary.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(14) Impairment of Non-Financial Assets

For inventories and non-financial assets other than deferred tax assets, the Group assesses at each reporting date whether there are indications of impairment and estimates the recoverable amount for assets with impairment indicators. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated for impairment assessment.

In detecting impairment, a group of assets with cash inflows that are predominantly independent of other individual assets or groups of assets is treated as the smallest identifiable group of assets.

The recoverable amount is the fair value of an individual asset or cash-generating unit less its value in use or costs to sell, whichever is higher. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the book value of the individual asset or cash-generating unit is adjusted to its recoverable amount, and an impairment loss is recognized for the difference. Impairment losses are recognized immediately in profit or loss.

(15) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable for goods or services transferred. The Group recognizes revenue when control of goods or services is transferred to customers, satisfying performance obligations.

Revenue is recognized by the Group upon transfer of control of the product. Transfer of control of the product occurs when the product is delivered to the customer, the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the product, and the Group has no remaining obligations to the customer that would significantly affect the customer's acceptance of the product. Delivery is deemed to have occurred when the product is shipped to a specified location, the risks and rewards of ownership have been transferred to the customer, and the customer has accepted the product under the terms of the sales contract.

The Group recognizes accounts receivable upon delivery of goods because it has an unconditional right to receive consideration at that time.

(16) Government Grants

The Group recognizes non-refundable government grants related to its operations as other income when they are receivable without conditions attached. The government grants compensating the Group for expenses or losses are recognized in profit or loss on a systematic basis in the years in which the related expenses or losses are incurred.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(17) Employee Benefits

1) Defined contribution plans

The obligation to make contributions to a retirement benefit plan is recognized as an expense during the year in which the employees provide services.

2) Defined benefit plans

The Group determines the net obligations for defined benefit plans separately for each plan by discounting the future benefit amounts earned by employees in the current or prior periods of service to their present value. This is reduced by any fair value of plan assets.

The defined benefit obligations are actuarially determined annually by qualified actuaries using the projected unit credit method. When the calculation results in a potential benefit to the Group, assets are recognized up to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. In determining the present value of economic benefits, any minimum funding requirements are taken into consideration.

Changes in the remeasurement of the net defined benefit liability (asset), including actuarial gains and losses, the return on plan assets (excluding interest), and any changes in the effect of the asset ceiling (excluding interest), are immediately recognized in other comprehensive income and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) based on the net defined benefit liability (asset) and discount rate determined at the beginning of the annual reporting period. The net interest expense on the defined benefit plan and other expenses are recognized in profit or loss.

When there are plan amendments or curtailments, the resulting changes in benefits related to past service costs or reductions in benefits are immediately recognized in profit or loss. The Group recognizes the settlement gain or loss of defined benefit plans when the settlement occurs.

3) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and recognized as expenses when the related services are provided. The amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Group has a present legal or constructive obligation resulting from past service provided by employees and the obligation can be reliably estimated, is recognized as a liability.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(18) Share-Based Payment Transactions

Equity-settled share-based payment arrangements are measured at the fair value at the grant date, and expenses are recognized over the vesting period with a corresponding increase in equity. The recognized expense is adjusted for the expected quantity of awards that will ultimately vest, based on both service and non-market vesting conditions. The final recognized amount is measured based on the quantity of awards that ultimately vest as of the vesting date.

Non-market vesting conditions for share-based payment awards are reflected in the fair value of share-based payments at the grant date, and any differences between expected and actual outcomes do not require adjustment.

(19) Income Tax

Income tax consists of the current and deferred income taxes. The current and deferred income taxes are recognized in profit or loss, except when they relate to business combinations or items directly recognizable in equity or in other comprehensive income.

The Group determines that interest or penalties related to income taxes (including uncertain tax treatments) do not meet the definition of income taxes and therefore apply the accounting treatment under IAS 37.

The current income tax includes the estimated income tax payable or tax refund receivable based on the current year taxable income (or loss), with any adjustments for the preceding year's income tax payable or tax refund receivable. The amount reflects the best estimate of the expected payments or receipts, measured at the statutory tax rate or the effective tax rate enacted as of the reporting date, after considering any income tax-related uncertainties (if any).

Deferred income tax is recognized for temporary differences between the carrying amount of assets and liabilities and their tax bases as of the reporting date. Deferred income tax is not recognized for temporary differences arising from the following situations:

- 1) Assets or liabilities initially recognized in transactions that are not business combinations, and at the time of the transaction (i) do not affect accounting profit or taxable income (or loss), and (ii) do not give rise to equivalent taxable and deductible temporary differences;
- 2) Temporary differences arising from investments in subsidiaries, associates and joint ventures where the Group can control the timing of the reversal of the temporary difference and where it is most likely that the temporary difference will not reverse in the foreseeable future; and
- 3) Taxable temporary differences arising from the initial recognition of goodwill.

## **YUNGSHIN GLOBAL HOLDING CORPORATION**

### **Notes to Consolidated Financial Statements (Continued)**

Deferred income tax is measured based on the tax rate expected to apply in the year when the temporary difference reverses, using the statutory tax rate or the rate substantively enacted as of the reporting date, and reflects any income tax-related uncertainties, if any.

The Group offsets deferred income tax assets and deferred income tax liabilities are offset if both of the following conditions are met:

- 1) There is a right by law to offset the year's income tax assets and income tax liabilities; and
- 2) the deferred tax assets and deferred tax liabilities pertain to one of the following taxable entities which are subject to income taxation by the same taxing authority:
  - a. the same taxable entity; or
  - b. different taxable entities, provided that each entity intends to settle each period's income tax liabilities with the year's income tax assets on a net basis, or to realize such assets and settle such liabilities at the same time, in each future period in which significant amounts of deferred income tax assets and significant amounts of deferred tax liabilities are expected to be recovered and settled respectively.

Unused tax losses and unused tax credits carried forward, and deductible temporary differences, are recognized as deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. They are reassessed at each reporting date, and any related tax benefits that are not considered probable of being realized are reduced; or the amount of any reduction is reversed if it becomes probable that sufficient taxable profit will be available.

#### **(20) Business Combinations**

The acquiring company applies the acquisition method for each business combination. Goodwill is measured at the fair value of the consideration transferred at the date of acquisition, including the amount attributable to any non-controlling interest in the acquiree, less the net amount of the identifiable assets acquired and liabilities assumed (generally the fair value). If the resulting balance is negative, the Group reassesses whether all assets acquired and liabilities assumed have been correctly identified before recognizing the gain on bargain purchase in profit or loss.

Except for those related to the issuance of debt or equity instruments, transaction costs associated with a business combination should be recognized as expenses of the combining company immediately when incurred.

## **YUNGSHIN GLOBAL HOLDING CORPORATION**

### **Notes to Consolidated Financial Statements (Continued)**

For non-controlling interest in the acquiree, if they represent current ownership interest and the holder is entitled to a proportionate share of the net assets of the of the entity upon liquidation, the acquiring company chooses to measure these interest, on a transaction-by-transaction basis, either at fair value or based on proportionate share of the current ownership instrument to the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at the fair values at the acquisition date or on other bases in accordance with IFRS Accounting Standards approved by the FSC.

For a business combination concluded in stages, the acquiring company should remeasure the interests of the acquiree previously held based on the fair value on the acquisition date. Any resulting gain or loss is recognized as profit or loss. Changes in the value of the acquiree's interest that were recognized in other comprehensive income before the acquisition date should be treated in the same manner as if the acquiring company had directly disposed of its previously held interest. If it is appropriate to reclassify the interest to profit or loss upon disposal, the amount is reclassified to profit or loss.

If the initial accounting treatment for a business combination is not completed before the reporting date of the combination transaction, the acquiring company recognizes provisional amounts for incomplete accounting items and makes retroactive adjustments or recognizes additional assets or liabilities during the measurement period to reflect the new information about the existing facts and conditions on the acquisition date. The measurement period will not exceed one year from the date of acquisition.

#### **(21) Earnings Per Share**

The Group accounts for the basic and diluted earnings per share attributable to equity holders of the Corporation's common stock. The basic earnings per share for the Group is calculated by dividing the profit or loss attributable to equity holders of the Corporation's common stock by the weighted-average number of ordinary shares outstanding. The diluted earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Corporation's common stock by the weighted-average number of ordinary shares outstanding, adjusting for the impact of all potential dilutive ordinary shares. The potential dilutive ordinary shares for the Corporation include stock options granted to employees.

#### **(22) Segment Information**

Operating segments are components of the Group engaged in activities that may earn revenue and incur expenses (including revenue and expenses related to transactions with other components of the Group), and they each have separate financial information. The operating results of all operating segments are regularly reviewed by the primary operating decision-maker of the Group to make decisions about allocating resources to the segments and to assess their performance.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

**5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty and Assumptions**

When preparing these consolidated financial statements, management is required to make judgments, estimates, and assumptions about the future—including climate-related risks and opportunities—that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from original estimates.

Management reviews estimates and underlying assumptions on an ongoing basis to ensure consistency with the Group's risk management and climate-related commitments. Changes in accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Accounting policies involve significant judgments, and information that has a significant impact on the amounts recognized in the financial statements of the Group is as follows:

- (1) The Group holds 36.92% of the voting rights of YSP SAH and is the single largest shareholder. The remaining shareholdings are not concentrated in any particular shareholder. However, the Group is unable to secure a majority of seats on the Board of Directors of YSP SAH and therefore does not have control over its relevant activities. Management of the Group considers that it has significant influence over YSP SAH and therefore accounts for it as an associate.
- (2) The Group held 20.81% of the voting rights in Yung Zip and was the single largest shareholder. Accordingly, Yung Zip was previously accounted for as an associate under the equity method. However, following a by-election of the board of directors on May 30, 2024, the Group obtained a majority of the board seats and, as a result, acquired control over Yung Zip from that date. The Group has since applied accounting policies related to business combinations.

**6. Descriptions of Material Accounting Items**

- (1) Cash and Cash Equivalents

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Cash on hand	\$ 1,405	820
Demand deposits and check deposits	1,732,830	1,482,106
Time deposits	100,000	4,000
	<b><u>\$ 1,834,235</u></b>	<b><u>1,486,926</u></b>

Please refer to Note 6(25) for disclosure on the interest rate risk and sensitivity analysis.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(2) Financial Assets at Fair Value Through Profit or Loss - Current and Non-Current

	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
Financial assets mandatorily at FVTPL :		
Product development investment agreements	\$ 63,482	63,482
Private equity funds	42,000	42,000
Total	<u><b>\$ 105,482</b></u>	<u><b>105,482</b></u>

The Group and other companies signed an investment agreement for product development cooperation. The agreement stipulates that when the product development results are authorized and the authorization fee is obtained, the royalties will be distributed in a certain proportion.

Please refer to Note 6(25) for market risk information.

(3) Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current

	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
Equity instruments measured at fair value through other comprehensive income:		
Listed shares:		
Sawai Pharmaceutical Co., Ltd.	\$ 8,049	6,532
ANA Holding Inc.	602	664
	<u>8,651</u>	<u>7,196</u>
Unlisted shares:		
Missioncare Co., Ltd.	\$ 64,491	44,466
Missioncare Asset Management Co., Ltd.	27,216	14,387
Limited Liability Fengyuan Medical Waste Disposal Equipment Used Cooperatives	8	7
International Green Handle Co., Ltd.	15	13
LTC Holding Company Ltd.	77,302	-
	<u>169,032</u>	<u>58,873</u>
Total	<u><b>\$ 177,683</b></u>	<u><b>66,069</b></u>

Equity instruments held by the Group are strategic long-term investments, instead of trading purpose. Therefore, they have been designated to be measured at fair value through other comprehensive income.

For the years ended December 31, 2024 and 2023, the Group did not dispose of any strategic investments, nor were there any transfers of accumulated gains or losses within equity.

Please refer to Note 6(25) for market risk information.



**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(4) Financial Assets at Amortized Cost - Current

	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
Time deposits with original maturities of more than 3 months	<u>\$ 371,906</u>	<u>257,646</u>
Interest Rate Range (%)	<u>0.10~4.82</u>	<u>1.45~5.57</u>

The Group assesses that the asset is held to maturity to receive contractual cash flows. The asset is classified as financial assets at amortized cost because the cash flows from the financial asset are solely the payment of principal and interest on the outstanding principal amount.

(5) Notes Receivable and Accounts Receivable

	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
Notes receivable	\$ 259,453	317,520
Accounts receivable	1,420,089	1,321,397
Accounts receivable from related parties	74,137	51,004
Overdue receivable (classified as other non-current assets)	-	70
Less: Loss allowance - notes receivable	(234)	(630)
Loss allowance - accounts receivable	(4,693)	(6,035)
Loss allowance - overdue receivable (classified as other non-current assets)	-	(70)
	<u>\$ 1,748,752</u>	<u>1,683,256</u>

None of the Group's notes receivable and accounts receivable are discounted or provided as collaterals.

