Stock Code:6616

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Financial Statements

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

Address: **4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1 1002, Cayman Islands.**
Telephone: **(04)2260 5899**

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Independent Auditors' Report

To the Board of Directors of Techcential International Limited:

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in the 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The accountant's judgment is that the key audit matter that should be communicated in the audit report is inventory evaluation.

For the accounting policies regarding inventory valuation, please refer to Note 4(h) Inventories in the consolidated financial statements; for the accounting estimates and assumptions uncertainty in inventory valuation, please refer to Note 5; for information on inventory valuation, please refer to Note 6(e).

Notes to Readers

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

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

Description of key audit matter:

The Group's principal activities are the manufacturing and sales of furniture. As of December 31, 2024, the inventory balance of $170,877 thousand consisted 23% of the total consolidated assets. Valuation of inventory was based on past experience and future sales forecasts, which involved the subjective judgment made by the top management. Therefore, the valuation of inventories was considered to be one of our key audit matters.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing whether appropriate provision policies for inventories are applied.
- Assessing whether the Group's subsequent measurement of inventories has been evaluated in accordance with the Group's provision policy consistently.
- Assessing the appropriateness of the aging movement by examining the aging analysis of inventories, and relevant documents to verify the aging period.
- Understanding the sales prices adopted by the Group’s management and the changes in market prices of inventories after the reporting date, then verifying the accuracy of the selling prices and the calculation of net realizable value through sample testing.

Management and governance responsibilities for consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned 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 Group's governance unit (including the Audit Committee) is responsible for overseeing the financial reporting process.

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

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

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

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

2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2025

Notes to Readers

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

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 270,919	36	209,721	27
1110	Current financial assets at fair value through profit or loss (notes 6(b) and 7)	-	-	942	-
1170	Accounts receivable, net (notes 6(c) and (r))	105,902	14	110,373	14
1200	Other receivables (note 6(d))	138	-	93	-
1220	Current tax assets	14,452	2	9,213	1
1310	Inventories (note 6(e))	170,877	23	191,449	24
1410	Prepayments	11,668	2	22,231	3
1479	Other current assets	729	-	2,562	-
	Total current assets	574,685	77	546,584	69
15xx	**Non-current assets:**				
1536	Non-current financial assets at amortized cost (notes 6(b), (i), (k) and 8)	-	-	3,825	-
1600	Property, plant and equipment (notes 6(f), (g), (i), (k), 7 and 8)	121,659	16	132,000	17
1755	Right-of-use assets (notes 6(f), (g) and (j))	8,331	1	56,096	7
1780	Intangible assets (note 6(h))	185	-	98	-
1840	Deferred tax assets (note 6(n))	34,197	5	37,619	5
1915	Prepayments for equipment (note 6(f))	433	-	453	-
1920	Refundable deposits	8,637	1	17,910	2
	Total non-current assets	173,442	23	248,001	31
1xxx	**Total assets**	$ 748,127	100	794,585	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term loans (notes 6(b), (f), (i), 7 and 8)	$ 55,417	7	48,366	6
2120	Current financial liabilities at fair value through profit or loss (notes 6(b), and 7)	1,742	-	-	-
2130	Current contract liabilities (note 6(r))	1,750	-	2,049	-
2170	Accounts payable	62,974	9	81,271	11
2200	Other payables	32,542	4	40,397	5
2230	Current tax liabilities	231	-	216	-
2280	Current lease liabilities (notes 6(j) and 7)	15,162	2	23,766	3
2321	Convertible bonds payable, current portion (notes 6(b) and (l))	-	-	1,075	-
2322	Long-term loans, current portion (notes 6(b), (f), (k), 7 and 8)	7,011	1	12,307	2
2399	Other current liabilities	5,106	1	2,537	-
	Total current liabilities	181,935	24	211,984	27
25xx	**Non-Current liabilities:**				
2500	Non-current financial liabilities at fair value through profit or loss (notes 6(b))	2,322	-	1,572	-
2531	Convertible bonds payable (notes 6(b) and (l))	97,952	13	107,268	13
2540	Long-term loans (notes (b), (f), (k), 7 and 8)	13,882	2	13,433	2
2570	Deferred tax liabilities (note 6(n))	6,980	1	7,830	1
2580	Non-current lease liabilities (notes 6(j) and 7)	3,616	-	17,295	2
2670	Other non-current liabilities	4,108	1	4,018	1
	Total non-current liabilities	128,860	17	151,416	19
2xxx	**Total liabilities**	310,795	41	363,400	46
31xx	**Equity attributable to owners of the Company (notes 6(l), (o) and (p)):**				
3110	Common stock	354,785	47	342,319	43
3200	Capital surplus	98,252	13	94,714	12
3300	Retained earnings:				
3310	Legal reserve	84	-	84	-
3320	Special reserve	20,585	3	5,429	1
3350	Unappropriated retained earnings (Accumulated deficit)	(48,413)	(6)	15,156	2
	Total retained earnings	(27,744)	(3)	20,669	3
3400	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	18,545	2	(30,080)	(4)
3491	Other Equity - Employee Unearned Compensation	(3,629)	-	-	-
	Total other equity interest	14,916	2	(30,080)	(4)
	Total equity attributable to owners of the Company	440,209	59	427,622	54
36xx	**Non-controlling interests**	(2,877)	-	3,563	-
3xxx	**Total equity**	437,332	59	431,185	54
2-3xxx	**Total liabilities and equity**	$ 748,127	100	794,585	100

See accompanying notes to consolidated financial statements.

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

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(r))**	$ 1,164,364	100	1,009,798	100
5000	**Operating costs (notes 6(e), (f), (g), (j), (m), 7 and 12)**	1,027,517	88	909,434	90
5900	**Gross profit from operations**	136,847	12	100,364	10
6000	**Operating expenses (notes 6(c), (f), (g), (j), (m), (p), 7 and 12):**				
6100	Selling expenses	54,588	5	54,226	5
6200	Administrative expenses	64,776	6	60,926	6
6300	Research and development expenses	12,938	1	10,664	1
6450	Expected credit loss (reversal of expected credit loss)	(739)	-	188	-
	Total operating expenses	131,563	12	126,004	12
6900	**Operating income**	5,284	-	(25,640)	(2)
7000	**Non-operating income and expenses (notes 6(b), (f), (g), (j), (l) and (t)):**				
7100	Interest income	4,969	1	1,204	-
7010	Other income	1,762	-	3,766	-
7020	Other gains and losses	(52,606)	(4)	(2,288)	-
7050	Finance costs	(7,091)	(1)	(10,279)	(1)
	Total non-operating income and expenses	(52,966)	(4)	(7,597)	(1)
7900	**Profit (loss) before tax**	(47,682)	(4)	(33,237)	(3)
7950	**Less: Income tax expenses (benefit) (note 6(n))**	7,228	1	(7,044)	-
8200	**Net profit (loss)**	(54,910)	(5)	(26,193)	(3)
8300	**Other comprehensive income (loss):**				
8360	**Item that may be reclassified subsequently to profit or loss**				
8361	Foreign currency translation difference for foreign operations	48,682	4	(24,875)	(2)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-
8300	**Other comprehensive income (loss), net**	48,682	4	(24,875)	(2)
8500	**Total comprehensive income (loss)**	$ (6,228)	(1)	(51,068)	(5)
	Net profit (loss), attributable to:				
8610	Owners of the Company	$ (48,413)	(4)	(23,774)	(3)
8620	Non-controlling interests	(6,497)	(1)	(2,419)	-
		$ (54,910)	(5)	(26,193)	(3)
	Total comprehensive income (loss) attributable to:				
8710	Owners of the Company	$ 212	-	(48,425)	(5)
8720	Non-controlling interests	(6,440)	(1)	(2,643)	-
		$ (6,228)	(1)	(51,068)	(5)
	Basic earnings (deficits) per share (expressed in New Taiwan dollars) (note (q))				
9750	Basic earnings (deficits) per share	$	(1.39)		(0.78)
9850	Diluted earnings (deficits) per share	$	(1.39)		(0.78)

See accompanying notes to consolidated financial statements.

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

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company										
			Retained earnings				Other equity				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Employee Unearned Compensation	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 286,342	76,452	84	30,308	31,232	61,624	(5,429)	-	418,989	6,206	425,195
Appropriation and distribution of retained earnings:											
Reversal of special reserve	-	-	-	(24,879)	24,879	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(2,864)	(2,864)	-	-	(2,864)	-	(2,864)
Stock dividends on ordinary share	14,317	-	-	-	(14,317)	(14,317)	-	-	-	-	-
Equity component from convertible bonds issued	-	8,658	-	-	-	-	-	-	8,658	-	8,658
Net loss for the year	-	-	-	-	(23,774)	(23,774)	-	-	(23,774)	(2,419)	(26,193)
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(24,651)	-	(24,651)	(224)	(24,875)
Total comprehensive income (loss) for the year	-	-	-	-	(23,774)	(23,774)	(24,651)	-	(48,425)	(2,643)	(51,068)
Capital increased by cash	41,660	8,105	-	-	-	-	-	-	49,765	-	49,765
Share-based payment transactions	-	1,499	-	-	-	-	-	-	1,499	-	1,499
Balance at December 31, 2023	342,319	94,714	84	5,429	15,156	20,669	(30,080)	-	427,622	3,563	431,185
Appropriation and distribution of retained earnings:											
Special reserve	-	-	-	15,156	(15,156)	-	-	-	-	-	-
Net loss for the year	-	-	-	-	(48,413)	(48,413)	-	-	(48,413)	(6,497)	(54,910)
Other comprehensive income (loss) for the year	-	-	-	-	-	-	48,625	-	48,625	57	48,682
Total comprehensive income (loss) for the year	-	-	-	-	(48,413)	(48,413)	48,625	-	212	(6,440)	(6,228)
Conversion of convertible bonds	8,966	2,891	-	-	-	-	-	-	11,857	-	11,857
Share-based payment transactions	3,500	647	-	-	-	-	-	(3,629)	518	-	518
Balance at December 31, 2024	**$ 354,785**	**98,252**	**84**	**20,585**	**(48,413)**	**(27,744)**	**18,545**	**(3,629)**	**440,209**	**(2,877)**	**437,332**

See accompanying notes to consolidated financial statements.