The Group adopts a simplified method to estimate the expected credit loss for all notes receivable and accounts receivable (including related parties), that is, using the lifetime expected credit loss. For this purpose, these notes receivable and accounts receivables are categorized based on common credit risk characteristics of customers' capability to pay for amount due in accordance with the contracts with forward-looking information incorporated, including general economic and related industry information. Due to the historical experience of credit losses of the Group, there is no significant difference in the loss patterns of different client's groups. Therefore, the provision matrix does not further distinguish the customer base.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

The expected credit loss analysis of the Group's notes receivable and accounts receivable was as follows:

	<b>Dec 31, 2024</b>		
	<b>Carrying Amount of Notes Receivable and Accounts Receivable</b>	<b>Weighted Average Expected Credit Loss Rate (%)</b>	<b>Allowance for Expected Credit Losses During the year</b>
Not past due	\$ 1,720,973	0.24	4,059
1 ~ 30 days past due	24,378	0.36	88
31 ~ 60 days past due	4,464	0.11	5
61 ~ 90 days past due	382	6.54	25
91 ~ 120 days past due	117	-	-
121 ~ 180 days past due	1,531	-	-
181 ~ 270 days past due	1,078	-	-
271 ~ 365 days past due	6	-	-
Over 365 days past due	750	100.00	750
	<b><u>\$ 1,753,679</u></b>		<b><u>4,927</u></b>

  

	<b>Dec 31, 2023</b>		
	<b>Carrying Amount of Notes Receivable and Accounts Receivable</b>	<b>Weighted Average Expected Credit Loss Rate (%)</b>	<b>Allowance for Expected Credit Losses During the year</b>
Not past due	\$ 1,381,433	0.41	5,617
1 ~ 30 days past due	193,251	0.37	717
31 ~ 60 days past due	29,017	0.65	190
61 ~ 90 days past due	22,724	0.42	95
91 ~ 120 days past due	24,326	0.16	39
121 ~ 180 days past due	39,139	0.01	3
181 ~ 270 days past due	31	12.90	4
	<b><u>\$ 1,689,921</u></b>		<b><u>6,665</u></b>

The above accounts receivable amount does not include NT\$70 thousand owed by a single sales customer to the Group. Due to the unstable situation regarding the recovery of accounts receivable, an allowance for loss has been fully provided for the abovementioned receivables. Therefore, it will not be included in the calculation of expected credit losses for the consolidation company's provision for continuing credit losses.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

Changes in allowance for loss on notes receivable and accounts receivable of the Group are as follows:

	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ 6,735	7,785
Impairment (gain) loss recognized	(945)	590
Uncollectible amounts written off for the year	(1,007)	(1,660)
Acquired by combinations	97	-
Difference of foreign exchange	47	20
Balance on December 31	<b><u>\$ 4,927</u></b>	<b><u>6,735</u></b>

(6) Inventories

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Finished goods	\$ 1,495,004	973,271
Work in process (include semi-finished products)	316,876	295,035
Raw materials	1,128,050	1,299,045
Supplies	180,888	181,459
Inventory in transit	27,975	24,221
	<b><u>\$ 3,148,793</u></b>	<b><u>2,773,031</u></b>

The Group transferred the inventory from normal sales to operating costs. In addition, it includes other expenses and losses directly in operating costs as follows:

	<b>2024</b>	<b>2023</b>
Inventory write-down and obsolescence reversal gains	\$ (3,617)	(546)
Loss for inventory obsolescence	61,541	61,347
Gain on physical inventories	(1,571)	(1,578)
Revenue from sale of scraps	(211)	(510)
Total	<b><u>\$ 56,142</u></b>	<b><u>58,713</u></b>

The Group did not pledge any inventories as collateral.

(7) Investments Accounted for Using Equity Method

Investments of the Group under equity method at reporting date are listed as below:

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Associate	<b><u>\$ 1,028,534</u></b>	<b><u>1,088,916</u></b>

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

1) Associate

Relevant information on the associates that are material to the Group is as follows:

Name of Associate	Nature of Relationship with the Group	Principal Place of Business/Country of Registration	Proportion of Ownership and Voting Rights	
			Dec 31, 2024	Dec 31, 2023
YSP SAH	Biopharmaceutical research and technical services	Malaysia	36.92%	36.92%

The fair values of the associates as listed companies that are material to the Group were as follows:

	Dec 31, 2024	Dec 31, 2023
YSP SAH	<u>\$ 883,904</u>	<u>806,689</u>

Summary financial information on the associates that are material to the Group was as follows:

	Dec 31, 2024	Dec 31, 2023
Current assets	\$ 2,625,925	2,368,749
Non-current assets	1,254,466	1,119,063
Current liabilities	(461,429)	(458,688)
Non-current liabilities	(368,419)	(341,789)
Net assets	<u>\$ 3,050,543</u>	<u>2,687,335</u>
Net assets attributable to non-controlling interests	<u>\$ 48,779</u>	<u>41,316</u>
Net assets attributable the owners of investee	<u>\$ 3,001,764</u>	<u>2,646,019</u>
	<b>2024</b>	<b>2023</b>
Operating revenue	<u>\$ 2,593,557</u>	<u>2,425,790</u>
Net profit of continuing operations for the year	\$ 187,638	256,744
Other comprehensive income	275,424	(118,571)
Total comprehensive income	<u>\$ 463,062</u>	<u>138,173</u>
The Group's shares of associates' net assets at the beginning of the year	\$ 976,844	967,957
Total comprehensive income attributable to the Group for the year	170,951	56,428
Cash dividends of associates	(39,619)	(34,991)
The Group's share of associates' net assets at the end of the year	1,108,176	989,394
Less: Capital surplus	-	(12,550)
The Group's carrying amount of the associates interest at the end of the year	<u>\$ 1,108,176</u>	<u>976,844</u>

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 2) Guarantee

As of December 31, 2024, and December 31, 2023, the investments accounted for using the equity method by the Group were not pledged as collateral.

### (8) Subsidiaries with Significant Non-Controlling Interests

The non-controlling interests of subsidiaries that are significant to the Group are as follows:

#### 1) Vetnostrum Animal Health Co., Ltd.

Subsidiary Name	Principal Place of Business/Country of Registration	Proportion of Non-Controlling Interests in Ownership Interests and Voting Rights	
		Dec 31, 2024	Dec 31, 2023
Vetnostrum Animal Health Co., Ltd.	Taiwan	44.88%	45.03%

The summary financial information of the above subsidiaries is stated as follows, prepared in accordance with IFRS endorsed by the FSC and reflecting adjustments made by the Group to the fair value and differences in accounting policies on the acquisition date, with the amount before elimination of the transactions between the Group, is as follows:

	Dec 31, 2024	Dec 31, 2023
Current assets	\$ 757,251	677,904
Non-current assets	1,082,555	1,102,059
Current liabilities	(288,684)	(310,324)
Non-current liabilities	(115,008)	(103,099)
Net assets	<u>\$ 1,436,114</u>	<u>1,366,540</u>
Net assets attributable to non-controlling interests	<u>\$ 507,400</u>	<u>478,223</u>
	2024	2023
Operating revenue	<u>\$ 1,294,112</u>	<u>1,207,507</u>
Net profit for the year	\$ 137,708	92,690
Other comprehensive income (loss) for the year	(16)	(555)
Total comprehensive income (loss) for the year	<u>\$ 137,692</u>	<u>92,135</u>
Net profit for the year attributable to non-controlling interests	<u>\$ 61,306</u>	<u>40,962</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 61,299</u>	<u>40,712</u>
	2024	2023
Cash flows from operating activities	\$ 180,388	235,490
Cash flows from investing activities	(40,641)	(15,780)
Cash flows from financing activities	(147,204)	(207,402)
Net increase (decrease) in cash and cash equivalents	<u>\$ (7,457)</u>	<u>12,308</u>

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

The Group acquired 84 thousand shares, 17 thousand shares and 24 thousand shares of Vetnostrum Animal Health in January, February and May 2024, respectively, for a total purchase price of NT\$4,781 thousand. Additionally, Vetnostrum Animal Health issued 3 thousand and 47 thousand new shares in March and August 2024, respectively for employees exercising stock options, at an issuance price of NT\$825 thousand. The aforementioned transactions resulted in a decrease in capital surplus of NT\$2,751 thousand, and the ownership percentage increased from 54.97% to 55.12%.

For the year ended December 31, 2023, the Group's ownership interest in Vetnostrum Animal Health decreased from 57.04% to 54.71% due to share issuance and the exercise of employee stock options.

As the above transaction did not change the Group's control over the subsidiary, it shall be treated as an equity transaction.

	<b>2023</b>
Consideration received in cash	\$ 41,198
Carrying amount of the subsidiary's net assets transfer to non-controlling interest based on relative changes in equity.	(25,514)
Differences arising from equity transactions (recognized as capital surplus)	<u><u>\$ 15,684</u></u>

Additionally, in December 2023, the Group acquired 175 thousand shares of Vetnostrum Animal Health at a price of NT\$6,932 thousand, and reduced the capital surplus by NT\$4,132 thousand. As a result, the ownership percentage was adjusted from 54.71% to 54.97%.

### 2) Yung Zip

Subsidiary Name	Principal Place of Business/Country of Registration	Proportion of Non-Controlling Interests in Ownership Interests and Voting Rights	
		Dec 31, 2024	Dec 31, 2023
Yung Zip	Taiwan	79.19%	(Note)

Note: On May 30, 2024, Yung Zip held a by-election for one director position. After the by-election, the Group obtained more than half of the director seats, giving it control over Yung Zip, which was included in the consolidated entity from the date of obtaining control.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

The summary financial information of the above subsidiaries is stated as follows, prepared in accordance with IFRS endorsed by the FSC and reflecting adjustments made by the Group to the fair value and differences in accounting policies on the acquisition date, with the amount before elimination of the transactions between the Group, is as follows:

	<b>Dec 31, 2024</b>
Current assets	\$ 397,071
Non-current assets	1,526,223
Current liabilities	(128,206)
Non-current liabilities	(117,520)
Net assets	<u><u>\$ 1,677,568</u></u>
Net assets attributable to non-controlling interests	<u><u>\$ 1,354,113</u></u>
	<b>June to December, 2024</b>
Operating revenue	<u><u>\$ 299,505</u></u>
Net profit for the year	\$ 17,463
Other comprehensive income (loss) for the year	(6,877)
Total comprehensive income (loss) for the year	<u><u>\$ 10,586</u></u>
Net profit for the year attributable to non-controlling interests	<u><u>\$ 14,628</u></u>
Total comprehensive income attributable to non-controlling interests	<u><u>\$ 9,182</u></u>
	<b>June to December, 2024</b>
Cash flows from operating activities	\$ 76,247
Cash flows from investing activities	(12,527)
Cash flows from financing activities	(64,829)
Net decrease in cash and cash equivalents	<u><u>\$ (1,109)</u></u>

(9) Business Combinations - Acquisition of subsidiary, Yung Zip

1) Transfer consideration for acquisition of subsidiaries

The Group acquired a cumulative 20.81% common stock equity in Yung Zip in May 2024. On May 30, 2024, Yung Zip held a by-election for one director position. After the by-election, the Group obtained more than half of the director seats, giving it control over this company, which was included in the consolidated entity from the date of obtaining control and generate re-measurement benefits of NT\$113,185 thousand.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

- 2) Details of the fair values of net identifiable assets acquired and liabilities assumed were as below:

Details of the fair values of identifiable assets acquired and liabilities assumed of Yung Zip on May 30, 2024 (the date control was obtained) were as below:

Transfer consideration	\$	-
Add: fair value of the original interest in the acquiree		309,487
Non-controlling interests (measured as the ratio of identifiable net assets to non-controlling interests)		1,345,691
Less: fair value of identifiable net assets:		
Cash and cash equivalents	\$	132,393
Notes receivable and receivable (including related parties)		152,869
Inventories		148,122
Other current assets		23,666
Financial assets at fair value through other comprehensive income - non-current		168,822
Property, plant and equipment		1,325,339
Right-of-use assets		1,538
Intangible assets		1,491
Other non-current assets		26,919
Accounts payable		(48,466)
Other current liabilities		(91,390)
Long-term borrowings		(129,136)
Other non-current liabilities		(44,226)
Gain recognized in bargain purchase transaction		<u><u>\$ (12,763)</u></u>

The Group will continue to review the above matters during the measurement period. If new information related to facts and circumstances that existed on the acquisition date is obtained within one year from the acquisition date, which can identify adjustments to the aforementioned provisional amounts or any additional provisions for liabilities that existed on the acquisition date, the accounting treatment of the acquisition will be modified.

The Group has adjusted the original accounting treatment and provisional amounts from the acquisition date as of December 31, 2024



# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 3) Pro forma information on operating results

Effective from May 30, 2024, the operating results of Yung Zip have been included in the Group's consolidated statement of comprehensive income, contributing NT\$299,505 thousand in net operating revenue and NT\$17,463 thousand in net income after tax. Had the acquisition been assumed to have occurred on January 1, 2024, the Group's pro forma net operating revenue and net income after tax for the year ended December 31, 2024, would have increased by NT\$583,694 thousand and NT\$70,049 thousand, respectively.

### (10) Property, Plant and Equipment

The changes in costs, depreciation and impairment loss of the Group's property, plant and equipment were as follows:

	Land	Buildings and Structures	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Process	Total
Cost or deemed cost:								
Balance on January 1, 2024	\$ 2,175,269	3,340,695	3,821,343	43,651	178,375	717,456	71,901	10,348,690
Acquired by combinations	1,162,957	482,232	531,822	1,245	8,970	84,998	7,684	2,279,908
Additions	-	32,885	75,417	12,328	4,075	22,111	92,730	239,546
Disposal	-	(3,415)	(26,456)	(9,135)	(167)	(5,906)	-	(45,079)
Reclassification (Note 1)	-	31,737	26,692	-	5,791	2,986	(61,668)	5,538
Effect of changes in exchange rate	5,623	21,976	21,192	139	2,446	209	-	51,585
Balance on December 31, 2024	<u>\$ 3,343,849</u>	<u>3,906,110</u>	<u>4,450,010</u>	<u>48,228</u>	<u>199,490</u>	<u>821,854</u>	<u>110,647</u>	<u>12,880,188</u>
Balance on January 1, 2023	\$ 2,176,957	3,294,449	3,777,621	43,730	176,776	709,903	100,600	10,280,036
Additions	-	20,044	32,872	801	4,181	10,527	16,181	84,606
Disposal	-	(1,013)	(22,118)	(821)	(2,746)	(4,268)	-	(30,966)
Reclassification (Note 2)	-	32,314	35,046	-	190	1,294	(44,880)	23,964
Effect of changes in exchange rate	(1,688)	(5,099)	(2,078)	(59)	(26)	-	-	(8,950)
Balance on December 31, 2023	<u>\$ 2,175,269</u>	<u>3,340,695</u>	<u>3,821,343</u>	<u>43,651</u>	<u>178,375</u>	<u>717,456</u>	<u>71,901</u>	<u>10,348,690</u>
Depreciation and impairment loss:								
Balance on January 1, 2024	\$ -	2,592,859	3,349,286	35,899	164,860	668,066	-	6,810,970
Acquired by combinations	-	403,018	475,439	1,245	6,931	67,936	-	954,569
Depreciation	-	103,069	132,836	3,688	5,248	30,438	-	275,279
Disposal	-	(1,529)	(26,355)	(3,340)	(167)	(5,871)	-	(37,262)
Reclassification	-	-	(708)	-	-	708	-	-
Effect of changes in exchange rate	-	17,226	19,415	123	2,330	156	-	39,250
Balance on December 31, 2024	<u>\$ -</u>	<u>3,114,643</u>	<u>3,949,913</u>	<u>37,615</u>	<u>179,202</u>	<u>761,433</u>	<u>-</u>	<u>8,042,806</u>
Balance on January 1, 2023	\$ -	2,500,767	3,243,639	33,172	163,321	641,815	-	6,582,714
Depreciation	-	96,381	130,018	3,376	4,312	30,526	-	264,613
Disposal	-	(1,013)	(22,118)	(600)	(2,746)	(4,268)	-	(30,745)
Reclassification (Note 2)	-	(63)	-	-	-	-	-	(63)
Effect of changes in exchange rate	-	(3,213)	(2,253)	(49)	(27)	(7)	-	(5,549)
Balance on December 31, 2023	<u>\$ -</u>	<u>2,592,859</u>	<u>3,349,286</u>	<u>35,899</u>	<u>164,860</u>	<u>668,066</u>	<u>-</u>	<u>6,810,970</u>
Carrying amount:								
Balance on December 31, 2024	<u>\$ 3,343,849</u>	<u>791,467</u>	<u>500,097</u>	<u>10,613</u>	<u>20,288</u>	<u>60,421</u>	<u>110,647</u>	<u>4,837,382</u>
Balance on December 31, 2023	<u>\$ 2,175,269</u>	<u>747,836</u>	<u>472,057</u>	<u>7,752</u>	<u>13,515</u>	<u>49,390</u>	<u>71,901</u>	<u>3,537,720</u>

Note 1: An amount of NT\$5,897 thousand was transfer in from other non-current assets, and NT\$359 thousand as expenses.

Note 2: The Group reclassified NT\$27,003 thousand to prepaid equipment, NT\$290 thousand to intangible assets, recognized NT\$2,599 thousand as expenses, and reclassified NT\$150 thousand and NT\$63 thousand to refundable deposits and depreciation, respectively.

Details of borrowings and financing facilities pledged as collateral of December 31, 2024 and 2023, are disclosed in Note 8.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(11) Right-of-Use Assets

The changes in the costs, depreciation, and impairment loss of land, buildings and structures, transportation equipment and machinery equipment leased by the Group were as follows:

	Land, Buildings and Structures	Transportation Equipment	Machinery and Equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2024	\$ 46,204	32,666	352	79,222
Acquired by combinations	7,908	2,693	-	10,601
Additions	20,854	31,624	-	52,478
Decrease in the year	(5,803)	(16,411)	-	(22,214)
Lease modifications	(3,581)	(4,267)	-	(7,848)
Effect of changes in exchange rate	2,307	-	-	2,307
Balance on December 31, 2024	<u><b>\$ 67,889</b></u>	<u><b>46,305</b></u>	<u><b>352</b></u>	<u><b>114,546</b></u>
Balance on January 1, 2023	\$ 46,255	29,709	4,375	80,339
Additions	-	2,957	-	2,957
Decrease in the year	-	-	(3,759)	(3,759)
Effect of changes in exchange rate	(51)	-	(264)	(315)
Balance on December 31, 2023	<u><b>\$ 46,204</b></u>	<u><b>32,666</b></u>	<u><b>352</b></u>	<u><b>79,222</b></u>
Depreciation and impairment losses of right-of-use assets:				
Balance on January 1, 2024	\$ 24,963	25,444	140	50,547
Acquired by combinations	6,370	2,693	-	9,063
Depreciation	7,671	9,877	71	17,619
Decrease in the year	(5,803)	(16,411)	-	(22,214)
Lease modifications	(2,009)	(474)	-	(2,483)
Effect of changes in exchange rate	1,053	-	-	1,053
Balance on December 31, 2024	<u><b>\$ 32,245</b></u>	<u><b>21,129</b></u>	<u><b>211</b></u>	<u><b>53,585</b></u>
Balance on January 1, 2023	\$ 18,659	17,239	3,935	39,833
Depreciation	6,360	8,205	218	14,783
Decrease in the year	-	-	(3,759)	(3,759)
Effect of changes in exchange rate	(56)	-	(254)	(310)
Balance on December 31, 2023	<u><b>\$ 24,963</b></u>	<u><b>25,444</b></u>	<u><b>140</b></u>	<u><b>50,547</b></u>
Carrying amount:				
Balance on December 31, 2024	<u><b>\$ 35,644</b></u>	<u><b>25,176</b></u>	<u><b>141</b></u>	<u><b>60,961</b></u>
Balance on December 31, 2023	<u><b>\$ 21,241</b></u>	<u><b>7,222</b></u>	<u><b>212</b></u>	<u><b>28,675</b></u>

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(12) Investment Properties

Investment properties are self-owned assets held by the Group. Details of the cost, depreciation, and impairment loss changes for investment properties for the years ended 2024 and 2023 are as follows:

	<b>Land, Buildings and Structures</b>
Cost or deemed cost:	
Balance on January 1, 2024	\$ 80,575
Effect of changes in exchange rate	3,149
Balance on December 31, 2024	<b><u>\$ 83,724</u></b>
Balance on January 1, 2023	\$ 81,611
Effect of changes in exchange rate	(1,036)
Balance on December 31, 2023	<b><u>\$ 80,575</u></b>
Depreciation and impairment loss:	
Balance on January 1, 2024	\$ 49,793
Depreciation for the year	1,180
Effect of changes in exchange rate	2,304
Balance on December 31, 2024	<b><u>\$ 53,277</u></b>
Balance on January 1, 2023	\$ 49,191
Depreciation for the year	1,341
Effect of changes in exchange rate	(739)
Balance on December 31, 2023	<b><u>\$ 49,793</u></b>
Carrying amount:	
Balance on December 31, 2024	<b><u>\$ 30,447</u></b>
Balance on December 31, 2023	<b><u>\$ 30,782</u></b>
Fair value:	
Balance on December 31, 2024	<b><u>\$ 111,807</u></b>
Balance on December 31, 2023	<b><u>\$ 111,828</u></b>

The fair value of investment properties of the Group is assessed by the Group with reference to market evidence from similar real estate transactions.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(13) Intangible Assets

Details of the cost, amortization, and impairment losses changes for intangible assets of the Group are as follows:

	Computer Software	Trademark	Others	Total
Cost:				
Balance on January 1, 2024	\$ 132,767	42,377	33,586	208,730
Acquired by combinations	120	-	4,000	4,120
Acquired separately	98	792	-	890
Effect of changes in exchange rate	-	-	(5)	(5)
Balance on December 31, 2024	<u><b>\$ 132,985</b></u>	<u><b>43,169</b></u>	<u><b>37,581</b></u>	<u><b>213,735</b></u>
Balance on January 1, 2023	\$ 132,616	41,053	33,594	207,263
Acquired separately	-	1,324	-	1,324
Transferred from property, plant, and equipment	290	-	-	290
Effect of changes in exchange rate	(139)	-	(8)	(147)
Balance on December 31, 2023	<u><b>\$ 132,767</b></u>	<u><b>42,377</b></u>	<u><b>33,586</b></u>	<u><b>208,730</b></u>
Amortization and impairment losses:				
Balance on January 1, 2024	\$ 131,678	35,087	33,418	200,183
Acquired by combinations	96	-	2,533	2,629
Amortization	715	1,428	233	2,376
Balance on December 31, 2024	<u><b>\$ 132,489</b></u>	<u><b>36,515</b></u>	<u><b>36,184</b></u>	<u><b>205,188</b></u>
Balance on January 1, 2023	\$ 119,795	33,643	33,085	186,523
Amortization	12,018	1,444	333	13,795
Effect of exchange rate changes	(135)	-	-	(135)
Balance on December 31, 2023	<u><b>\$ 131,678</b></u>	<u><b>35,087</b></u>	<u><b>33,418</b></u>	<u><b>200,183</b></u>
Carrying amount:				
Balance on December 31, 2024	<u><b>\$ 496</b></u>	<u><b>6,654</b></u>	<u><b>1,397</b></u>	<u><b>8,547</b></u>
Balance on December 31, 2023	<u><b>\$ 1,089</b></u>	<u><b>7,290</b></u>	<u><b>168</b></u>	<u><b>8,547</b></u>

As of December 31, 2024, and December 31, 2023, the Group's intangible assets were not pledged as collateral.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

The amortization expenses of intangible assets for the years ended December 31, 2024 and 2023, were recognized under the following cost and expense categories in the statements of profit or loss:

	2024	2023
Operating costs	\$ <u>23</u>	<u>644</u>
Operating expenses	\$ <u>2,353</u>	<u>13,151</u>

### (14) Short-Term Borrowings

The details, terms, and conditions of the Group's short-term borrowings are as below:

	Dec 31, 2024	Dec 31, 2023
Secured bank loans	\$ 295,661	427,411
Unsecured bank loans	400,000	550,000
Total	\$ <u>695,661</u>	<u>977,411</u>
Unutilized amount	\$ <u>2,207,335</u>	<u>2,325,793</u>
Interest Rate Range (%)	<u>0.48~5.49</u>	<u>0.47~6.56</u>

Please refer to Note 8 for the Group's pledged assets as collaterals for bank borrowings.

### (15) Long-Term Borrowings

The details, terms, and conditions of the Group's long-term borrowings are as below:

Dec 31, 2024			
	Interest Rate Range (%)	Year of Maturity	Amount
Secured bank loans	0.50~2.22	2025~2030	\$ 99,471
Unsecured bank loans	1.18~1.85	2026	384,636
Subtotal			484,107
Less: due within one year			(99,694)
			\$ <u>384,413</u>
Unutilized amount			\$ <u>735,589</u>

  

Dec 31, 2023			
	Interest Rate Range (%)	Year of Maturity	Amount
Secured bank loans	0.85~1.10	2025	\$ 1,947
Unsecured bank loans	1.05~1.76	2025~2026	241,600
Subtotal			243,547
Less: due within one year			(1,551)
			\$ <u>241,996</u>
Unutilized amount			\$ <u>1,135,613</u>

Please refer to Note 8 for the Group's pledged assets as collaterals for bank borrowings.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(16) Lease Liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Current	\$ 18,054	8,545
Non-current	31,673	8,408
Total	<b><u>\$ 49,727</u></b>	<b><u>16,953</u></b>

Please refer to Note 6(25) Financial instruments for maturity analysis.

The amounts of leases recognized in profit or loss are as follows:

	<b>2024</b>	<b>2023</b>
Interest expense of lease liabilities	<b><u>\$ 841</u></b>	<b><u>568</u></b>
Expenses for short-term leases	<b><u>\$ 1,881</u></b>	<b><u>1,763</u></b>
Expenses related to low-value lease assets	<b><u>\$ 7,611</u></b>	<b><u>6,257</u></b>

The amounts of leases recognized in the cash flow statement are as follows:

	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	<b><u>\$ 26,581</u></b>	<b><u>22,851</u></b>

1) Lease of land, buildings, and construction

Prior to commencement of the lease, a subsidiary in the mainland region leased land for the use of plants from the People's Republic of China under prepaid rent with terms of 41 years, the right-of-use assets are transferred upon obtaining the land certificate with fixed amortization of installments during the lease period.

The Group also leases a number of land and buildings for use as plants and offices. The lease terms range from 2 to 10 years. At the end of the lease term, the Group has no preferential right to acquire the leased building.

2) Other lease

The Group leases a number of machines and transportation equipment for business use, and their lease terms range from 2 to 4 years. At the end of the lease term, the lease agreement do not entitle the Group to renew the lease agreements or acquire the assets.