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

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		2024	2023
Cash flows from (used in) operating activities:			
Profit (loss) before income tax	$	(47,682)	(33,237)
Adjustments:			
Adjustments to reconcile profit:			
Depreciation expense		33,233	36,185
Amortization expense		46	24
Expected credit loss (reversal of expected credit loss)		(739)	188
Net loss on financial assets or liabilities at fair value through profit or loss		7,115	8,136
Interest expense		7,091	10,279
Interest income		(4,969)	(1,204)
Share-based payments transaction		518	1,499
Loss (gain) on disposal of property, plant and equipment		398	(130)
Reclassification prepayments for equipment to expenses		-	1,140
Loss on disposal of right-of-use assets		1,163	-
Impairment loss on non-financial assets		42,664	-
Loss on redemption of bonds payable		25	-
Gain on lease modifications		(265)	(106)
Reclassification of property, plant and equipment to expenses		47	-
Total adjustments to reconcile profit		86,327	56,011
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets at fair value through profit or loss		1,216	602
Accounts receivable		5,210	(33,239)
Other receivables		(15)	375
Inventories		20,572	33,734
Prepayments		10,563	(3,908)
Other current assets		1,833	2,408
Total changes in operating assets		39,379	(28)
Changes in operating liabilities:			
Financial liabilities at fair value through profit or loss		(4,737)	(6,729)
Contract liabilities		(299)	(4,348)
Accounts payable		(18,297)	47,424
Other payables		(5,886)	9,315
Other current liabilities		2,569	2,515
Total changes in operating liabilities		(26,650)	48,177
Total changes in operating assets and liabilities		12,729	48,149
Total adjustments		99,056	104,160
Cash inflow generated from operations		51,374	70,923
Interest received		4,939	1,236
Interest paid		(4,674)	(6,714)
Income taxes paid		(6,209)	(13,571)
Net cash flows from operating activities		45,430	51,874
Cash flows from (used in) investing activities:			
Disposal of financial assets at amortized cost		3,825	-
Acquisition of property, plant and equipment		(11,397)	(11,253)
Proceeds from disposal of property, plant and equipment		2,732	535
Decrease in refundable deposits		9,273	3,834
Acquisition of intangible assets		(121)	(124)
Decrease (increase) in prepayments for equipment		(393)	-
Proceeds from disposal of right-of-use assets		3,098	828
Net cash flows used in investing activities		7,017	(6,180)
Cash flows from (used in) financing activities:			
Increase in short-term loans		149,283	5,733
Decrease in short-term loans		(142,232)	-
Issuance of convertible bonds		-	116,680
Repayments of bonds		(1,100)	(119,889)
Proceeds from long-term loans		6,588	3,515
Repayments of long-term loans		(13,829)	(20,002)
Payment of lease liabilities		(25,305)	(24,013)
Increase (decrease) in other non-current liabilities		90	(495)
Cash dividends paid		-	(2,864)
Capital increase by cash		-	49,765
Net cash flows from (used in) financing activities		(26,505)	8,430
Effect of exchange rate changes on cash and cash equivalents		35,256	(17,330)
Net increase (decrease) in cash and cash equivalents		61,198	36,794
Cash and cash equivalents at beginning of period		209,721	172,927
Cash and cash equivalents at end of period	$	270,919	209,721

See accompanying notes to consolidated financial statements.

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

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Techcential International Limited (the "Company") was established in the Cayman Islands in June 2016. The main purpose of the establishment, which resulted from organizational restructuring, was to apply for listing on the Taipei Exchange (TPEx) in the Republic of China. After the restructuring in October 2016 and acquiring 100% of TC Home SDN. BHD. (TCH) from Techcential SDN. BHD. (TC) in December of the same year, the Company became the holding company of TC and TCH, and became a listed company on the TPEx in the Republic of China (R.O.C.) on January 10, 2018. The Company and its subsidiaries ("the Group") mainly engage in the manufacturing and sales of furniture and wood pellets, rubber wood trading, as well as leasing machinery and equipment. Please refer to note 14 for related information.

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

The consolidated financial statements were authorized for issue by the Board of Directors on March 14, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of adopting the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C.("FSC").

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

● Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"

● Amendment to IAS 1 "Non-current Liabilities with Covenants"

● Amendment to IAS 7 and IFRS 7 "Supplier Financing Arrangements"

● Amendment to IFRS 16 "Lease Liabilities in Sale and Leaseback Transactions"

(b) The impact of IFRS Standards endorsed by the FSC but not yet adopted

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

● Amendments to IAS 21 “Lack of Exchangeability”

● Amendment to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments", including the application guidance in IFRS 9 Section 4.1 and the related disclosure requirements in IFRS 7.

(Continued)

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

c) **Newly issued and revised standards and interpretations not yet approved by the FSC**

The standards and interpretations issued and amended by the International Accounting Standards Board (IASB) but not yet approved by the Financial Supervisory Commission (FSC) may be relevant to the consolidated companies as follows:

Newly Issued or Revised Standards	Main Amendments	Effective Date Released by the Council
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two subtotal lines in the income statement, and a single note on management performance measures. These three amendments strengthen and guide how information is segmented in financial statements, laying a foundation for providing better and more consistent information to users, which will impact all companies. • More Structured Income Statement: Under current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured income statement, introducing a newly defined "Operating Profit" subtotal, and requires all income and expenses to be classified into three new categories based on the company's primary business activities. • Management Performance Measures (MPM): The new standard introduces a definition of management performance measures and requires companies to explain, in a single note to the financial statements, why each measure provides useful information, how it is calculated, and how the measure is reconciled with amounts recognized in accordance with IFRS accounting standards. • More Detailed Information: The new standard includes guidelines on how companies should enhance the grouping of information in the financial statements. This includes guidance on whether information should be included in the primary financial statements or further disaggregated in the notes.	January 1, 2027

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

The Group anticipates that the following other newly issued and amended standards, which have not yet been approved, will not have a material 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"

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries.

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

(Continued)

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2024	Shareholding December 31, 2023	Note
The Company	Techcential Sdn. Bhd. (TC)	Furniture manufacturing and sales	100.00%	100.00%	
The Company	Thinker Craft Sdn. Bhd. (TCH) (Note)	Furniture sales	100.00%	100.00%	
The Company	EHL Cabinetry Sdn. Bhd. (EHL)	Kitchen cabinet manufacturing and sales	89.20%	89.20%	
TC	ESK Biomass Sdn. Bhd. (ESKB)	Wood pellet manufacturing and sales, leasing machinery and equipment	100.00%	100.00%	
TCH	TC Home Corporation (TCH(US))	Management Consultant	100.00%	100.00%	
ESKB	ESK Wood Products Sdn. Bhd. (ESKW)	Rubber Wood processing and sales	100.00%	100.00%	

Note: TC Home Sdn. Bhd. was renamed Thinker Craft Sdn. Bhd. in December 2024.

List of subsidiaries that are not included in the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

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

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

Except for the differences in an investment in equity securities designated as at fair value through other comprehensive income which are recognized in other comprehensive income, the foreign currency differences are recognized in profit and loss.

(ii) Foreign operations

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

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

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

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

The consolidated company classifies assets as current assets if they meet any of the following criteria. All other assets not meeting these conditions are classified as non-current assets:

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

(ii) It is held primarily for trading;

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

(iv) The asset is classified as current if it meets the definition of cash or cash equivalents (as defined in IAS 7), unless its use for settlement or exchange is restricted for at least twelve months after the reporting period.

The Group classifies a liability as current when it meets any of the following criteria. All other liabilities are classified as non-current:

An entity shall classify a liability as current when:

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

(ii) It is held primarily for trading;

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

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

(f) Cash and cash equivalents

Cash comprises cash on hand, demand deposits, time deposits and checking deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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

(Continued)

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost described above (e.g., held for trading and fair value through profit or loss financial assets managed and evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, that meets the requirements to be measured at amortized cost or fair value through other comprehensive income (FVOCI), as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets at amortized costs, accounts receivable, other receivable and refundable deposits).

(Continued)

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Loss allowances for bank balances, financial assets at amortized cost, other receivables and refundable deposits are measured by 12-month ECL for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable is always measured at an amount equal to lifetime ECL.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

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

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

- significant financial difficulty of the debtor or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the lender would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for security because of financial difficulties.

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

(Continued)

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

4) 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.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Compound financial instruments

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

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

After initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

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

(Continued)

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. When there's fixed production expense being unallocated due to low production capacity and idle equipment, it should be recognized as the cost of goods sold during the period that it occurs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

(i) Property, plant and equipment

1) Recognition and measurement

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

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

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

2) Subsequent cost

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

3) Depreciation

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

Land is not depreciated.

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

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

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

(j) Lease

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

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

(Continued)

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

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

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

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

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

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and buildings that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

For transactions where the Group acts as a lessor, the lease contracts are classified as either finance leases or operating leases based on whether substantially all risks and rewards incidental to the ownership of the leased asset are transferred to the lessee on the lease commencement date. If so, it is classified as a finance lease; otherwise, it is classified as an operating lease. In making this assessment, the Group considers specific indicators, including whether the lease term covers a major part of the economic life of the underlying asset.

(k) Intangible assets

Intangible assets that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

(i) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(ii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The Group held software as intangible assets and amortization of intangible assets is recognized in profit or loss on a straight-line basis over 3 years from the date that they are available for use.

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

(l) Impairment of non-financial assets

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

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

For assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(Continued)

(m) Recognition of Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a customer. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the group does not adjust the time value of money in transaction prices.

(n) Government grants and government assistance

The Group recognizes an unconditional government grant related to operating assistance as profit or loss under other income when the grant becomes receivable. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

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

(p) Income taxes

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

The Group determines that interest or penalties related to income taxes (including uncertain tax treatments) do not meet the definition of income taxes. Therefore, they are accounted for in accordance with IAS 37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amounts represent the best estimate of the amounts expected to be paid or received based on the statutory tax rates or substantive legislation at the reporting date.

(Continued)

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that (1) affects neither accounting nor taxable profits (losses) at the time of the transaction; (2) do not incur equal temporary differences that are taxable or deductible.

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group can control the timing of the reversal of the temporary differences and, probably, they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred income taxes are measured at the tax rate expected to occur when temporary differences reverse, using either statutory or substantive legislative rates at the reporting date.

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

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

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

1) the same taxable entity; or

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

(q) Share-based payment

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

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

The grant date for the share-based payments of the Group is the date when the company notifies employees of the subscription price and the number of shares available for subscription.

(Continued)

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The basic earnings per share are calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The new issuance of shares due to capitalization of earnings or capital surplus is adjusted retrospectively. The adjustment is also made retrospectively when the date of capitalization of earnings or capital surplus falls before the issuance date of the financial statement.

The diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds and employee compensation.

(s) Operating segment

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

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

The preparation of these consolidated financial statements in accordance with IFRSs endorsed by the Financial Supervisory Commission (FSC) requires management to make judgments, estimates and assumptions concerning the future (including climate-related risks and opportunities). These affect both the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to review estimates and underlying assumptions, which are consistent with the Group's risk management and climate-related commitments. Changes in estimated values are recognized in the periods during which the changes occur and are deferred to affect future periods.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(e) for further description of the subsequent measurements of inventories.

(Continued)

TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2024	December 31, 2023
Cash	$	387	508
Demand and checking deposits		210,087	209,213
Time deposits		60,445	-
Cash and cash equivalents	$	270,919	209,721

Please refer to note 6(u) for the disclosure of interest rate risks and sensitivity analysis of the Group's financial assets and liabilities.

(b) Financial assets and liabilities

(i) Financial assets at fair value through profit or loss – current and non-current

The Group uses derivative financial instruments to hedge certain foreign exchange risks the Group is exposed to arising from its operating activities. As these derivative financial instruments did not qualify for hedge accounting, the Group held the following derivative financial instruments as held-for-trading financial assets as of December 31, 2024 and 2023.

Foreign currency options contracts:

	December 31, 2024					
	Amount (in thousands)		Currency	Maturity dates	Fair value of assets	
Foreign currency options bought	USD	300	USD to MYR	2024.1.3~2025.2.3	$	(143)

	December 31, 2023					
	Amount (in thousands)		Currency	Maturity dates	Fair value of assets	
Foreign currency options bought	USD	1,100	USD to MYR	2024.1.10~2024.3.19	$	942

Forward exchange contracts:

	December 31, 2024					
	Amount (in thousands)		Currency	Maturity dates	Fair value of assets	
Forward exchange sold	USD	2,050	USD to MYR	2025.1.2~2025.3.12	$	(1,599)

Details on derivative financial liability generated due to the issuance of convertible bonds by the Group were as follows:

		December 31, 2024	December 31, 2023
Derivate financial liability			
Corporate bonds payable－call and put options	$	(2,322)	(1,572)
Current	$	-	-
Non-current		(2,322)	(1,572)
Total	$	(2,322)	(1,572)

(Continued)

Please refer to note 6(t) for the amounts recognized in other gains and losses that resulted from remeasurement at fair value.

Please refer to note 6(l) for financial liabilities at fair value through profit or loss components from issuing unsecured convertible bonds.

(ii) Financial assets at amortized cost－non-current

	December 31, 2024	December 31, 2023
Restricted time deposits	$ -	3,825

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

1) As of December 31, 2024, none of the aforementioned circumstances existed.

2) For credit risk, please refer to note 6(u).

3) The financial assets at amortized costs of the Group had been pledged as collateral for its long-term and short-term borrowings. Please refer to note 8.

(c) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	$ 109,849	114,678
Less: loss allowance	(3,947)	(4,305)
	$ 105,902	110,373

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2024 and 2023. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information, including macroeconomics and relevant industry information.

The Group's analyses on the expected credit loss of its accounts receivable from the operating segment of its furniture (bedding and kitchen cabinets included) manufacturing and sales, as of December 31, 2024 and 2023 were as follows:

	December 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 67,172	0.29	198
Past due 1~30 days	10,435	0.54	56
Past due 31~60 days	244	2.87	7
Past due 61~90 days	465	12.47	58
Over 91 days	6	100.00	6
	$ 78,322		325

(Continued)

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	December 31, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 57,919	0.01	6
Past due 1~30 days	8,140	0.09	7
Over 91 days	984	100.00	984
	$ 67,043		997

The above accounts receivable amount does not include the total accounts receivable of $20,300 thousand from a sales customer of the group. Due to the unstable assessment of the recovery situation, it is not included in the provision for expected credit losses of the group. A provision for losses has been made in the amount of $452 thousand, and credit insurance has been obtained. The aforementioned accounts receivable of $20,300 thousand were fully collected after the period, and the group assessed that there were no significant credit losses.

The Group's analyses on the expected credit loss of its accounts receivable from the operating segment of its rubber wood processing and sales, as of December 31, 2024 and 2023 were as follow:

	December 31, 2024		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 17,594	0.15	26
Past due 1~30 days	6,782	0.41	28
Past due 31~60 days	1,482	1.01	15
Past due 61~90 days	1,742	2.47	43
Past due 91~120 days	308	3.90	12
Past due 181~210 days	154	21.43	33
Over 365 days	281	100.00	281
	$ 28,343		438

	December 31, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 11,292	0.18	20
Past due 1~30 days	6,229	0.48	30
Past due 31~60 days	4,242	1.23	52
Past due 61~90 days	1,529	2.88	44
Past due 91~120 days	837	4.66	39
Past due 151~180 days	225	13.33	30
	$ 24,354		215

(Continued)

As of December 31, 2024, the consolidated accounts receivable balance of the Company's wood pellet manufacturing, sales and equipment leasing operations amounted to NT$3,184 thousand. The Company has assessed that there is objective evidence indicating these receivables are not reasonably expected to be collected, and accordingly has fully provided for impairment losses.

The Group's analyses on the expected credit loss of its accounts receivable from the operating segment of its wood pellet manufacturing and sales and equipment leasing operations, as of December 31, 2024 and 2023 were as follow:

	December 31, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 103	1.94	2
Past due 1~30 days	131	4.58	6
Past due 31~60 days	121	5.79	7
Over 365 days	2,626	100.00	2,626
	$ 2,981		**2,641**

The movement in the allowance of accounts receivable was as follows:

	2024	**2023**
Balance as of January 1	$ 4,305	4,310
Impairment losses recognized (reversal gain)	(739)	188
Foreign exchange gain (loss)	381	(193)
Balance as of December 31	**$ 3,947**	**4,305**

The accounts receivables of the Group were not associated with factoring transactions nor pledged as collaterals.

(d) Other receivables

	December 31, 2024	**December 31, 2023**
Other receivables	**$ 138**	**93**

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

(e) Inventories

	December 31, 2024		
	Cost	**Allowance for loss**	**Net receivables value**
Raw materials	$ 52,645	7,587	45,058
Work in process	31,555	459	31,096
Semi-finished goods	44,193	8,185	36,008
Finished goods	64,057	5,342	58,715
	$ 192,450	**21,573**	**170,877**

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	December 31, 2023		
	Cost	**Allowance for loss**	**Net receivables value**
Raw materials	$ 79,859	7,745	72,114
Work in process	52,802	2,016	50,786
Semi-finished goods	29,320	11,405	17,915
Finished goods	63,054	12,420	50,634
	$ 225,035	**33,586**	**191,449**

The changes in the aforementioned allowance for loss were as follows:

	2024	**2023**
Balance as of January 1	$ 33,586	48,102
Losses recognized (reversal gain)	(14,588)	(12,658)
Foreign currency translation effect	2,575	(1,858)
Balance as of December 31	**$ 21,573**	**33,586**

For the years ended December 31, 2024 and 2023, in addition to the costs of goods sold, the following loss and revenue were included in the Group's operating costs:

	2024	**2023**
Reversal gains for inventory impairment and obsolescence	$ (14,588)	(12,658)
Revenue from sale of scraps	(1,037)	(492)
Loss on inventory write-off	12,634	2,654
Unallocated manufacturing costs	17,335	2,821
Physical count variance	(41)	491
	$ 14,303	**(7,184)**

As of December 31, 2024 and 2023, The Group did not pledge the inventory as collateral.