The Group elects to apply the recognition exemptions to leases of various office equipment and other equipment that qualify as low-value asset leases, and thus did not recognize right-of-use assets and lease liabilities for these leases.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### (17) Employee Benefits

#### 1) Defined benefit plans

The adjustment between the Group's present value of defined benefit obligations and the fair value of plan assets is as follows:

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Present value of defined benefit obligations	\$ 549,889	491,425
Fair value of plan assets	(568,812)	(463,237)
Net defined benefit liability	<u><b>\$ (18,923)</b></u>	<u><b>28,188</b></u>
Net defined benefit asset – Non-current	<u><b>\$ (23,761)</b></u>	<u><b>-</b></u>
Net defined benefit liability – Non-current	<u><b>\$ 4,838</b></u>	<u><b>28,188</b></u>

The Group's defined benefit plan contributions are deposited into the retirement reserve account at Taiwan Bank. The retirement payouts for each employee subject to the Labor Standards Act are calculated based on their years of service and average salary over the six months prior to retirement.

#### a. Composition of plan assets

The retirement fund allocated by the Group in accordance with the Labor Standards Act is managed collectively by the Bureau of Labor Funds, Ministry of Labor, Taiwan (hereafter referred to as the Labor Funds Bureau). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum return on investment for the fund's annual distribution must not be lower than the return calculated based on the two-year fixed deposit interest rate of local banks.

As of the reporting date in 2024, the balance in the Group's retirement reserve account at Bank of Taiwan amounted to NT\$463,237 thousand. Information on the utilization of labor retirement fund assets includes fund yield and asset allocation, as disclosed on the website of the Bureau of Labor Funds, Ministry of Labor, Taiwan.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

b. Changes in the present value of defined benefit obligations

Changes in the present value of defined benefit obligations for the Group are as follows:

	<b>2024</b>	<b>2023</b>
Defined benefit obligations at January 1	\$ 491,425	500,847
Acquired by combinations	44,912	-
Current service cost and interest expense	7,940	7,317
Re-measurement of net defined benefit liability		
— Actuarial gains or losses due to experience adjustments	38,805	(4,258)
— Actuarial gains or losses due to changes in financial assumptions	(9,114)	72
Benefits pay out	(24,079)	(12,553)
Defined benefit obligations at December 31	<u><u>\$ 549,889</u></u>	<u><u>491,425</u></u>

c. Changes in the fair value of plan assets

Changes in the fair value of plan assets for the Group's defined benefit plan are as follows:

	<b>2024</b>	<b>2023</b>
The fair value of plan assets as of January 1	\$ 463,237	425,763
Acquired by combinations	36,433	-
Interest income	6,461	5,493
Re-measurement of net defined benefit liability		
— Plan assets return (excluding interest revenue)	43,501	3,664
The amount allocated to the plan	43,259	37,438
Benefits paid out	(24,079)	(9,121)
The fair value of plan assets as of December 31	<u><u>\$ 568,812</u></u>	<u><u>463,237</u></u>

d. Expensed to the income statement

	<b>2024</b>	<b>2023</b>
Current service cost	\$ 1,261	1,046
The net interest expense of the net defined benefit liability	218	778
Operating costs and expenses	<u><u>\$ 1,479</u></u>	<u><u>1,824</u></u>



**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

- e. The remeasurement amount of the net defined benefit liability recognized in other comprehensive income

The accumulated remeasurement amount of the net defined benefit liability recognized in other comprehensive (loss) income by the Group is as follows:

	<b>2024</b>	<b>2023</b>
Accumulated balance as of January 1	\$ 222,634	230,484
Current period recognition	(13,810)	(7,850)
Accumulated balance as of December 31	<u><u>\$ 208,824</u></u>	<u><u>222,634</u></u>

- f. Actuarial assumptions

The significant actuarial assumptions used by the Group to determine the present value of the defined benefit obligation as of the reporting date are as follows:

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Discount rate	1.50~1.60%	1.20~1.25%
Future salary increases	2.00%	2.00%

The Group expects to contribute NT\$33,711 thousand to the defined benefit plans within one year after the reporting date in 2024.

The weighted average duration of the defined benefit plans is 7~9.2 years.

- g. Sensitivity analysis

The impact on the present value of the defined benefit obligation due to changes in the major actuarial assumptions used as of December 31, 2024, and December 31, 2023, is as follows:

	<b>Impact on the Defined Benefit Obligation</b>	
	<b>Additions</b>	<b>Decrease</b>
December 31, 2024		
Discount rate (variation of 0.25%)	\$ (8,372)	8,654
Future salary increase rate (variation of 1.00%)	32,777	(29,227)
Future salary increase rate (variation of 0.25%)	628	(615)
December 31, 2023		
Discount rate (variation of 0.25%)	(8,430)	8,739
Future salary increase rate (variation of 1.00%)	35,883	(31,731)
Future salary increase rate (variation of 0.25%)	79	(77)

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

The sensitivity analysis above analyzes the impact of a single assumption change while keeping other assumptions constant. In practice, changes in many assumptions may be interrelated. The sensitivity analysis is consistent with the method used to calculate the net retirement benefit liability on the balance sheet.

The method and assumptions used in the sensitivity analysis for the current period are the same as those used in the prior period.

The Group's appointed managers contribute 1% of their total monthly salary to retirement pension reserves. The retirement pension costs recognized by the Group according to this scheme for the years 2024 and 2023 were NT\$6,363 thousand and NT\$6,231 thousand, respectively. As of December 31, 2024, and December 31, 2023, the provisions for other employee benefit liabilities for appointed managers amounted to NT\$39,119 thousand and NT\$64,116 thousand, respectively.

2) Defined contribution plans

The Group's defined contribution plan is based on the regulations of the Labor Pension Act, under which a contribution rate of 6% of the monthly salary of employees is remitted to individual accounts managed by the Labor Insurance Bureau for retirement pensions. Under this plan, once the Group contributes a fixed amount to the Labor Insurance Bureau, there are no additional statutory or implied obligations to pay.

The retirement pension expenses under the Group's defined contribution retirement plan for the years 2024 and 2023 were NT\$52,821 thousand and NT\$48,936 thousand, respectively, and have been remitted to the Labor Insurance Bureau.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(18) Income Tax

- 1) Details of income tax expenses (benefits) for the years 2024 and 2023 for the Group are as follows:

	<u>2024</u>	<u>2023</u>
Current tax expenses		
Current income tax expenses	\$ 302,262	213,740
Current income tax from adjustment of prior period	8,207	(7,024)
Tax on unappropriated earnings	5,015	9,685
	<u>315,484</u>	<u>216,401</u>
Deferred tax expenses (profit)		
Origination and reversal of temporary differences	38,940	49,913
Tax expenses	<u><u>\$ 354,424</u></u>	<u><u>266,314</u></u>

The details of income tax (expense) benefit recognized in other comprehensive income for the years 2024 and 2023 for the Group are as follows:

	<u>2024</u>	<u>2023</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit obligation	\$ (4,974)	(1,570)
Others	1,864	(515)
	<u><u>\$ (3,110)</u></u>	<u><u>(2,085)</u></u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	<u><u>\$ (22,757)</u></u>	<u><u>12,553</u></u>

The reconciliation of income tax expense to profit before tax for the years 2024 and 2023 for the Group is as follows:

	<u>2024</u>	<u>2023</u>
Net income before income tax	<u><u>\$ 1,623,868</u></u>	<u><u>1,137,485</u></u>
Income tax based on the Group's respective domestic tax rate	\$ 552,660	392,250
Tax-exempt income	(183,520)	(145,425)
Non-deductible expenses	5,640	16,595
Current income tax from adjustment of prior period	8,207	(7,024)
Tax on unappropriated earnings	5,015	9,685
Changes in unrecognized temporary differences	(23,763)	-
Others	(9,816)	233
Total	<u><u>\$ 354,423</u></u>	<u><u>266,314</u></u>

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 2) Deferred tax assets and liabilities

The changes in deferred tax assets and liabilities for the years 2024 and 2023 are as follows:

Deferred tax assets:

	Defined Benefit Plans	Refund Liabilities	Provision for Other Employee Benefits Liability	Inventory Provision	Translation Adjustment Amount	Others	Total
<b>January 1, 2024</b>	\$ 44,525	21,424	13,758	9,085	52,959	15,967	157,718
Acquired by combinations	1,696	-	-	4,754	-	14,724	21,174
Credit (Debit) in income statement	(41,893)	(14,145)	(4,988)	(567)	-	4,634	(56,959)
Debit in other comprehensive income statement	(4,231)	-	-	-	(22,757)	(1,010)	(27,998)
Exchange differences on translating foreign operations	-	-	-	-	-	(10)	(10)
<b>December 31, 2024</b>	<u>\$ 97</u>	<u>7,279</u>	<u>8,770</u>	<u>13,272</u>	<u>30,202</u>	<u>34,305</u>	<u>93,925</u>
<b>January 1, 2023</b>	\$ 46,095	34,479	12,491	9,706	40,406	18,871	162,048
Credit (Debit) in income statement	-	(13,055)	1,267	(621)	-	(2,351)	(14,760)
Debit in other comprehensive income statement	(1,570)	-	-	-	12,553	(515)	10,468
Exchange differences on translating foreign operations	-	-	-	-	-	(38)	(38)
<b>December 31, 2023</b>	<u>\$ 44,525</u>	<u>21,424</u>	<u>13,758</u>	<u>9,085</u>	<u>52,959</u>	<u>15,967</u>	<u>157,718</u>

Deferred tax liabilities:

	Share of Profit or Loss from Investments Accounted for Using the Equity Method	Defined Benefit Plans	Reserve for Land Revaluation Increment Tax	Others	Total
<b>January 1, 2024</b>	\$ 249,759	39,221	100,359	2,195	391,534
Acquired by combinations	-	-	26,617	18,887	45,504
Debit (Credit) in income statement	6,294	(35,740)	299	11,128	(18,019)
Credit in other comprehensive income statement	-	-	-	(2,131)	(2,131)
Exchange differences on translating foreign operations	-	-	-	(266)	(266)
<b>December 31, 2024</b>	<u>\$ 256,053</u>	<u>3,481</u>	<u>127,275</u>	<u>29,813</u>	<u>416,622</u>
<b>January 1, 2023</b>	\$ 221,083	32,077	100,359	2,905	356,424
Debit (Credit) in income statement	28,676	7,144	-	(667)	35,153
Exchange differences on translating foreign operations	-	-	-	(43)	(43)
<b>December 31, 2023</b>	<u>\$ 249,759</u>	<u>39,221</u>	<u>100,359</u>	<u>2,195</u>	<u>391,534</u>

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 3) Income tax assessment status

The Corporation income tax return has been approved by the Tax authorities up to the fiscal year 2022.

### (19) Capital and Other Equities

#### 1) Issuance of common stock

As of December 31, 2024, and December 31, 2023, the authorized capital of the Corporation amounted to NT\$3,100,000 thousand with a par value of NT\$10 per share. The issued shares totaled 266,423 thousand shares.

#### 2) Capital surplus

The Corporation's capital surplus comprises the following:

	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
Undistributed earnings before stock conversion	\$ 829,732	829,732
Premium on issuance of shares	1,282,635	1,282,635
Difference between the actual disposal or acquisition price of subsidiary shares and their book value	194,909	194,909
Changes in equity of subsidiaries and associated companies recognized under the equity method	27,147	31,318
Donated assets	530	530
Transactions involving treasury stocks	448	350
	<u><u>\$ 2,335,401</u></u>	<u><u>2,339,474</u></u>

According to the Company Act, capital surplus must be used to offset losses before new shares or cash may be issued based on the proportion of existing shareholders' shares using realized capital surplus. Realized capital surplus referred to in the preceding paragraph includes surplus from the issuance of shares above par value and income received from donations. According to the Regulations Governing the Offering and Issuance of Securities by Issuers, capital surplus may be allocated to capital replenishment, with the total annual allocation not exceeding ten percent of the paid-in capital.

#### 3) Retained earnings

According to the Corporation's articles of association, in the annual financial statements, any surplus shall be applied to pay taxes and donations, make up for previous losses, set aside ten percent as statutory surplus reserves, and then make provisions or reversals for special surplus reserves in accordance with laws or regulations or by competent authorities. However, when the statutory surplus reserves have reached the paid-in capital, further contributions are not required.

## **YUNGSHIN GLOBAL HOLDING CORPORATION**

### **Notes to Consolidated Financial Statements (Continued)**

The remaining and undistributed earnings of the previous year shall be proposed by the board of directors for distribution and submitted to the shareholders' meeting for approval. The total amount of dividends to shareholders shall be between ten and ninety percent of the accumulated undistributed earnings mentioned above. The distribution of shareholder dividends and bonuses, of which at least twenty percent should be in cash.

The distribution of dividends will be handled through three methods: surplus capitalization, capital surplus capitalization, and cash dividends. If there are suitable investment plans to increase the Corporation's profitability rate, a low cash dividend rate policy will be adopted, with surplus capitalization or capital surplus capitalization as appropriate. When the capital expansion affects the profit level, a high cash dividend policy will be adopted to cope with it.