(f) Property, plant and equipment

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

	Land	**Buildings and construction**	**Machinery and equipment**	**Transportation Equipment**	**Office Equipment**	**Other equipment**	**Construction in progress and equipment to be inspected**	**Total**
Cost or deemed cost:								
Balance on January 1, 2024	$ 16,707	99,257	99,006	36,744	10,422	22,018	1,273	285,427
Additions	-	929	169	5,847	752	148	1,547	9,392
Disposal	-	(10,488)	(9,091)	(1,736)	(489)	(3,163)	-	(24,967)
Reclassification (note)	-	335	8,124	2,380	(425)	40	-	10,454
Foreign currency translation effect	1,599	9,095	9,440	3,801	990	1,976	190	27,091
Balance at December 31, 2024	**$ 18,306**	**99,128**	**107,648**	**47,036**	**11,250**	**21,019**	**3,010**	**307,397**
Balance on January 1, 2023	$ 17,473	84,747	94,399	34,817	10,633	21,441	20,185	283,695
Additions	-	5,748	-	4,240	1,183	1,559	1,094	13,824
Disposal	-	-	(726)	(2,317)	(923)	(12)	-	(3,978)
Reclassification (note)	-	12,846	9,648	1,600	-	-	(19,485)	4,609
Foreign currency translation effect	(766)	(4,084)	(4,315)	(1,596)	(471)	(970)	(521)	(12,723)
Balance at December 31, 2023	**$ 16,707**	**99,257**	**99,006**	**36,744**	**10,422**	**22,018**	**1,273**	**285,427**

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	Land	Buildings and construction	Machinery and equipment	Transportation Equipment	Office Equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Depreciation and impairments loss:								
Balance at January 1, 2024	$ -	41,390	55,423	28,137	9,041	19,436	-	153,427
Depreciation	-	2,721	6,625	4,266	783	1,510	-	15,905
Impairment loss	-	8,640	7,486	-	62	143	-	16,331
Disposal	-	(10,483)	(5,965)	(1,736)	(489)	(3,164)	-	(21,837)
Reclassification (note)	-	(7)	4,525	2,380	(405)	(4)	-	6,489
Foreign currency translation effect	-	3,998	5,857	2,908	864	1,796	-	15,423
Balance at December 31, 2024	**$ -**	**46,259**	**73,951**	**35,955**	**9,856**	**19,717**	**-**	**185,738**
Balance at January 1, 2023	$ -	40,796	50,933	27,078	9,422	16,998	-	145,227
Depreciation	-	2,431	6,207	3,488	949	3,255	-	16,330
Disposal	-	-	(332)	(2,317)	(916)	(8)	-	(3,573)
Reclassification (note)	-	-	984	1,120	-	-	-	2,104
Foreign currency translation effect	-	(1,837)	(2,369)	(1,232)	(414)	(809)	-	(6,661)
Balance at December 31, 2023	**$ -**	**41,390**	**55,423**	**28,137**	**9,041**	**19,436**	**-**	**153,427**
Carrying amounts:								
Balance at December 31, 2024	**$ 18,306**	**52,869**	**33,697**	**11,081**	**1,394**	**1,302**	**3,010**	**121,659**
Balance at December 31, 2023	**$ 16,707**	**57,867**	**43,583**	**8,607**	**1,381**	**2,582**	**1,273**	**132,000**

Note: The amounts reclassified from prepayments for equipment to asset costs were NTD 413 thousand and NTD 0 thousand for the years ended December 31, 2024 and 2023, respectively the costs and accumulated depreciation amounts reclassified from right-of-use assets were NTD 10,504 thousand and NTD6,905 thousand in 2024, and NTD 4,609 thousand and NTD 2,104 thousand in 2023. Additionally, the costs and accumulated depreciation reclassified to expenses were NTD 463 thousand and NTD 416 thousand in 2024, with no such reclassifications made in 2023.

As of December 31, 2024, the Group performed an impairment test on the cash-generating unit (CGU) related to its kitchen cabinet manufacturing and sales operations due to sustained losses. The recoverable amount of the tested assets was determined based on their value in use, calculated using the company's five-year financial projections discounted at a pre-tax rate of 12.32% to reflect industry-specific risks. The consolidated company recognized an impairment loss of NT$16,331 thousand, representing the excess of the carrying amount over the recoverable amount, which was reported under "other gains and losses" in the comprehensive income statement. Please refer to note 8 for the disclosure of assets pledged as collateral for loans.

(g) Right-of-use assets

The Group leases many assets including land, buildings, machinery and equipment, transportation equipment, and other equipment. Information about leases for which the Group as a lessee was presented below:

	Land	Buildings	Machinery and equipment	Transportation Equipment	Total
Cost:					
Balance at January 1, 2024	$ 134	53,119	60,664	2,267	116,184
Additions	-	5,709	-	-	5,709
Disposals (sale and written off)	-	-	(22,445)	-	(22,445)
Disposals (lease maturity and early lease termination)	-	(28,324)	-	-	(28,324)
Reclassified to property, plant and equipment	-	-	(8,124)	(2,380)	(10,504)
Foreign currency translation effect	13	4,093	4,466	113	8,685
Balance at December 31, 2024	**$ 147**	**34,597**	**34,561**	**-**	**69,305**
Balance at January 1, 2023	$ 140	62,301	66,530	4,011	132,982
Additions	-	5,993	-	-	5,993
Disposals (lease maturity and early lease termination)	-	(12,573)	-	-	(12,573)
Reclassified to property, plant and equipment	-	-	(3,009)	(1,600)	(4,609)
Foreign currency translation effect	(6)	(2,602)	(2,857)	(144)	(5,609)
Balance at December 31, 2023	**$ 134**	**53,119**	**60,664**	**2,267**	**116,184**

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		Land	Buildings	Machinery and equipment	Transportation Equipment	Total
Accumulated depreciation and impairment losses:						
Balance at January 1, 2024	$	60	35,349	22,790	1,889	60,088
Depreciation		47	13,439	3,445	397	17,328
Impairment losses (note)		-	-	26,333	-	26,333
Disposals (sale and written off)		-	-	(18,184)	-	(18,184)
Disposals (lease maturity and early lease termination)		-	(23,038)	-	-	(23,038)
Reclassified to property, plant and equipment		-	-	(4,525)	(2,380)	(6,905)
Foreign currency translation effect		7	2,963	2,288	94	5,352
Balance at December 31, 2024	**$**	**114**	**28,713**	**32,147**	**-**	**60,974**
Balance at January 1, 2023	$	16	30,102	18,513	2,513	51,144
Depreciation		46	13,038	6,175	596	19,855
Disposals (end of contract)		-	(6,339)	-	-	(6,339)
Reclassified to property, plant and equipment		-	-	(984)	(1,120)	(2,104)
Foreign currency translation effect		(2)	(1,452)	(914)	(100)	(2,468)
Balance at December 31, 2023	**$**	**60**	**35,349**	**22,790**	**1,889**	**60,088**
Carrying amount:						
Balance at December 31, 2024	**$**	**33**	**5,884**	**2,414**	**-**	**8,331**
Balance at December 31, 2023	**$**	**74**	**17,770**	**37,874**	**378**	**56,096**

Note: As of December 31, 2024, the consolidated company assessed that the carrying amount of the right-of-use asset – machinery and equipment under the cash-generating unit of its kitchen cabinet manufacturing and sales operations exceeded the recoverable amount by NT$26,333 thousand, and recognized an impairment loss. For further details regarding the impairment loss, please refer to Note 6(f) – Property, Plant, and Equipment.

(h) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2024 and 2023, were as follows:

		Computers and Software
Cost:		
Balance at January 1, 2024	$	744
Additions		121
Foreign currency translation effect		77
Balance at December 31, 2024	**$**	**942**
Balance at January 1, 2023	$	701
Additions		124
Disposals		(49)
Foreign currency translation effect		(32)
Balance at December 31, 2023	**$**	**744**
Amortization:		
Balance at January 1, 2024	$	646
Amortization		46
Foreign currency translation effect		65
Balance at December 31, 2024	**$**	**757**

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		Computers and Software
Balance at January 1, 2023	$	701
Amortization		24
Disposals		(49)
Foreign currency translation effect		(30)
Balance at December 31, 2023	$	646
Carrying amount:		
Balance at December 31, 2024	$	185
Balance at December 31, 2023	$	98

(i) Short-term loans

		December 31, 2024	December 31, 2023
Secured bank loans	$	55,417	48,366
Unused credit line	$	173,630	63,148
Interest rate (%)		3.55~4.25	3.92~4.09

Please refer to note 8 for the information of the collateral for loans.

(j) Lease liabilities

The carrying value of the lease liabilities of the Group for the years ended December 31, 2019, were as follows:

		December 31, 2024	December 31, 2023
Current	$	15,162	23,766
Non-current		3,616	17,295
Total	$	18,778	41,061

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss were as follows:

		2024	2023
Interest on lease liabilities	$	1,903	3,054
Expenses relating to short-term leases	$	254	372

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

		2024	2023
Total cash flows from operating activities	$	(2,157)	(3,426)
Total cash flows from investing activities		(25,305)	(24,013)
Total cash outflow for leases	$	(27,462)	(27,439)

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(i) Real estate leases

The Group leases buildings for its office space and warehouse. The leases of office typically run for a period of 2 to 3 years, and of warehouse for 2 to 5 years.

(ii) Other leases

The Group leases machinery and equipment and transportation equipment, with lease terms of two to seven years. The Group has the option to transfer ownership of the vehicles and equipment unconditionally at the end of the contract term.

The Group leases machinery and equipment and buildings, with monthly contracts. These leases are considered short-term leases. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Long-term loans

The details were as follows:

	December 31, 2024			
	Currency	**Interest rate (%)**	**Maturity date**	**Amount**
Secured loans	MYR	2.45~5.53	115.4.18~118.12.12	$ 19,419
Secured loans from lease finance company	MYR	3.60	115.9.2	1,474
Subtotal				20,893
Less: current portion				7,011
Total				**$ 13,882**
Unused credit line				**$ 19,705**

	December 31, 2023			
	Currency	**Interest rate (%)**	**Maturity date**	**Amount**
Secured loans	MYR	2.46~6.56	2026.2.15~2029.2.1	$ 16,307
Secured loans from lease finance company	MYR	3.60	2026.9.2	2,047
Secured loans from lease finance company	USD	4.73~5.46	2024.5.25	7,386
Subtotal				25,740
Less: current portion				12,307
Total				**$ 13,433**
Unused credit line				**$ -**

Please refer to note 8 for more information on the collateral for loans.

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(l) Corporate bonds payable

	December 31, 2024		
	Second unsecured convertible bond	**Third unsecured convertible bond**	**Total**
Total amount of convertible bonds	$ 120,000	120,000	240,000
Less: Discount on convertible bond issuance	6,127	10,416	16,543
Less: Underwriting expense	3,212	3,032	6,244
Discounted present value of bond payable when issued	110,661	106,552	217,213
Cumulative amortization of discount on bonds payable	6,136	3,097	9,233
Reversal of discount upon exercising put option	3,203	1,303	4,506
Less: Cumulative amount of put option exercised	118,700	-	118,700
Less: Cumulative converted amount	200	13,000	13,200
Less: Cumulative redeemed amount	1,100	-	1,100
Ending balance of bonds payable	$ -	97,952	97,952

	December 31, 2023		
	First unsecured convertible bond	**Second unsecured convertible bond**	**Total**
Total amount of convertible bonds	$ 120,000	120,000	240,000
Less: Discount on convertible bond issuance	6,127	10,416	16,543
Less: Underwriting expense	3,212	3,032	6,244
Discounted present value of bond payable when issued	110,661	106,552	217,213
Cumulative amortization of discount on bonds payable	6,136	716	6,852
Reversal of discount upon exercising put option	3,178	-	3,178
Less: Cumulative amount of put option exercised	118,700	-	118,700
Less: Cumulative converted amount	200	-	200
Ending balance of bonds payable	$ 1,075	107,268	108,343

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On July 26, 2023 (ex-dividend date), the conversion price of the second unsecured convertible bonds of the Group was $20.60 per share.

On April 10, 2024 (ex-dividend date), the conversion price of the third unsecured convertible bonds of the Group was $14.50 per share.

The Company issued its second unsecured convertible bond amounting to $121,578 thousand on November 11, 2021, with the approval of the FSC on its application on October 18, 2021. The Group issued its convertible bonds in accordance with IAS 39, which requires the Company to recognize the liability and equity components of convertible bonds separately as follows:

	Second unsecured convertible bond
Discounted present value under effective interest rate method	$ 113,873
Embedded derivative financial instruments (put option and call option)	613
Equity component (conversion option)	7,092
	$ 121,578

The Company issued its third unsecured convertible bond amounting to $120,000 thousand on September 20, 2023, with the approval of the FSC on its application on August 28, 2023. The Group issued its convertible bonds in accordance with regulations, which require the Company to recognize the liability and equity components of convertible bonds separately as follows:

	Third unsecured convertible bond
Discounted present value using the effective interest rate method	$ 109,584
Embedded derivative financial instruments (put option and call option)	1,512
Equity component (conversion option)	8,904
	$ 120,000

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

Second unsecured convertible bonds

1) Coupon rate: 0%

2) Issue period: 3 years (November 11, 2021 to November 11, 2024)

3) Repayment term:

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

4) Conversion period:

Beginning from three months after the issuance date (February 12, 2022) until maturity (November 11, 2024), the bondholders may convert the bonds into common stock according to the conversion arrangement.

(Continued)

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

   Beginning from three months after the issuance date (February 12, 2022) until 40 days before maturity (October 2, 2024), if the stock closing price exceeds 30% of the conversion price for 30 consecutive working days, or the remaining amount of bonds payable which have not yet been converted into shares is lower than 10% of the total issue amount, the Company is entitled to send a "bond redemption notification" to bondholders and publish an announcement through the TPEx to exercise its call option.

6) Bondholders' put option:

   Bondholders are entitled to exercise the put option beginning from the put date (November 11, 2023), with an exercise price of 101.0025% (which is 0.5% annual yield rate of the put option) of the face value of the bonds. Upon receiving the sell-back request, the Company shall pay the amount to the bondholders by cheque or electronic transfer within 5 working days of the put date.

7) Conversion price and adjustment:

   The conversion price at the issuance date was $22.80 (dollars) per share. If there is any increase in the Company's common stock (including but not limited to cash injection by public offering or private offering, capital increase from retained earnings or capital surplus, issuance of new shares for consolidation purposes or as the consideration payable by the Company for its acquisition of another company's shares, stock split, or cash injection by participating in the issuance of overseas depository receipts) except for increases in shares from conversion of securities in which a stock conversion right or stock warrant was embedded or from issuance of new shares as employees' bonus, the Company shall calculate and adjust the conversion price based on the formula stated in the conversion arrangement before publishing an announcement through the TPEx. The adjustment shall be made at the ex-rights date when issuing new shares. However, the adjustment will be made at the date when the new share subscriptions are fully collected if the issuance of new shares involves share subscription collection. If the issue price of new shares changes after the ex-rights date for issuing new shares, the conversion price should be adjusted based on the revised issue price by using the formula stated in the conversion arrangement. If such a recalculated conversion price is lower than that announced to the public through the TPEx before the ex-rights date for issuing new shares, the Company should re-announce the adjustment of the conversion price through the TPEx.

Third unsecured convertible bonds

1) Coupon rate: 0%

2) Issue period: 5 years (September 20, 2023 to September 20, 2028)

3) Repayment term:

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

4) Conversion period:

Beginning from three months after the issuance date (December 21, 2023) until maturity (September 20, 2028), the bondholders may convert the bonds into common stock according to the conversion arrangement.

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

Beginning from three months after the issuance date (December 21, 2023) until 40 days before maturity (August 12, 2028), if the stock closing price exceeds 30% of the conversion price for 30 consecutive working days, or the remaining amount of bonds payable which have not yet been converted into shares is lower than 10% of the total issue amount, the Company is entitled to send a "bond redemption notification" to bondholders and publish an announcement through the TPEx to exercise its call option.

6) Bondholders' put option:

Bondholders are entitled to exercise the put option beginning from the put date (September 20, 2026 and September 20, 2027), with an exercise price of 101. 51% and 102.02% (which is 0.5% annual yield rate of the put option) of the face value of the bonds. Upon receiving the sell-back request, the Company shall pay the amount to the bondholders by cheque or electronic transfer within 5 working days of the put date.

7) Conversion price and adjustment:

The conversion price at the issuance date was $14.80 (dollars) per share. If there is any increase in the Company's common stock (including but not limited to cash injection by public offering or private offering, capital increase from retained earnings or capital surplus, issuance of new shares for consolidation purposes or as the consideration payable by the Company for its acquisition of another company's shares, stock split, or cash injection by participating in the issuance of overseas depository receipts) except for increases in shares from conversion of securities in which a stock conversion right or stock warrant was embedded or from issuance of new shares as employees' bonus, the Company shall calculate and adjust the conversion price based on the formula stated in the conversion arrangement before publishing an announcement through the TPEx. The adjustment shall be made at the ex-rights date when issuing new shares. However, the adjustment will be made at the date when the new share subscriptions are fully collected if the issuance of new shares involves share subscription collection. If the issue price of new shares changes after the ex-rights date for issuing new shares, the conversion price should be adjusted based on the revised issue price by using the formula stated in the conversion arrangement. If such recalculated conversion price is lower than that announced to the public through the TPEx before the ex-rights date for issuing new shares, the Company should re-announce the adjustment of the conversion price through the TPEx.

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(ii) Financial liabilities measured at fair value through profit or loss are as follows:

	2024	2023		
	Third unsecured convertible bond	Second unsecured convertible bond	Third unsecured convertible bond	Total
Balance as of January 1	$ 1,572	1,641	-	1,641
Add: Addition in this period	-	-	1,512	1,512
Add: Valuation loss	910	2,741	102	2,816
Less: Underwriting Expenses	-	-	(42)	(42)
Less: Put option exercised	-	(4,355)	-	(4,355)
Less: Conversion	(160)	-	-	-
Balance as of December 31	$ 2,322	-	1,572	1,572

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

	2024			2023		
	Second unsecured convertible bond	Third unsecured convertible bond	Total	First unsecured convertible bond	Second unsecured convertible bond	Total
Balance as of January 1	$ 63	8,658	8,721	6,881	-	6,881
Add: Addition in this period	-	-	-	-	8,904	8,904
Less: Underwriting Expenses	-	-	-	-	(246)	(246)
Less: Conversion	-	(938)	(938)	-	-	-
Less: Put option exercised	-	-	-	(6,818)	-	(6,818)
Less: Redemption	(63)	-	(63)	-	-	-
Balance as of December 31	$ -	7,720	7,720	63	8,658	8,721

(m) Employee benefits

The Malaysia subsidiaries of the Group follow the Employee's Provident Fund system of Malaysia (EPF) to contribute to their employee retirement savings. Each month, the Group contributes to its employees' benefits by using the employees' salary, and times, a contribution rate of 12%. For employees with a salary under MYR 5,000, the contribution rate is 13%, and for employees who are over 60 years old, the contribution rate is reduced by half. The Group follows the regulations and transfers the contributions to each employee's independent account. These accounts are under the government's management and arrangements. Except for contributing to its employee benefits monthly, the Group has no further obligation.