According to the resolution passed by the shareholders' meeting on May 24, 2022, to amend the Corporation's Articles of Incorporation, dividends, bonuses, capital surplus, or statutory surplus reserves may be distributed in full or in part in cash. The board of directors is authorized to make decisions with the attendance of at least two-thirds of the directors and a majority vote of the attending directors, and to report to the shareholders' meeting. Distribution shall be made after obtaining approval from the shareholders' meeting if distribution is made by issuing new shares.

a. Legal reserve

According to the Company Act, the Corporation shall allocate ten percent of its after-tax net income as statutory surplus reserves until it equals the total capital. When the Corporation has no losses, the shareholders' meeting may decide to issue new shares or cash from the statutory surplus reserves, provided that such reserves do not exceed twenty-five percent of the paid-in capital.

b. Special reserve

According to the regulations of the Financial Supervisory Commission, when the Corporation distributes distributable profits, it shall allocate an amount equal to the net amount of reductions in other shareholders' equity during the year from the current period's profit or loss and the undistributed earnings of previous periods as special surplus reserves. If it belongs to the accumulated amount of reductions in other shareholders' equity from previous periods, then an equal amount of special surplus reserves shall be set aside from the undistributed earnings of the previous periods, and this special surplus reserve may not be distributed. Subsequently, when the amount of reductions in shareholders' equity is reversed, earnings may be distributed for the reversed portion.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### c. Earnings distribution

The Corporation's earning distribution proposals for 2023 and 2022 were approved by the Board of Directors on March 27, 2024, and March 29, 2023, respectively. According to the Corporation's Articles of Incorporation, the cash dividend is authorized to the Board of Directors to make a special resolution, while the remaining profit distributions were resolved by the shareholders' meeting on May 29, 2024 and May 25, 2023. The dividends distributed to owners are as follows:

	<u>2023</u>	<u>2022</u>
Dividends distributed to owners of ordinary shares:		
Cash	<u>\$ 612,773</u>	<u>612,773</u>
Distribution ratio (NT\$)	<u>\$ 2.30</u>	<u>2.30</u>

The Corporation, at the Board of Directors meeting held on March 28, 2025, resolved to distribute dividends for the fiscal year 2024. The details of the dividends distributed to shareholders are as follows:

	<u>2024</u>
	<u>Dividend Per Share</u>
	<u>Amount</u>
Dividends to common shareholders:	
Cash	\$ 3.00 <u>799,269</u>

Information related to earning distribution resolved by the Corporation's Board of Directors and shareholders' meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

### 4) Treasury shares

Yung Shin Pharm.'s subsidiary, Angel Associates (Taiwan), Inc. (hereinafter referred to as Angel Associates), acquired 55 thousand shares of Yung Shin Pharm. before the amendment to the Corporation Act on November 12, 2001. The purpose of holding shares is solely for investing.

The Corporation was established on January 3, 2011 (the incorporation date) through a share swap by Yung Shin Pharm. Yung Shin Pharm. became a wholly owned subsidiary of the Corporation. In accordance with Tai-Cai-Zheng-San-Zi No. 0920124301 order letter, the shares of Yung Shin Pharm. held by Angel Associates were converted into shares of the Corporation at the time of the swap.

Angel Associates acquired new shares issued from the Corporation's capitalization of retained earnings on September 5, 2015. As of December 31, 2024, and December 31, 2023, Angel Associates held 58 thousand shares of the Corporation.

## YUNGSHIN GLOBAL HOLDING CORPORATION

### Notes to Consolidated Financial Statements (Continued)

The book value of the Corporation's shares held by Angel Associates is NT\$1,958 thousand and the market prices as of December 31, 2024, and December 31, 2023, were NT\$3,129 thousand and NT\$2,700 thousand respectively.

The subsidiaries holding treasury shares are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

#### (20) Share-Based Payments

Vetnostrum Animal Health, a subsidiary, passed a board resolution on January 18, 2021, approving the issuance of employee stock options and the terms of the stock option plan. March 1, 2021, was set as the actual issuance date, with 5,000 thousand new shares being issued. After the issuance of the stock options, the exercise price of the options will be adjusted according to the specified formula in the event of any changes to the ordinary shares.

As of December 31, 2024, and December 31, 2023, Vetnostrum Animal Health had the following stock-based payment transactions:

#### Equity-Settled Employee Stock Options

Grant date	3.1.2021
Number of shares granted (thousands)	5,000
Contract period (years)	5
Eligible recipients	Employees meeting specific criteria
Vesting conditions	Future two years of service

Employees holding stock options can exercise them according to the following schedule after two years from the grant date:

<u>Vesting Period of Stock Options</u>	<u>Cumulative Exercisable Proportion of Stock Option</u>
At the end of two years	60%
At the end of three years	80%
At the end of four years	100%

Additionally, according to the terms of the first issuance and exercise of employee stock options of Vetnostrum Animal Health in 2021, holders of options may exercise all granted options before the completion of the public offering, without being subject to application time limits.



# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

- 1) Parameters for measuring the fair value on the grant date include:

Vetnostrum Animal Health adopts the Binomial options pricing model to estimate the fair value of equity-based compensation granted on the grant date. The input parameters of this model are as follows:

	<b>Stock Options Granted to Employees</b>	
Fair value on grant date (in currency units)	\$	2.95
Exercise price (in currency units)	\$	18.90
Expected volatility (%)		39.80
Option term (in years)		5.00
Expected dividend yield (%)		7.00
Risk-free interest rate(%)		0.37
Early exercise factor		2.20

- 2) Detailed information on the employee stock option plan is provided below:

	<b>2024</b>		<b>2023</b>	
	<b>Weighted Average Exercise Price (NT\$)</b>	<b>Quantity of Stock Option</b>	<b>Weighted Average Exercise Price (NT\$)</b>	<b>Quantity of Stock Option</b>
Outstanding as of January 1	\$ 16.50	101	16.50	193
Quantity of options granted	16.50	(50)	16.50	(77)
Quantity of options lost	-	-	-	(15)
Outstanding as of December 31	\$ 16.50	<u><b>51</b></u>	16.50	<u><b>101</b></u>
Exercisable as of December 31	\$ 16.50	<u><b>51</b></u>	16.50	<u><b>101</b></u>

As of the year 2024, employees of Vetnostrum Animal Health exercised 50 thousand stock options at a subscription price of NT\$16.5 per share, resulting in proceeds of NT\$825 thousand.

As of the year 2023, employees of Vetnostrum Animal Health exercised 77 thousand stock options at a subscription price of NT\$16.5 per share, resulting in proceeds of NT\$1,271 thousand.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(21) Earnings Per Share

The Corporation calculates basic earnings per share and diluted earnings per share as follows:

1) Basic earnings per share

	<u>2024</u>	<u>2023</u>
Net profit attributable to ordinary shareholders of the Corporation	<u>\$ 1,168,508</u>	<u>827,304</u>
Weighted average ordinary shares outstanding	<u>266,365</u>	<u>266,365</u>
Basic earnings per share (NT\$)	<u>\$ 4.39</u>	<u>3.11</u>

2) Diluted earnings per share

	<u>2024</u>	<u>2023</u>
Net profit attributable to ordinary shareholders of the Corporation	<u>\$ 1,168,508</u>	<u>827,304</u>
Weighted average ordinary shares outstanding	266,365	266,365
Effect of potentially dilutive ordinary shares		
Impact of employee stock compensation	<u>84</u>	<u>73</u>
Weighted average ordinary shares outstanding (diluted)	<u>266,449</u>	<u>266,438</u>
Diluted earnings per share (NT\$)	<u>\$ 4.39</u>	<u>3.11</u>

(22) Revenue from Contracts with Customers

1) Breakdown of revenue

	<u>2024</u>	<u>2023</u>
Major regional markets:		
Taiwan	\$ 6,283,720	5,685,607
U.S.A.	724,371	526,517
China	70,208	87,842
Japan	953,604	727,971
	<u>\$ 8,031,903</u>	<u>7,027,937</u>
Main product/service lines:		
Human drugs	\$ 5,149,107	4,482,003
Health food	884,450	882,279
Animal drugs	1,266,843	1,188,914
Others	731,503	474,741
	<u>\$ 8,031,903</u>	<u>7,027,937</u>

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

2) Contract balance

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>	<b>1.1.2023</b>
Notes receivable	\$ 259,453	317,520	319,306
Accounts receivable	1,420,089	1,321,397	1,344,014
Accounts receivable from related parties	74,137	51,004	75,411
Overdue receivable (classified as other non-current assets)	-	70	-
Less: Loss allowance - notes receivable	(234)	(630)	(808)
Less: Loss allowance - accounts receivable	(4,693)	(6,035)	(6,977)
Less: Loss allowance - overdue receivable (classified as other non-current assets)	-	(70)	-
<b>Total</b>	<b>\$ 1,748,752</b>	<b>1,683,256</b>	<b>1,730,946</b>
	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>	<b>1.1.2023</b>
Contract liabilities - current			
Customer loyalty programs	\$ -	-	8,549
Sales revenue received in advance	1,888	239	363
<b>Total</b>	<b>\$ 1,888</b>	<b>239</b>	<b>8,912</b>
Refund Liabilities			
Current	\$ 31,915	31,567	34,108
Non-current	-	75,557	142,772
<b>Total</b>	<b>\$ 31,915</b>	<b>107,124</b>	<b>176,880</b>
Contract liabilities - non-current			
Customer loyalty programs	\$ 8,549	8,549	-
Sales revenue received in advance	398,553	350,933	350,933
<b>Total</b>	<b>\$ 407,102</b>	<b>359,482</b>	<b>350,933</b>

Please refer to Note 6(5) for notes receivable, accounts receivable and related impairment.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### (23) Employee Compensations and Directors' Remuneration

In accordance with the Corporation's Articles of Incorporation, the Corporation shall accrue employees' compensation and directors' remuneration at rates not lower than 0.3% and not higher than 2%, respectively, based on profit before tax. However, if the Corporation has accumulated losses, an amount shall be retained in advance to offset losses.

Such employees' compensation may be distributed in the form of stock or cash, and its payable to the employees of affiliated companies who meet the criteria established by the Board of Directors. The aforementioned remuneration of directors shall be paid in cash only.

The estimated employee compensation amounts for the years 2024 and 2023 were NT\$3,790 thousand and NT\$2,695 thousand, respectively. The estimated director compensation amounts were NT\$25,269 thousand and NT\$17,969 thousand for the years 2024 and 2023, respectively. These estimates were based on the Corporation's pre-tax net profit, before deducting employee and director compensation, multiplied by the distribution percentages prescribed in the Corporation's Articles of Incorporation. The amounts are reported as operating expenses for the years 2024 and 2023. Further information can be found on the Market Observation Post System. The amounts of employee and director compensation distributed in accordance with the aforementioned board resolutions do not differ from the estimated amounts in the Corporation's financial reports for the years 2024 and 2023.

### (24) Non-Operating Income and Expenses

#### 1) Interest income

	<b>2024</b>	<b>2023</b>
Interests on bank deposits	<u><u>\$ 57,116</u></u>	<u><u>54,357</u></u>

#### 2) Other income

	<b>2024</b>	<b>2023</b>
Rental income	\$ 2,754	3,504
Royalty income	1,052	1,201
Dividend income	5,842	830
Other income	<u>23,020</u>	<u>76,770</u>
	<u><u>\$ 32,668</u></u>	<u><u>82,305</u></u>

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

3) Other gains and losses

	<b>2024</b>	<b>2023</b>
Gain (loss) on disposal of property, plant and equipment	\$ (1,020)	281
Gain on re-measurement of investment	113,185	-
Gain recognized in bargain purchase transaction	12,763	-
Gains on lease modifications	12	-
Foreign exchange gain, net	68,431	763
Depreciation of investment properties	(1,180)	(1,341)
Others	(861)	(1,806)
	<b><u>\$ 191,330</u></b>	<b><u>(2,103)</u></b>

4) Finance costs

	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ 27,685	34,709
Lease liabilities interests	841	568
	<b><u>\$ 28,526</u></b>	<b><u>35,277</u></b>

(25) Financial Instruments

1) Credit risk

a. Exposure to credit risk

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

b. Concentration of credit risk

The accounts receivable of the Group cover a large number of customers and spread across different industries and geographical regions. The Group continuously evaluates the business and financial status of the customers and monitors the collection of accounts receivable.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 2) Liquidity risk

The table below shows the contractual maturity dates for financial liabilities, including the effect of estimated interests but excluding of net amount agreements.