(Continued)

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The pension expenses from defined contribution plans of 2024 and 2023, were paid to the subsidiaries' local government organizations, the details are as follows:

		2024	2023
Operating costs	$	1,509	1,494
Operating expenses		5,066	4,693
	$	**6,575**	**6,187**

(n) Income taxes

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

		2024	2023
Current tax expense (benefit)			
Current period	$	2,498	1,004
Adjustment for prior periods		(466)	(4,339)
		2,032	(3,335)
Deferred tax expense (benefit)			
Origination and reversal of temporary differences		5,196	(3,709)
Income tax expense (benefit)	**$**	**7,228**	**(7,044)**

Reconciliation of income tax expense (benefit) and profit before tax for 2024 and 2023 was as follows:

		2024	2023
Loss before income tax	**$**	**(47,682)**	**(33,237)**
Income tax calculated by a statutory tax rate applied by subsidiaries	$	(8,327)	(3,594)
Adjustment according to tax act		1,592	853
Over provision in prior periods		(466)	(4,339)
Current-year losses for which no deferred tax asset was recognized		15,440	36
Changes in unrecognized temporary differences		(1,011)	-
Total	**$**	**7,228**	**(7,044)**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

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

		December 31, 2024	December 31, 2023
Deductible temporary differences	$	23,405	25,200
Tax losses		75,029	7,830
	$	**98,434**	**33,030**

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According to Malaysia Finance Bill, which was released in November 2021, the net losses before 2018, as assessed by the tax authorities, are allowed to be offset against the taxable income before the income is taxed. The last deductible year is set for 2028. Starting in 2019, the net losses are to be offset against any future taxable income over a period of ten years for local tax purposes. Such items are not recognized as deferred tax assets since the Group is not likely to have sufficient taxable income in the future to utilize the temporary differences.

The Group's estimated unused loss carry-forwards up to December 31, 2024, were as follows:

Year of loss	Unused amount	Year of expiry
ESKB:		
2019	$ 2,319	2029
2020	3,751	2030
2021	1,380	2031
2022	335	2032
2024	5,445	2034
TCH:		
2022	45	2032
EHL:		
2024	61,754	2034
	$ 75,029	

2) Recognized deferred tax assets and liabilities

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

Deferred tax assets:

	Provision of doubtful debts	Provision of inventory Obsolescence	Tax loss carry forward	Property Plant and Equipment useful life	Other	Total
Balance at January 1, 2024	$ 400	8,054	12,985	8,254	7,926	37,619
Recognized in profit or loss	3	(2,727)	11	107	(4,114)	(6,720)
Foreign currency translation effect	39	651	1,242	795	571	3,298
Balance at December 31, 2024	**$ 442**	**5,978**	**14,238**	**9,156**	**4,383**	**34,197**
Balance at January 1, 2023	$ 369	11,537	9,250	5,918	2,968	30,042
Recognized in profit or loss	48	(3,038)	4,225	2,648	5,192	9,075
Foreign currency translation effect	(17)	(445)	(490)	(312)	(234)	(1,498)
Balance at December 31, 2023	**$ 400**	**8,054**	**12,985**	**8,254**	**7,926**	**37,619**

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Deferred tax liabilities:

		Property Plant and Equipment useful life	Other	Total
Balance at January 1, 2024	$	(1,844)	(5,986)	(7,830)
Recognized in profit or loss		535	989	1,524
Foreign currency translation effect		(153)	(521)	(674)
Balance at December 31, 2024	**$**	**(1,462)**	**(5,518)**	**(6,980)**
Balance at January 1, 2023	$	(1,173)	(1,516)	(2,689)
Recognized in profit or loss		(738)	(4,628)	(5,366)
Foreign currency translation effect		67	158	225
Balance at December 31, 2023	**$**	**(1,844)**	**(5,986)**	**(7,830)**

(iii) Examination and approval

The Company is not required to pay income tax in the country in which it is incorporated; therefore, no filing of income tax returns is needed. As for other subsidiaries, income taxes were filed as follows:

1) Malaysia:

a) According to Malaysia's tax regulations, taxable corporation profit is calculated using the current year's total income, deducted by costs, losses, tax expenses, and other non-taxable items as regulated in relevant tax regulations.

b) The tax rate for both 2024 and 2023 was 24%. If the subsidiary meets the criteria, it would then be eligible for specific tax preferences.

2) United States

According to the Federal tax regulations and North Carolina tax regulations, the Federal tax rates for both 2024 and 2023 were 21%. The tax rate of North Carolina State for both years 2024 and 2023 was 2.5%.

The Group's subsidiaries have declared their income tax through the year 2023 to their local tax agencies.

(o) Share capital and other equity

As of December 31, 2024 and 2023, the total value of authorized ordinary shares each amounted to $500,000 thousand, with a par value of $10 per share; and the total ordinary shares issued were 35,479 thousand and 34,232 thousand, respectively. All payments have been received as of the reporting date.

Reconciliations of shares outstanding in 2024 and 2023 were as follows:

Unit: thousand shares

	2024	**2023**
Balance on January 1	34,232	28,634
Issued for cash	-	4,166
Capitalization of retained earnings	-	1,432
Conversion of convertible bonds	897	-
Issuance of restricted employee stock shares	350	-
Balance at December 31	35,479	34,232

(i) Issuance of ordinary shares

In the year 2024, the company issued 897,000 new shares at par value, totaling $8,966 thousand, due to the exercise of conversion rights by the holders of the third convertible bonds. Additionally, 350,000 new shares were issued at par value under the employee stock option plan, totaling $3,500 thousand.

On July 21, 2023, the company passed the resolution of the board of directors to increase capital by issuing 4,166,000 new shares with a par value of S10 per share at an issue price of $12 per share in cash. The total proceeds amounted to $49,992 thousand and the premium on the issuance of shares, after deducting the cost of $227 thousand and share capital of $41,660 thousand amounting to $8,105 thousand was recorded as capital reserve.

On August 28, 2023, the Company received the approval letter with Ruling No.1120351441 from the Financial Supervisory Commission for this capital increase, with the base date set on October 1, 2023. All issued shares were paid up upon issuance and the relevant statutory registration procedures have since been completed.

A resolution was passed during the shareholders' meeting held on June 21, 2023 to issue 1,431,711 new shares through capitalization of retained earnings amounting to $14,317 thousand, with the base date set on July 26, 2023.

(ii) Capital surplus

The balance of capital surplus was as follows:

		December 31, 2024	**December 31, 2023**
Premium on issuance of shares	$	66,438	62,609
Recognition of changes in equity of subsidiaries		3,196	3,196
Share-based payment		5,101	4,454
Issuance of convertible bonds－stock option		7,720	8,721
Stock option of convertible bonds－expired		15,797	15,734
	$	98,252	94,714

(Continued)

(iii) Retained earnings

According to the amendment of the Company's articles of association, if there is any profit, the Company shall set the following aside for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; and (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules. If there should be any remaining profits, subject to the discretion of the Directors, after combining all or part of the accumulated undistributed profits in the previous years and the reversed special surplus reserve, with the current profit after deducting the aforementioned reserves, the combined amount shall be allocated as dividends to the shareholders subject to the discretion of the directors and upon approval by the shareholders. Subject to the Law and the Applicable Public Company Rules, and after having considered the financial, business and operational factors of the Company, the dividends shall not be less than 10% of the profit after tax of the relevant year, provided that if in any year, the Company has net loss or the amount of the accumulated undistributed profits is less than 20% of the paid-in capital of the Company, the Company may not distribute any dividend to the Members. The distribution may be made by way of cash or stock, or a combination of both provided that the cash dividends shall not be less than 10% of the total amount of dividends payable.

Since the Company is engaged in supplying customized products in a specific market and is in its growth stage, the Board shall prepare the dividend proposal by taking into account the profit of the year, overall development, financial plans, capital need, projection of the industry and the Company's prospects, to be proposed during the shareholders' meeting for approval.

1) Special reserve

In accordance with the regulation issued by the FSC, the Company shall set aside a special reserve before earnings distribution, and equal to the net balance of other deductions in shareholders' equity in the current period from net income in the current period and prior to unappropriated retained earnings. The special reserve set aside based on the deductions in shareholders' equity that resulted from prior periods cannot be distributed to shareholders. The Company can distribute the special reserve with an amount not exceeding that of the reversal of such deductions.

2) Earnings distribution

The distribution of 2023 earnings were resolved during the shareholders' meeting on June 13, 2024. Except for the special reserve for the net decrease in other shareholders' equity recorded in accordance with the regulations of the FSC, there are no earnings available for distribution, therefore, no dividends will be distributed.

On June 21, 2023, the shareholders’ meeting resolved to appropriate the 2022 earnings.

These earnings were appropriated as follows:

		2022
Dividends distributed to ordinary shareholders		
Cash	$	2,864
Shares		14,317
Total	**$**	**17,181**

On March 14, 2025, the company proposed at the board meeting not to distribute dividends for the year 2024.

The earnings distribution information would be available on the Market Observation Post System.

(p) Share-based payment

(i) Restricted employee stock shares plan

The company's Board of Directors passed a resolution on August 23, 2024, to implement a restricted employee stock shares plan to incentivize outstanding employees to stay with the company. The plan will be granted in the form of free allocation of new shares to full-time employees who have served the company or its domestic or foreign subsidiaries for at least two years. The record date for the capital increase is set for October 1, 2024. The Plan will remain in effect for four years.

Share-based Payment Transactions of the Group as of December 31, 2024:

	Equity-Settled Restricted Employee Stock Plan
Grant date	September 11, 2024
Number of shares granted (thousands)	350
Recipients	Full-time employees of the Company and its domestic/foreign subsidiaries or affiliates who have completed at least two years of service
Vesting conditions	- 50% of shares vest after 2 years from grant date - Remaining 50% vest after 4 years from grant date

(ii) Details of the Restricted Employee Stock Shares Plan are as follows:

Restricted employee stock shares plan

Unit: thousand shares

	2024 **First Grant**
Outstanding on January 1	-
Granted during the year	350
Vested during the year	-
Forfeited during the year	-
Outstanding on December 31	**350**

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(iii) The Group's share-based payment transaction for 2023 was as follows:

	New shares reserved for employee subscription
Grant date	September 18, 2023
Number of shares granted	624,900
Contract term (year)	0.1562
Recipients	All employees
Vesting conditions	Immediately vested

(iv) Details of the employee stock options are as follows:

	2023	
	Weighted average exercise price	Number of options
Outstanding at January 1	$ -	-
Granted during the year (number)	12.00	624,900
Exercised during the year (number)	12.00	(624,900)
Outstanding at December 31	-	-
Exercisable at December 31	-	-

(v) Determining the fair value of instruments granted

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

	New shares reserved for employee subscription
Fair value at grant date	2.40
Exercise price	12.00
Duration (years)	0.1562
Expected dividend (%)	-
Risk-free interest rate (%)	1.16

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Notes to the Consolidated Financial Statements

(vi) Employee Expense for Share-Based Payment

The expenses incurred by the Group for share-based payments in the years 2024 and 2023 are as follows:

	2024	2023
Expense from restricted employee stock shares plan	$ 518	-
Expense from employee stock options	-	1,499
Total	$ 518	1,499

(q) Deficits per share

The calculation of basic deficits per share was as follows:

	2024	2023
Basic deficits per share:		
Net loss attributable to owners of partner	$ (48,413)	(23,774)
Weighted average number of common shares (thousand shares)	34,883	30,625
Basic deficits per share (New Taiwan dollars)	$ (1.39)	(0.78)

For the year ended December 31, 2024 and December 31, 2023, the potential common shares outstanding were not disclosed as they had an anti-dilutive effect.

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024				
	Department A	Department B	Department C	Department D	Total
Primary geographical markets					
United States	$ 1,028,897	14,335	-	-	1,043,232
Malaysia	6,266	4,383	92,617	1,039	104,305
Other	16,827	-	-	-	16,827
	$ 1,051,990	18,718	92,617	1,039	1,164,364
Major products/services lines					
Bedding manufacturing and sales	$ 1,055,030	-	-	-	1,055,030
Kitchen cabinet manufacturing and sales	-	18,718	-	-	18,718
Rubberwood processing and sales	-	-	92,670	-	92,670
Rental income	-	-	-	1,125	1,125
Less: Sales returns and discount	3,040	-	53	86	3,179
Net sales	$ 1,051,990	18,718	92,617	1,039	1,164,364

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	2023					
		Department A	Department B	Department C	Department D	Total
Primary geographical markets						
United States	$	841,174	69,190	-	-	910,364
Malaysia		5,492	3,121	56,330	1,280	66,223
China		16,631	-	-	-	16,631
Other		16,580	-	-	-	16,580
	$	879,877	72,311	56,330	1,280	1,009,798
Major products/services lines						
Bedding manufacturing and sales	$	883,070	-	-	-	883,070
Kitchen cabinet manufacturing and sales		-	73,243	-	-	73,243
Rubberwood processing and sales		-	-	56,553	-	56,553
Rental income		-	-	-	1,307	1,307
Less: Sales returns and discount		3,193	932	223	27	4,375
Net sales	$	879,877	72,311	56,330	1,280	1,009,798

(ii) Remaining balances of contract

		December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivables	$	109,849	114,678	81,632
Less: Loss allowance		3,947	4,305	4,310
Total	$	105,902	110,373	77,322
Contract liabilities	$	1,750	2,049	6,397

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were $1,695 thousand and $6,114 thousand, respectively. The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

The change in contract liabilities is mainly due to the difference between the timing of satisfying performance obligations and the timing of customer payments.

Please refer to Note 6(c) for disclosure of accounts receivable and impairment loss.

(s) Employee and directors' remuneration

According to the amendment of the Company's articles of incorporation, no less than 3% of current-year profit before tax excluding employee compensation shall be distributed as employee compensation and no more than 5% of it as director remuneration. However, if the Company has an accumulated deficit, such profit should be used to offset the deficit. The recipients of employee compensation in the preceding paragraph in the form of stocks or cash include employees of affiliated companies who meet certain conditions.

For the fiscal years ended December 31, 2024 and 2023, the Company incurred net losses and therefore did not accrue any employee compensation or director remuneration. The Board of Directors resolved not to distribute such bonuses for both years, which is consistent with the amounts recorded in the Company's 2024 and 2023 financial statements. For further details, please refer to the Market Observation Post System.

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Notes to the Consolidated Financial Statements

(t) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

		2024	2023
Interest income	$	4,969	1,204

(ii) Other income

The details of other income were as follows:

		2024	2023
Settlement of insurance claim	$	945	2,543
Government grants		-	249
Others		817	974
Total	$	1,762	3,766

(iii) Other gains and losses

The details of other gains and losses were as follows:

		2024	2023
Gains (losses) on disposals of property, plant and equipment	$	(398)	130
Loss on disposal of right-of-use assets		(1,163)	-
Gains on lease modification		265	106
Gains (losses) on foreign exchange		(842)	8,006
Losses on financial assets (liabilities) at fair value through profit or loss		(7,115)	(8,136)
Losses on impairment		(42,664)	-
Loss on redemption of corporate bonds		(25)	-
Others		(664)	(2,394)
Total	$	(52,606)	(2,288)

(iv) Finance costs

The details of finance costs were as follows:

		2024	2023
Interest expense:			
Bank loans	$	(2,807)	(3,824)
Lease liabilities		(1,903)	(3,054)
Convertible bonds		(2,381)	(3,401)
Total	$	(7,091)	(10,279)

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TECHCENTIAL INTERNATIONAL LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

The book value of financial assets represents the maximum risk exposure.

2) Concentration of credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the statistical information on the Group's customer base, including the default risk of the industry and country in which customers operate. These factors may influence credit risk, particularly in the current deteriorating economic circumstances. The Group's accounts receivable is concentrated on three main customers, which accounted for 41% and 73% of the total amount of accounts receivable as of December 31, 2024 and 2023. As of December 31, 2024 and 2023, the Group's accounts receivable concentrated on three main customers were $43,775 thousand and $80,897 thousand, respectively.

3) Credit risk of accounts receivable and financial assets measured at amortized cost

Please refer to note 6(c) for information on the credit risk of accounts receivable.

Please refer to note 6(b) for details on financial assets measured at amortized cost and refer to note 6(d) for details on other receivables. Financial assets measured at amortized cost, other receivables and refundable deposits are determined to have low credit risk, therefore, they are measured using the 12-month ECL allowance method.

(ii) Liquidity risk

The following table shows the maturity of financial liabilities including estimated interest:

	Amount	Contractual cash flows	Less than 1 year	2~5 years	Over 5 years
December 31, 2024					
Non derivative financial liabilities					
Short-term loans	$ 55,417	55,676	55,676	-	-
Accounts payable	62,974	62,974	62,974	-	-
Other payables	32,542	32,542	32,542	-	-
Long-term loans	20,893	22,679	7,928	14,751	-
Lease liabilities	18,778	19,513	15,799	3,714	-
Convertible bonds payable (include derivative financial liabilities)	100,274	109,161	-	109,161	-
	290,878	302,545	174,919	127,616	-

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		Amount	Contractual cash flows	Less than 1 year	2~5 years	Over 5 years
Derivative financial liabilities						
Other forward foreign exchange contracts						
Inflow		-	(75,349)	(75,349)	-	-
Outflow		1,742	77,091	77,091	-	-
		1,742	1,742	1,742	-	-
	$	292,620	304,287	176,661	127,626	-
December 31, 2023						
Non derivative financial liabilities						
Short-term loans	$	48,366	48,658	48,658	-	-
Accounts payable		81,271	81,271	81,271	-	-
Other payables		40,397	40,397	40,397	-	-
Long-term loans		25,740	27,244	13,287	13,779	178
Lease liabilities		41,061	43,435	25,563	17,872	-
Convertible bonds payable (include derivative financial liabilities)		109,915	123,535	1,111	122,424	-
	$	346,750	364,540	210,287	154,075	178

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

(iii) Currency risk

1) Currency risk exposure

The Group's significant exposure to foreign currency risk was as follows:

		December 31, 2024			December 31, 2023		
		Foreign currency (in thousands)	Exchange rate	Amount	Foreign currency (in thousands)	Exchange rate	Amount
Financial assets							
Monetary items							
USD	$	4,916	32.85	161,458	7,004	30.74	215,316
Financial liabilities							
Monetary items							
USD		124	32.85	4,062	389	30.74	11,963

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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on accounts receivables.

A 0.25% strengthening (weakening) of the TWD and MYR against the USD as at December 31, 2024 and 2023, would have decreased (increased) the net profit before tax for the years ended December 31, 2024 and 2023 by $394 thousand and $508 thousand, respectively.

3) Foreign exchange gain and loss on monetary items

Due to the different types of functional currency of the Group, the Group discloses its exchange gains and losses of monetary items aggregately. The Company's exchange gain (loss), including realized and unrealized, were $(842) thousand and $8,006 thousand for the years ended December 31, 2024 and 2023, respectively.

(iv) Interest rate analysis

The Group's financial liabilities and the restricted time deposits interest rate exposure was due to interest rate fluctuation.

If the interest rate had increased/decreased by 1%, the Group's net income before taxation would have decreased/increased by $763 thousand and $703 thousand for the years ended December 31, 2024 and 2023.