	Carrying Amount	Contractual Cash Flow	Within 1 Year	1-2 Years	2-5 Years	Over 5 Years
<b>December 31, 2024</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 695,661	698,626	698,626	-	-	-
Notes payable	600	600	600	-	-	-
Accounts payable (including related parties)	599,120	599,120	599,120	-	-	-
Other payables	871,077	871,077	871,077	-	-	-
Long-term borrowings (including those due within one year)	484,107	507,431	110,908	347,763	48,760	-
Lease liabilities	49,727	51,084	18,698	15,053	17,333	-
Deposits received	250	250	-	-	-	250
	<u><b>\$ 2,700,542</b></u>	<u><b>2,728,188</b></u>	<u><b>2,299,029</b></u>	<u><b>362,816</b></u>	<u><b>66,093</b></u>	<u><b>250</b></u>
<b>December 31, 2023</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 977,411	987,148	987,148	-	-	-
Notes payable	1,514	1,514	1,514	-	-	-
Accounts payable (including related parties)	557,245	557,245	557,245	-	-	-
Other payables	709,102	709,102	709,102	-	-	-
Long-term borrowings (including those due within one year)	243,547	249,535	4,869	112,203	132,463	-
Lease liabilities	16,953	20,344	10,340	9,295	709	-
Deposits received	270	270	-	-	-	270
	<u><b>\$ 2,506,042</b></u>	<u><b>2,525,158</b></u>	<u><b>2,270,218</b></u>	<u><b>121,498</b></u>	<u><b>133,172</b></u>	<u><b>270</b></u>

The Group does not expect the timing of cash flows for the maturity analysis to be significantly earlier or the actual amounts to be significantly different.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 3) Currency risk

#### a. Exchange rate risk exposure

The Group's financial assets and liabilities exposed to material exchange rate risk were as follows:

	Dec 31, 2024			Dec 31, 2023			
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD	\$	47,983	32.785	1,573,128	30,298	30.71	930,285
RMB		31,352	4.56	142,989	26,098	4.34	113,142
JPY		347,839	0.21	73,011	166,177	0.22	36,094
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD		4,921	32.785	161,319	2,811	30.71	86,324
JPY		4,800	0.21	1,008	4,822	0.22	1,046
EUR		310	34.14	10,598	34	33.98	1,144

#### b. Sensitivity analysis of exchange rate

The Group's exchange rate risk primarily arises from cash and cash equivalents, accounts receivable (including related parties), other accounts receivable, accounts payables (including related parties), and other accounts payables in foreign currencies, and foreign exchange gains and losses arise during translation. As of December 31, 2024, and December 31, 2023, assuming the New Taiwan Dollar appreciates or depreciates by 1% against the US Dollar, Japanese Yen, Chinese Yuan, and Euro, while all other factors remain constant, the pre-tax net profit for the year ended January 1 to December 31, 2024, and January 1 to December 31, 2023, would increase or decrease by NT\$16,162 thousand and NT\$9,910 thousand, respectively. The same basis was used for analyses for both periods.

#### c. Foreign exchange gains and losses on monetary items

Due to the diverse functional currencies within the Group, information on foreign exchange gains or losses on monetary items is disclosed on an aggregated basis. For the years 2024 and 2023, the foreign exchange (losses) gains (including realized and unrealized) were NT\$68,431 thousand and NT\$763 thousand respectively.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 4) Interest rate analysis

The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For financial instruments with floating interest rates, the analysis is based on the assumption that the outstanding liabilities on the reporting date have been outstanding all year round. The rate of change used internally by the Group when reporting interest rates to senior management is an increase or decrease of 0.1%. This also represents the management's assessment of the reasonable range of possible fluctuations in interest rates.

If the interest rate increases or decreases by 0.1%, with all other variables held constant, the pre-tax net profit for 2024 and 2023 would decrease or increase by approximately NT\$960 thousand and NT\$431 thousand, respectively. This is primarily due to fluctuations in the Group's variable-rate bank borrowings.

### 5) Other price risks

If the price of equity securities changes on the reporting date (adopt the same basis of analysis for both periods, with the assumption that other variable factors remain unchanged), the impact on comprehensive income items were as follows:

<b>Securities Price on Reporting Date</b>	<b>2024</b>	<b>2023</b>
Increase of 1%	<u>\$ 1,777</u>	<u>661</u>
Decrease of 1%	<u>\$ (1,777)</u>	<u>(661)</u>

### 6) Fair value information

#### a. Categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of financial assets and liabilities (including information of fair value hierarchy; however, the fair value of financial instruments not at fair value and whose carrying amounts are reasonable approximations of their fair value and lease liabilities is not required to be disclosed) were as follows:



**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

	Dec 31, 2024				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Non-derivative financial assets mandatorily measured at FVTPL	\$ 105,482	-	-	105,482	105,482
Financial assets at FVTOCI					
Listed shares	8,651	8,651	-	-	8,651
Unquoted equity instruments measured at fair value	169,032	-	-	169,032	169,032
Subtotal	177,683	8,651	-	169,032	177,683
Financial assets at amortized cost					
Cash and cash equivalents	1,834,235	-	-	-	-
Financial assets at amortized cost	371,906	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,748,752	-	-	-	-
Other receivables	17,437	-	-	-	-
Refundable deposits	49,743	-	-	-	-
Subtotal	4,022,073	-	-	-	-
Total	<u><u>\$ 4,305,238</u></u>	<u><u>8,651</u></u>	<u><u>-</u></u>	<u><u>274,514</u></u>	<u><u>283,165</u></u>
Financial liabilities at amortized cost					
Bank loans	\$ 1,179,768	-	-	-	-
Notes payable and accounts payable (including related parties)	599,720	-	-	-	-
Other payables	871,077	-	-	-	-
Lease liabilities	49,727	-	-	-	-
Deposits received	250	-	-	-	-
Total	<u><u>\$ 2,700,542</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

	Dec 31, 2023				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Non-derivative financial assets mandatorily measured at FVTPL	\$ 105,482	-	-	105,482	105,482
Financial assets at FVTOCI					
Listed shares	7,196	7,196	-	-	7,196
Unquoted equity instruments measured at fair value	58,873	-	-	58,873	58,873
Subtotal	66,069	7,196	-	58,873	66,069
Financial assets at amortized cost					
Cash and cash equivalents	1,486,926	-	-	-	-
Financial assets at amortized cost	257,646	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,683,256	-	-	-	-
Other receivables	26,392	-	-	-	-
Refundable deposits	62,970	-	-	-	-
Subtotal	3,517,190	-	-	-	-
Total	<u>\$ 3,688,741</u>	<u>7,196</u>	<u>-</u>	<u>164,355</u>	<u>171,551</u>
Financial liabilities at amortized cost					
Bank loans	\$ 1,220,958	-	-	-	-
Notes payable and accounts payable (including related parties)	558,759	-	-	-	-
Other payables	709,102	-	-	-	-
Lease liabilities	16,953	-	-	-	-
Deposits received	270	-	-	-	-
Total	<u>\$ 2,506,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

b. Valuation technique of fair value

If there is an active market for the financial instrument, the fair value is based on the quoted market price in the active market. The market prices announced by major exchanges are all the basis for the fair value of listed equity instruments.

## **YUNGSHIN GLOBAL HOLDING CORPORATION**

### **Notes to Consolidated Financial Statements (Continued)**

If the publicly quoted price can be timely and regularly obtained from the stock exchange, broker, underwriter, industrial union, pricing service institution or competent authority, and the price represents actual and regular transaction at fair market, then the financial instrument is deemed to have the publicly quoted price at the active market. If the above conditions are not met, the market is deemed inactive. Generally speaking, a large difference in buying and selling price, a significant increase in buying and selling price, and few transactions are indexes of a non-active market.

The fair value of financial instruments held by the Group that are traded in an active market are presented by category and attribute as follows:

- Listed (OTC) company stocks are financial assets with standard terms and conditions traded on active markets, and their fair value is determined by reference to market quotations.

Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Corporation refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available at the consolidated balance sheet date.

The fair value of financial instruments held by the Group that are not traded in an active market are presented by category and attribute as follows:

- Non-derivative financial assets without quoted prices: Their fair value is estimated using the discounted cash flow method and the net asset value method.
- Non-quoted equity instruments: Their fair value is estimated using the market comparable approach, with the primary assumption based on the price-to-net asset value multiplier derived from the invested entity's net asset value and the market quotations of comparable listed (OTC) companies. This estimate of the equity securities has been adjusted for the effect of lack of market liquidity.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

c. Detailed statement of changes in Level 3

	Measured at FVTPL	Measured at FVTOCI	Total
January 1, 2024	\$ 105,482	58,873	164,355
Total gains or losses			
Recognized in other comprehensive income	-	(58,663)	(58,663)
Acquired by combinations	-	168,822	168,822
December 31, 2024	<u><b>\$ 105,482</b></u>	<u><b>169,032</b></u>	<u><b>274,514</b></u>
January 1, 2023	\$ 63,482	45,600	109,082
Total gains or losses			
Recognized in other comprehensive income	-	13,273	13,273
Purchase	42,000	-	42,000
December 31, 2023	<u><b>\$ 105,482</b></u>	<u><b>58,873</b></u>	<u><b>164,355</b></u>

d. Quantitative information on fair value measurement of significant unobservable inputs (Level 3).

The Level 3 of fair value measurements mainly includes financial assets measured at FVTOCI and non-derivative financial assets mandatorily at FVTPL.

The Group's equity instrument investment with no active market has multiple significant unobservable inputs. Significant unobservable inputs for investments in equity instruments with no active market are not correlated with each other because they are independent of each other.

Since the correlation between significant unobservable input value and fair value cannot be fully identified in practice, the Group's investment agreements for product development are not included in the disclosure of quantitative information of significant unobservable input values and the sensitivity analysis of fair value for reasonably possible alternative assumptions.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

Quantitative information on significant unobservable inputs is listed as follows:

<b>Item</b>	<b>Valuation Technique</b>	<b>Significant Unobservable Input</b>	<b>Relationship Between Significant Unobservable Input and the Fair Value</b>
Financial assets at fair value through other comprehensive income - investments in equity instruments with inactive market	Market approach (approach comparable to listed companies)	<ul style="list-style-type: none"> <li>Multiplier of price-to-book ratio (as of Dec 31, 2024, Dec 31, 2023, ranging from 0.95 to 2.02, and from 0.82 to 1.75, respectively)</li> <li>Discount for lack of marketability (35% as of both Dec 31, 2024 and Dec 31, 2023)</li> </ul>	<ul style="list-style-type: none"> <li>The higher the multiplier, the higher the fair value</li> <li>The higher the discount for lack of marketability, the lower the fair value</li> </ul>
Financial assets measured at fair value through profit or loss - Private equity fund investments	Net asset value method	<ul style="list-style-type: none"> <li>Net asset value</li> </ul>	<ul style="list-style-type: none"> <li>The higher the net asset value, the higher the fair value</li> </ul>

- e. For level 3 fair value measurements, possibly used of alternative assumptions for sensitivity analysis of fair value.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

The measurement of fair values of financial instruments by the Group is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as Level 3, if the valuation parameters change, the effect on other comprehensive income in this period is as follows:

		Upward or Downward Change	Changes in Fair Value Reflected in Other Comprehensive Income	
Inputs			Favorable Change	Unfavorable Change
December 31, 2024				
Financial assets at FVTOCI				
Investments in equity instruments with inactive market	Multiplier of price to book ratio	5%	\$ 8,477	(8,477)
	Lack of marketability discount	5%	13,028	(13,028)
December 31, 2023				
Financial assets at FVTOCI				
Investments in equity instruments with inactive market	Multiplier of price to book ratio	5%	\$ 2,912	(2,912)
	Lack of marketability discount	5%	4,534	(4,534)

The Group's favorable and unfavorable changes refer to the fluctuations of fair values, and fair values are calculated with the valuation techniques based on different unobservable inputs. If the fair value of a financial instrument is affected by more than one input value, the statement above reflects the effect of changes in the single input value, without taking the correlation and variability between the input values into account.

There were no transfers in the fair value hierarchy of financial assets for the years 2024 and 2023.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(26) Financial Risk Management

1) Overview

The Group is exposed to the following risks due to its daily operations and the use of various financial instruments:

- a. Credit risk
- b. Liquidity risk
- c. Market risk

This Note discloses the Group's exposure to each of the risks in the above and the Group's objectives, policies and procedures for measuring and managing the risks. For further quantitative disclosures, please refer to the respective notes to the consolidated financial statements.

2) Risk management framework

The Group is exposed to financial risks arising from its daily operations include market risks (including exchange rate risk and interest rate risk) and liquidity risk. The overall risk management policy of the Group adopts a prudent approach and does not actively seek measures to reduce the potential adverse impact on the Group's financial position and financial performance, but uses relevant derivative financial instruments to hedge specific risks.

3) Credit risk

Credit risk is the risk of financial loss arising from the failure of the Group's customers or financial instrument counter-parties to meet their contractual obligations.

a. Accounts receivable and other receivables

The credit risk exposure of the Group is primarily influenced by individual customer circumstances.

The Group maintains an allowance for doubtful accounts to reflect estimated losses on accounts receivable and other receivables.

b. Investments

The credit risk in bank deposits, fixed-income investments and other financial instruments is measured and monitored by the Group's finance department. The Group's transactional and contractual counter-parties are financial institutions, corporate organizations, and government agencies with outstanding credit ratings, there are no significant concerns regarding their ability to fulfill obligations; therefore, the Group is not exposed to any material credit risks.

## **YUNGSHIN GLOBAL HOLDING CORPORATION**

### **Notes to Consolidated Financial Statements (Continued)**

c. Guarantee

The Group may provide endorsements to parties that comply with the Group's endorsement guarantee operating procedures.

4) Liquidity risk

The cash flow forecasts are prepared by individual operating entities within the Group and consolidated by the Group's finance department. The finance department of the Group monitors the forecast of the Group's liquidity requirements to ensure it has sufficient funds to support operational needs. These forecasts take into account the Group's debt financing plans, compliance with debt terms, and adherence to financial ratio targets consistent with internal balance sheet objectives.

5) Market risk

Market risk is the risk that subjects the Group's earnings or the values of the financial instruments it holds to the influence of changes in the market price, such as changes in exchange rates, interest rates or prices of equity instruments. The objective of market risk management is to control the degree of exposure to market risk within acceptable levels and to optimize investment returns.

a. Currency risk

The Group is exposed to exchange rate risk arising from transactions denominated in currencies other than the functional currency of each respective group entity. To manage exchange rate risk, the Group maintains its holdings of foreign currencies within certain limits.

b. Interest rate risk

The Group's bank borrowings are at variable interest rates, so changes in market rates will result in fluctuations in the effective interest rate of the bank borrowings, thereby exposing future cash flows to volatility risk. However, the changes in market rates are not significant, thus the interest rate fluctuations are not expected to result in significant cash flow risk.

(27) Capital Management

The Group's capital management is based on the industry scale of the Group's operations, considering future costs and product development in the industry. It sets appropriate market shares and plans corresponding capital expenditures accordingly. Then, it calculates the required operating capital based on financial operating plans, considering the operating profit and cash flow generated by product competitiveness, to determine an appropriate capital structure. Please refer to the balance sheets for the relevant liabilities and capitalization ratios for each period.



# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### (28) Non-Cash Transaction in Investment and Financing Activities

- 1) The non-cash transaction investments and financing activities for the years 2024 and 2023 involve the acquisition of right-of-use assets through leasing arrangements. Please refer to Note 6(11) for details.
- 2) The reconciliation of liabilities from financing activities is as follows:

	Cash Flow			Non-Cash Changes			Changes in	Dec 31, 2024
	1.1.2024	Additions	Decrease	Additions	Disposal	Acquired by Combinations	Exchange Rates	
Long-term borrowings	\$ 243,547	265,000	(153,526)	-	-	129,136	(50)	484,107
Short-term borrowings	977,411	1,923,630	(2,218,594)	-	-	-	13,214	695,661
Lease liabilities	16,953	-	(16,248)	52,478	(5,377)	1,538	383	49,727
Total liabilities from financing activities	<u>\$ 1,237,911</u>	<u>2,188,630</u>	<u>(2,388,368)</u>	<u>52,478</u>	<u>(5,377)</u>	<u>130,674</u>	<u>13,547</u>	<u>1,229,495</u>

  

	Cash Flow			Non-Cash Changes			Changes in	Dec 31, 2023
	1.1.2023	Additions	Decrease	Additions	Disposal	Changes in Lease	Exchange Rates	
Long-term borrowings	\$ 247,011	110,388	(113,181)	-	-	-	(671)	243,547
Short-term borrowings	1,554,511	262,210	(831,253)	-	-	-	(8,057)	977,411
Lease liabilities	28,240	-	(14,263)	2,957	-	-	19	16,953
Total liabilities from financing activities	<u>\$ 1,829,762</u>	<u>372,598</u>	<u>(958,697)</u>	<u>2,957</u>	<u>-</u>	<u>-</u>	<u>(8,709)</u>	<u>1,237,911</u>

## 7. Related Parties Transactions

### (1) Related Parties and Their Relationship

The related parties with transactions with the Group during the year covered by these consolidated financial statements are as follows:

Related Party Name	Relationship with the Group
Yung Zip Chemical Ind. Co., Ltd. (Yung Zip)	Associate (Note)
Y.S.P. Southeast Asia Holding Bhd. (YSP SAH)	Associate
Y.S.P. Industries (M) Sdn. Bhd. (YSPI)	Associate
Taiwan Way Chein Industrial Co., Ltd.	Associate (Note)
TC Pharmaceuticals (Jiangsu) Co., Ltd.	Other related party (Substantial related party)
Fang-Yu Lee	Other related party (Directors of the Corporation)
Ling-Jin Lee	Other related party (Directors of the Corporation)
Fang-Chuan Lee	Other related party (Directors of the Corporation)
Yung Shin Amusement Co., Ltd.	Other related party (Substantial related party)
Yung Shin Social Welfare Foundation (YungShin Social Welfare)	Other related party (Substantial related party)
TienTe Lee Biomedical Foundation (Biomedical Foundation)	Other related party (Substantial related party)
Yung Shin Elderly Nursing Home	Other related party (Substantial related party)
Bio-X Lab Co., Ltd.	Other related party (Substantial related party)
E & A Health Develop Co., Ltd.	Other related party (Substantial related party)
Pan Pharm Alliance Co., Ltd.	Other related party (Substantial related party)

Note: Yung Zip and its subsidiaries became subsidiaries of the Group after May 30, 2024.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(2) Significant Transactions Between Related Parties

1) Operating revenue

<b>Relationship with the Corporation / Related Party</b>	<b>2024</b>	<b>2023</b>
Associate	\$ 199,561	153,403
Other related parties	3,559	1,169
	<b><u>\$ 203,120</u></b>	<b><u>154,572</u></b>

Except for the transaction with YSPI that has no similar type of transactions to be compared with, the prices of other sales above are the same as the general sale. The collection to related parties has no material difference with those sale of goods to third parties.

2) Purchase of goods

<b>Relationship with the Corporation / Related Party</b>	<b>2024</b>	<b>2023</b>
Associate	\$ 26,287	45,882
Other related parties	4,980	1,449
	<b><u>\$ 31,267</u></b>	<b><u>47,331</u></b>

The aforementioned purchasing price of goods from related parties is based on regular commercial terms and conditions. The payment term is the same as regular suppliers.

3) Receivables from related parties

<b>Financial Statement Account</b>	<b>Relationship with the Corporation / Related Party</b>	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Accounts receivable	Associate		
	YSPI	\$ 74,133	45,160
	Yung Zip	-	5,835
	Others	-	4
	Other related parties	4	5
		<u>74,137</u>	<u>51,004</u>
Other receivables	Associate	2,691	1,261
	Other related parties	4	4
		<u>2,695</u>	<u>1,265</u>
		<b><u>\$ 76,832</u></b>	<b><u>52,269</u></b>

As of December 31, 2024, and December 31, 2023, no allowance loss was made for the above receivables.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

4) Payables to related parties

<b>Financial Statement Account</b>	<b>Relationship with the Corporation / Related Party</b>	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Accounts payable	Associate		
	Yung Zip	\$ -	10,782
	Others	1,794	975
		<u>1,794</u>	<u>11,757</u>
Other payables	Associate	666	633
	Other related parties	4	1,177
		<u>670</u>	<u>1,810</u>
		<u><b>\$ 2,464</b></u>	<u><b>13,567</b></u>

5) Operating expenses

It refers to the donations and other expenses paid by the Group to related parties, and the details were as follows:

<b>Relationship with the Corporation / Related Party</b>	<b>2024</b>	<b>2023</b>
Associate	\$ 153	202
Other related parties	10,951	13,584
Total	<u><b>\$ 11,104</b></u>	<u><b>13,786</b></u>

6) Lease

The Group leased land and buildings from Fang-Yu Lee, Ling-Jin Lee, and Yung Shin Amusement in January 2017, August 2022, and April 2024, respectively. The lease agreements have terms ranging from two to ten years, with a total contract value of NT\$5,980 thousand. The above rent is based on the agreed price referencing the rental market conditions in the adjacent area. The interest expenses recognized for the lease liabilities arising from the above lease agreements for the years 2024 and 2023 were NT\$47 thousand and NT\$18 thousand, respectively. As of December 31, 2024, and December 31, 2023, the remaining lease liabilities unpaid amounted to NT\$747 thousand and NT\$1,030 thousand, respectively.

7) Rental income

The Group leased out investment properties of land and buildings to associates and substantial related parties. The Group received fixed monthly lease payments according to rental rate for similar assets.

<b>Relationship with the Corporation / Related Party</b>	<b>2024</b>	<b>2023</b>
Associate	\$ 307	718
Other related parties	181	181
Total	<u><b>\$ 488</b></u>	<u><b>899</b></u>

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(3) Key management compensation

Key management compensation includes:

	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 39,424	33,884
Post-employment benefits	343	207
	<u><b>\$ 39,767</b></u>	<u><b>34,091</b></u>

In the short-term employee benefits for the years 2024 and 2023, it includes providing vehicles to key management personnel, with costs of NT\$19,403 thousand and NT\$12,046 thousand, respectively. As of December 31, 2024, and December 31, 2023, their book values were NT\$11,167 thousand and NT\$4,692 thousand, respectively, and are recognized under property, plant, and equipment, as well as right-of-use assets.

## 8. Pledged Assets

The carrying amounts of the Group's pledged assets are as follows:

Name of Asset	Item Pledged as Collateral	Dec 31, 2024	Dec 31, 2023
Property, plant and equipment:			
Land	Long-term and short-term borrowings	\$ 643,357	419,727
Buildings and structures	Long-term and short-term borrowings	66,362	48,407
Other non-current assets:			
Restricted assets	Natural Gas Guarantees and Government Project Subsidies	12,000	10,500
		<u><b>\$ 721,719</b></u>	<u><b>478,634</b></u>

## 9. Significant Contingent Liabilities and Unrecognized Contract Commitments

- (1) Capital expenditure contracted for at the balance sheet date but unrecognized is as follows:

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Property, plant and equipment	<u><b>\$ 129,651</b></u>	<u><b>89,722</b></u>

- (2) The Group appointed other biotechnology companies to authorize and transfer technology and research and development. Expenses that have not been recognized from signed contracts are as follows:

	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Authorization and transfer of technology and research and development	<u><b>\$ 43,019</b></u>	<u><b>48,444</b></u>

Except for aforementioned expenses, royalty to be paid in the future is based on an agreed upon percentage of product sales.

## 10. Losses due to Major Disasters: None.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 11. Significant Subsequent Events

- (1) Vetnostrum Animal Health approved a cash capital increase and issuance of new shares for its initial public offering (IPO) at the Board of Directors meeting held on November 26, 2024. The Corporation issued 6,420 thousand common shares with a par value of NT\$10 per share, for a total amount of NT\$64,200 thousand. In accordance with Article 267 of the Corporation Act, 10% of the increased capital stock, or 642 thousand shares, will be reserved for employee subscription. The cash capital increase was declared effective on December 25, 2024, as notified in Tai-Zheng-Shang-Yi-Zi No.1130023756 letter from Taiwan Stock Exchange. Additionally, for operational considerations and the underwriting schedule, Vetnostrum Animal Health applied to Taiwan Stock Exchange for an extension of three months for both the IPO listing commencement date and the deadline for completing the capital increase subscription. On January 16, 2025, the Corporation received the approval letter from Taiwan Stock Exchange (Tai-Zheng-Shang-Yi-Zi No.11400009432).
- (2) To diversify the Group's business products and maximize operational performance, the Group's Board of Directors approved an investment in Protect Animal Health Inc. on March 12, 2025. The investment is expected to be no more than NT\$30,000 thousand.

### 12. Others

Employee benefits, depreciation, depletion, and amortization expenses by functions are summarized as follows:

By Function By Nature	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit expenses						
Salaries	730,593	1,077,067	1,807,660	605,195	968,284	1,573,479
Labor and health insurance premiums	79,226	84,904	164,130	71,297	67,516	138,813
Pension expenses	28,315	32,348	60,663	26,389	30,602	56,991
Other employee benefit expenses	17,668	31,970	49,638	15,499	24,876	40,375
Depreciation (Note)	238,815	54,083	292,898	226,295	53,101	279,396
Amortization	23	2,353	2,376	644	13,151	13,795

Note: The depreciation expenses generated by investment properties for the years 2024 and 2023 amounted to NT\$1,180 thousand and NT\$1,341 thousand, respectively, recognized under other gains and losses.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### 13. Separately Disclosed Items

#### (1) Significant Transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the year 2024, the Group is required to disclose additional information regarding significant transactions as follows:

- 1) Financing provided for others: None.
- 2) Endorsement or guarantee provided to others:

Unite: Expressed in thousands of New Taiwan dollars unless otherwise stated

No. (Note 1)	Company Name	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	The Maximum Endorsement Guarantee Balance for the Current Period (Note 5)	Outstanding Endorsement Guarantee at End of period (Note 5)	Actual Amount Used	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Company Name	Relationship (Note 2)										
0	The Corporation	Chemix	2	1,533,248	536,672	520,552	197,306	-	6.79%	3,833,120	Y	N	N
0	The Corporation	CTI	2	1,533,248	1,770,390	1,770,390	98,355	-	23.09%	3,833,120	Y	N	N

Note 1: The numbers filled in for the loans provided by the Corporation or subsidiaries are as follows:

1. The Corporation 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 categories; the number of category in each case belongs to:

1. Having business relationship.
2. Companies in which the Corporation directly and indirectly holds more than 50% of the voting shares.

Note 3: The total amount of endorsement and guarantee for a single enterprise by the Corporation shall not exceed 20% of the net value of the most recent financial statement of the Corporation at the time of providing endorsement and guarantee.

Note 4: The total amount of cumulative endorsement and guarantee shall not exceed 50% of the net value of the most recent financial statements of the Corporation.

Note 5: Due to the early convening of the board of directors, there was a duplication in the calculation of the endorsed guarantee limit, but there was no actual excess.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

- 3) Marketable securities held at the end of the year (excluding investments in subsidiaries, associates, and joint ventures):

Unit: Shares/Thousands of NT\$

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Shareholding or Contribution at Maximum During the year	Remarks
				Number of Shares/ Units	Carrying Amount	Shareholding Ratio	Fair Value		
The Corporation	Private Equity Fund – Forward BioT Venture Capital	None	Financial Assets at FVTPL - non-current	-	42,000	6.72 %	42,000	42,000	
Chemix	Stock - Sawai Pharmaceutical Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	17,828	8,049	- %	8,049	17,828	
"	Stock - Ana Holding Inc.	None	"	1,000	602	- %	602	1,000	
Yung Shin Pharm. Ind. Co., Ltd.	Stock - Missioncare Co., Ltd.	None	"	3,161,052	42,996	2.17 %	42,996	3,161,052	
"	Stock - Missioncare Asset Management Co., Ltd.	None	"	1,338,947	18,145	2.13 %	18,145	1,338,947	
"	Stock - Limited Liability Fengyuan Medical Waste Disposal Equipment Used Cooperatives	None	"	1,000	8	0.06 %	8	1,000	
"	Stock - International Green Handle Co., Ltd.	None	"	1,567	15	0.07 %	15	1,567	
Yung Zip	Stock - Missioncare Co., Ltd.	None	"	1,580,526	21,495	1.09 %	21,495	1,580,526	
"	Stock - Missioncare Asset Management Co., Ltd.	None	"	669,473	9,071	1.07 %	9,071	669,473	
YZP Oversea Investment Co., Ltd.	LTC Holding Company Ltd.	Other related parties	"	2,035,332	77,302	10.19 %	77,302	2,035,332	
Angel Associates	Stock - YungShin Global Holding Corporation	Parent company	Financial assets at FVTOCI - current	58,059	1,958	0.02 %	1,958	58,059	Note

Note: In order to optimize the utilization of working capital holdings, the end-of-period book value has been reclassified as treasury stock.

- 4) The cumulative amount of acquisition or disposal of the same marketable securities that exceeded NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of real estate at price in excess of NT\$300 million or 20% of the paid-in capital: None.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Buyer/Seller	Counterparty	Relationship	Transaction Details				Payment Terms and Reason for Abnormal Transaction		Notes and Accounts Receivable (Payable)		Remarks
			Purchase or Sale	Amount	% to Total Purchases or Sales	Credit Period	Unit Price	Credit Period	Balance	% to Total Notes/Accounts Receivable or Payable	
Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	Other related parties	(Sale)	(178,517)	(3.59)%	Note 1	-	-	73,005	7.11%	Note 2
"	YSPI	Associate	(Sale)	(140,823)	(2.83)%	Note 1	-	-	49,946	4.87%	
Vetnostrum Animal Health Co., Ltd.	Yung Shin Pharm. Ind. Co., Ltd.	Other related parties	Purchase of goods	178,517	25.57%	Note 1	-	-	(73,005)	(52.45)%	Note 2

Note 1: The terms and conditions of the transactions had no apparent difference from other customers.

Note 2: All intra-group transactions, are eliminated upon consolidation.

- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9) Derivatives Trading: None.
- 10) Intercompany relationships and significant intercompany transactions:

Unit: In Thousands of New Taiwan Dollars

Unit: in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 3)	Payment Terms	Ratio to Consolidated Revenue or Total Assets
1	Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	3	Accounts receivable	73,005	No regular customer available for comparison	0.53%
1	Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	3	Sales	178,517	No regular customer available for comparison	2.22%
1	Yung Shin Pharm. Ind. Co., Ltd.	Yung Shin Company Limited (YHK)	3	Sales	21,221	No regular customer available for comparison	0.26%
1	Yung Shin Pharm. Ind. Co., Ltd.	CTI	3	Accounts receivable	25,631	No regular customer available for comparison	0.19%
1	Yung Shin Pharm. Ind. Co., Ltd.	CTI	3	Sales	40,808	No regular customer available for comparison	0.51%
2	Yung Shin Pharm. Ind. Co., Ltd.	Chemix Inc.	3	Sales	14,639	No regular customer available for comparison	0.18%
2	Yung Zip	CTI	3	Sales	10,604	No regular customer available for comparison	0.13%
3	YungShin TienTe	Yung Shin Pharm. Ind. Co., Ltd.	3	Sales	25,056	No regular customer available for comparison	0.31%
3	YungShin TienTe	Vetnostrum Animal Health Co., Ltd.	3	Sales	27,915	No regular customer available for comparison	0.35%
4	Taiwan Way Chein Industrial Co., Ltd.	Yung Shin Pharm. Ind. Co., Ltd.	3	Sales	12,726	No regular customer available for comparison	0.16%

Note 1: The number is to be filled in the following manner:

- The Corporation is "0."
- The subsidiaries are numbered in order starting from "1."

Note 2: Types of relationships with traders are listed as follows:

- Parent company to subsidiary.
- Subsidiary to parent company.
- Subsidiary to subsidiary.

Note 3: Business transactions between the Corporation and its subsidiaries amounting to NT\$10,000 thousand should be disclosed.

Note 4: All intra-group transactions, are eliminated upon consolidation.



# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### (2) Information on Investees:

Information on the Group's equity method investments for the year 2024 (excluding Mainland China investee companies) is as follows:

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Shareholding or Contribution at Maximum During the year	Net Profit or Loss of the Investee (Note 1 and Note 2)	Investment Gains and Losses Recognized in the Current Period (Note 1 and 2)	Remarks
				December 31, 2024	December 31, 2023	Number of shares	%	Carrying Amount (Note 2)				
The Corporation	Yung Shin Pharm. Ind. Co., Ltd.	Taiwan	Manufacturing and sale of medicine and cosmetics	4,151,196	4,151,196	108,800,000	100.00%	3,966,607	4,151,196	691,001	686,739	Subsidiary
"	YSP Inc.	British Virgin Islands	Trade, investment, and other related businesses	667,496	667,496	10,000	100.00%	1,840,796	667,496	167,092	164,400	Subsidiary
"	Vetnostrum Animal Health Co., Ltd.	Taiwan	Manufacturing and sale of medicine	739,489	734,708	36,563,975	55.12%	928,086	739,489	136,619	75,978	Subsidiary
"	Chemix	Japan	Sale of medicine	270,248	270,248	192	100.00%	436,883	270,248	139,160	139,035	Subsidiary
"	Yung Zip	Taiwan	Manufacture and sale of active pharmaceutical ingredients	152,968	152,968	8,817,302	20.81%	295,219	152,968	66,986	12,353	Subsidiary (Note 3)
Yung Shin Pharm. Ind. Co., Ltd.	Angel Associates	Taiwan	Import and export trading	3,675	3,675	3,675	73.50%	9,655	3,675	1,879	-	Sub-subsiidiary
Yung Zip	CTI	U.S.A.	Manufacturing and sale of medicine	25,083	-	260,917	2.34%	11,535	25,083	94,642	-	Sub-subsiidiary
"	YZP Oversea Investment Co., Ltd.	British Virgin Islands	General investments	4,658	4,658	159,061	100.00%	92,643	4,658	5,103	-	Sub-subsiidiary
"	Taiwan Way Chein Industrial Co., Ltd. (Taiwan Way Chein)	Taiwan	Food Manufacturing	139,650	139,650	6,650,000	70.00%	181,158	139,650	17,038	-	Sub-subsiidiary
YSP Inc.	CTI	U.S.A.	Manufacturing and sale of medicine	813,403	806,183	7,703,785	68.96%	340,592	813,403	94,642	-	Sub-subsiidiary
"	YSP SAH	Malaysia	Biopharmaceutical research and technical services	500,615	500,615	52,365,605	36.92%	1,108,176	500,615	187,638	-	Associate
"	Yung Shin Company Limited (YHK)	Hong Kong	Sale of medicine	102,209	102,209	7,720	96.50%	56,162	102,209	3,793	-	Sub-subsiidiary

Note 1: The Corporation recognizes investment gains and losses based on the equity method, using the financial reports audited by the Taiwan parent company's certified public accountants, except for Chemix and CTI, whose financial reports are audited by other auditors.

Note 2: Gains or losses from reinvestments in subsidiaries are included in the subsidiaries' income. Transactions between the Corporation and each subsidiary of the Group, including sales amounts, accounts receivable and payable, carrying amounts of long-term equity investments (except for investments in associates), and investment gains or losses recognized in the current period, have been eliminated during the preparation of the consolidated financial statements.

Note 3: Yung Zip and its subsidiaries became subsidiaries of the Group after May 30, 2024. Additionally, Yung Zip holds 2.34% of CTI, which is subject to accounting policies related to business combinations.

# YUNGSHIN GLOBAL HOLDING CORPORATION

## Notes to Consolidated Financial Statements (Continued)

### (3) Information on Investments in Mainland China:

#### 1) Name, principal operation and relevant information of invested companies in the Mainland China:

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investments from Taiwan at the Beginning of the year (Note 4)	Remitted or Repatriated Amount of Investment for the year		Accumulated Outward Remittance for Investments from Taiwan at the End of the year (Note 4)	Net Profit or Loss of the Investee	Percentage of Ownership in Direct or Indirect Investment	Shareholding or Contribution at Maximum During the year	Investment Income (Loss) (Note 2 and 3)	Carrying Amount at the End of the year (Note 2 and 3)	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward Remittance	Inflow							
YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd.	International trade, trade between companies in the bonded areas, and trade agency in the bonded areas: Warehousing and simple commercial processing in the bonded areas	121,120	(2)	121,120	-	-	121,120	440	100.00%	-	440	92,080	-

Note 1: Investment methods are classified into the following three categories, the number of category in each case belongs to:

1. Directly invest in a company in Mainland China.
2. Investment in mainland companies through a company registered in a third region (YSP International Company Limited)
3. Others

Note 2: The amount of long-term equity investment at the end of the year and the investment income (loss) of the current period have been eliminated when the consolidated financial statements are prepared.

Note 3: The investment gains and losses as well as the book values disclosed by the Corporation represent the amounts related to the respective items of direct or indirect investments. The investment income recognized by the Corporation is based on the financial reports of the investee companies audited by certified public accountants and is recognized using the equity method.

Note 4: It is calculated using historical exchange rates.

#### 2) Upper limit on the amount of investment in mainland china:

Company Name	Accumulated Outward Remittance for Investments from Taiwan to Mainland China at the end of the year	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, M.O.E.A
The Corporation	121,120 (US\$4,000 thousand)	960,273 (US\$29,290 thousand)	4,781,779 (Note 1)

Note 1: 60% of the net worth.

Note 2: Except for the amount of investment transferred from Taiwan to Mainland China, which is calculated using historical exchange rates, the rest is calculated using the exchange rate at the end of December 31, 2024 (USD:NTD=1:32.785).

#### 3) Material transactions with invested companies in the Mainland China :

Details of significant transactions between the Corporation and Mainland China investees during the year 2024 are provided in the "Information on Material Transactions" section.

### (4) Information of Major Shareholders:

According to the information provided by Taiwan Depository & Clearing Corporation (TDCC), the Corporation has no shareholders holding more than 5% of the shares.

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

**14. Segment Information**

- (1) Profit and loss information for reporting segments and adjustment details.

Information and adjustments of the Group's operating departments are as follows:

2024						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and Elimination	Total
Revenue:						
Revenue from External Customers	<u>\$ 6,283,720</u>	<u>724,371</u>	<u>70,208</u>	<u>953,604</u>	<u>-</u>	<u>8,031,903</u>
Profit and loss information for reporting segments	<u>\$ 894,663</u>	<u>154,932</u>	<u>2,230</u>	<u>239,575</u>	<u>-</u>	<u>1,291,400</u>
2023						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and Elimination	Total
Revenue:						
Revenue from External Customers	<u>\$ 5,685,607</u>	<u>526,517</u>	<u>87,842</u>	<u>727,971</u>	<u>-</u>	<u>7,027,937</u>
Profit and loss information for reporting segments	<u>\$ 886,952</u>	<u>(20,583)</u>	<u>(27,472)</u>	<u>90,716</u>	<u>-</u>	<u>929,613</u>

The reconciliation of the Group's reportable operating segment profit or loss and the continuing operating segment's pre-tax income or loss is as follows:

	2024	2023
Reportable segment profit or loss	\$ 1,291,400	929,613
Non-operating income and expenses	332,468	207,872
Profit or loss before income tax of continuing operations	<u>\$ 1,623,868</u>	<u>1,137,485</u>

Information on the measure of assets and liabilities of the Group is not for operational decision used, thus a disclosure is not required.

- (2) Information on product and service segments

Revenue information from external customers for the Group is as follows:

Product and Service Names	2024	2023
Human drugs	\$ 5,149,107	4,482,003
Health food	884,450	882,279
Animal drugs	1,266,843	1,188,914
Others	731,503	474,741
	<u>\$ 8,031,903</u>	<u>7,027,937</u>

**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**Notes to Consolidated Financial Statements (Continued)**

(3) Regional information

The regional breakdown for the Group is as follows, with revenue classified based on the geographical location of the customers and non-current assets classified based on the geographical location of the assets.

<b>Regional Segmentation</b>	<b>2024</b>	<b>2023</b>
Revenue information from external customers		
Taiwan	\$ 6,283,720	5,685,607
U.S.A.	724,371	526,517
China	70,208	87,842
Japan	953,604	727,971
Total	<u><u>\$ 8,031,903</u></u>	<u><u>7,027,937</u></u>

<b>Regional Segmentation</b>	<b>Non-Current Assets</b>	
	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Non-current assets:		
Taiwan	\$ 3,713,739	3,408,753
U.S.A.	1,071,832	204,662
Mainland China	25,953	45,669
Others	195,535	56,719
	<u><u>\$ 5,007,059</u></u>	<u><u>3,715,803</u></u>

Non-current assets comprise property, plant and equipment, right-of-use assets, investment property, intangible assets, and other non-current assets, excluding financial instruments and deferred income tax assets.

(4) Key customer information

There were no customers accounting for more than 10% of the Group's revenue for the years 2024 and 2023.