(v) Fair value of financial instruments

1) Categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss are measured at fair value regularly. The book value and the fair value of financial assets and financial liabilities, including fair value hierarchy disclosures (excluding financial instruments in which their book value is not measured at fair value, but represents a reasonable approximation of their fair value, or lease liabilities, as disclosure for such instruments is not required), are as follows:

	December 31, 2024				
		Fair value			
	Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 270,919	-	-	-	-
Accounts receivables	105,902	-	-	-	-
Other receivables	138	-	-	-	-
Refundable deposits	8,637	-	-	-	-
Total	$ 385,596	-	-	-	-

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	December 31, 2024				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured of fair value through profit or loss					
Derivative financial liabilities	$ 4,064	-	4,064	-	4,064
Financial liabilities measured at amortized cost					
Short-term loans	55,417	-	-	-	-
Accounts payable	62,974	-	-	-	-
Other payables	32,542	-	-	-	-
Long-term loans	20,893	-	-	-	-
Lease liabilities	18,778	-	-	-	-
Convertible bonds payable	97,952	-	-	-	-
Subtotal	288,556	-	-	-	-
Total	**$ 292,620**	-	**4,064**	-	**4,064**

	December 31, 2023				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured of fair value through profit or loss					
Derivative financial assets	$ 942	-	942	-	942
Financial assets measured at amortized cost					
Cash and cash equivalents	209,721	-	-	-	-
Financial assets at amortized cost	3,825	-	-	-	-
Accounts receivables	110,373	-	-	-	-
Other receivables	93	-	-	-	-
Refundable deposits	17,910	-	-	-	-
Subtotal	341,922	-	-	-	-
Total	**$ 342,864**	-	**942**	-	**942**
Financial liabilities measured of fair value through profit or loss					
Derivative financial liabilities	$ 1,572	-	1,572	-	1,572
Financial liabilities measured at amortized cost					
Short-term loans	48,366	-	-	-	-
Accounts payable	81,271	-	-	-	-
Other payables	40,397	-	-	-	-
Long-term loans	25,740	-	-	-	-
Lease liabilities	41,061	-	-	-	-
Convertible bonds payable	108,343	-	-	-	-
Subtotal	345,178	-	-	-	-
Total	**$ 346,750**	-	**1,572**	-	**1,572**

2) Valuation techniques and assumptions used in fair value determination

a) Non derivative financial instruments

i) The carrying amounts of the following short-term financial instruments approximate their fair values because of their short maturities: cash and cash in the bank, accounts receivable and payable (including related parties), other receivables and payables, financial assets at amortized cost, other financial assets, refundable deposits, and short-term loans.

ii) The fair value of convertible bonds is estimated using a valuation model, but the fair value of convertible bonds is not necessarily equal to future cash outflow.

iii) The fair value of long-term loans and lease liabilities is estimated using the present value of future cash flows discounted by the interest rates the Group may obtain for similar loans and leases payable. However, the fair value of long-term loans is estimated by using its book value because most of it has floating rates. Lease liabilities are calculated based on the fixed rate agreed in the lease contract or incremental borrowing rate.

b) Derivative financial instruments

Forward exchange contracts were usually estimated by using the current forward exchange rates of the transaction banks. Foreign currency option contracts were evaluated by using the Black Scholes model provided by the transaction banks. The fair value of redemption rights and put options of the convertible bonds was estimated according to the external expert's valuation report. The valuation model is a binary tree convertible bond valuation model that uses market-based observable input values that include stock price volatility, risk-free interest rate, risk discount rate and liquidity risk to reflect the fair value of the options.

(v) Financial risk management

(i) Overview

The Group has exposure to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Please see other related notes for quantitative information.

(ii) Risk management framework

The Group's management monitors risk exposure, risk control, and the managing process and ensures appropriate handling to balance the risk and control.

(Continued)

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The Group minimizes the risk exposure through derivative financial instruments. The management of the finance department regulates the use of derivative and non-derivative financial instruments in accordance with the Group's policy in consideration of the risks arising from financial instruments such as credit risk, currency risk, and interest rate risk to which the Group is exposed. The Group has no transactions of any derivative financial instruments of speculation.

The management reports the results of derivative financial instruments to the board of directors on a regular basis.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes the financial statement analysis and external ratings, when available.

2) Investments

The credit risk exposure of the bank deposits and other financial instruments is measured and monitored by the Group's management. Since the Group's counterparties are banks with good credit standing, there is no significant default risk and therefore no significant credit risk.

3) Guarantees

For information on guarantees as of December 31, 2023, please refer to note 13.

(iv) Liquidity risk

Based on the management forecasted working capital requirement, the Group maintains sufficient funds to fulfill operational requirements and retains adequate unused credit lines to avoid violation of loan related terms and conditions. The forecast is in consideration of finance projects and compliance with the terms of loan agreements.

Loans and borrowings from the banks form an important source of liquidity for the Group. As of December 31, 2024 and 2023, the Group's unused credit line amounted to $193,335 thousand and $63,148 thousand, respectively.

(v) Market risk

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

The Group buys and sells derivatives, and also incurs financial assets to manage market risks. All such transactions are carried out within the scope of the Group's internal control policy.

(Continued)

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the USD and MYR. According to Malaysian regulations announced in December 2016, at any point in time, if any foreign exchange transactions occur, 75% of the foreign currency must be exchanged for MYR. The regulation does not have a significant impact on the Group.

To manage its future transactions and realize currency risk on assets and liabilities, the management of the Group adopts forward foreign exchange contracts to hedge the risk.

The Group uses forward foreign exchange contracts to lower its currency risk that is caused by exchange rate fluctuation and sets a stop loss point to lower its currency risk.

2) Interest rate risk

The interest rate risk is explained in the interest rate analysis in this note. The changes in interest rates do not have a significant effect on the fair value of the aforementioned financial liabilities.

(w) Capital management

The Group manages capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt-to-equity ratio to manage capital. This ratio is the total debt divided by the total capital. The total debt is derived from the total liabilities on the balance sheet. The total capital and equity include share capital, capital surplus, retained earnings, other equity and non-controlling interest.

The Group's collective quantitative data is as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 310,795	363,400
Total equity	$ 437,332	431,185
Debt-to-equity ratio	71.07%	84.28%

(Continued)

(x) Non-cash financing activities

For the years ended December 31, 2024 and 2023 the Group's non-cash investing and financing activities were derived from the acquisition of machinery and equipment and right-of-use asset through leasing. Please refer to note 6(g), (j) and (l) for related information.

Reconciliation of liabilities from financing activities of the Company in 2024 and 2023 were as follows:

	January 1, 2024	Cash flows	Non-cash changes						December 31, 2024
			Acquisition of contracts	Expiration and cancellation of contracts	Conversion of bonds	Amortization of Bond Discount upon Redemption	Amortizati on of discount	Translation effect	
Long-term loans	$ 25,740	(7,241)	-	-	-	-	-	2,394	20,893
Short-term loans	48,366	7,051	-	-	-	-	-	-	55,417
Lease liabilities	41,061	(25,305)	5,709	(5,551)	-	-	-	2,864	18,778
Convertible bonds payable	108,343	(1,100)	-	-	(11,697)	25	2,381	-	97,952
Total liabilities from activities	$ 223,510	(26,595)	5,709	(5,551)	(11,697)	25	2,381	5,258	193,040

	January 1, 2023	Cash flows	Non-cash changes						December 31, 2023
			Acquisition of contracts	Expiration and cancellation of contracts	Issuance of bonds	Repayment of bonds	Amortizati on of discount	Translation effect	
Long-term loans	$ 42,879	(16,487)	-	-	-	-	-	(652)	25,740
Short-term loans	42,633	5,733	-	-	-	-	-	-	48,366
Lease liabilities	67,915	(24,013)	5,993	(6,340)	-	-	-	(2,494)	41,061
Convertible bonds payable	113,924	(3,209)	-	-	(10,128)	4,355	3,401	-	108,343
Total liabilities from activities	$ 267,351	(37,976)	5,993	(6,340)	(10,128)	4,355	3,401	(3,146)	223,510

(7) Related-party transactions

(a) Names and relationships with related parties

The following are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Eng Say Kaw	Management of the Company
Eng Kai Pin	Management of the Company
Eng Kai Jie	Management of the Company
Eng Kai Jian	Management of the Company
Eng Xin Kai	Management of the Company
Tey Pek Kiang	Management of the Company
Lim Swee Soon	Management of the Company
Hock Guan Seng Sdn Bhd	Other related parties

(b) Significant transactions with related parties

(i) Purchase and operating costs

Purchase and commission-related parties for processing

	2024	2023
Other related parties	$ -	442

There is no significant difference on the processing cost, purchase price and payment terms between other related parties and other suppliers.

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(ii) Guarantee

For the years ended December 31, 2024 and 2023, Eng Say Kaw, Eng Kai Pin, Eng Kai Jie, Eng Kai Jian, Eng Xin Kai, Tey Pek Kiang and Lim Swee Soon are the joint guarantors providing credit guarantees to the Group for forward transactions, loans and leases.

(c) Management personnel compensation

Key management personnel compensation comprised:

	2024	2023
Short-term employee benefits	$ 17,962	18,348
Post-employment benefits	1,754	1,671
	$ 19,716	20,019

For the years ended December 31, 2024 and 2023, the costs of motor vehicles offered for management use by the Group were $22,157 thousand (MYR 2,880 thousand) and $19,875 thousand (MYR 2,909 thousand), respectively.

(8) Pledged assets:

Pledged assets	Object	December 31, 2024	December 31, 2023
Financial assets at amortized cost－non-current			
Restricted time deposit	Long-term and short-term loans	$ -	3,825
Property, plant and equipment:			
Land	Long-term and short-term loans	18,306	16,707
Building and constructions	Long-term and short-term loans	52,423	48,098
Machinery and equipment	Long-term loans	2,896	11,371
Transportation equipment	Long-term loans	6,648	3,479
Total		$ 80,273	83,480

(9) Commitments and contingencies: None

(10) Losses due to major disasters: None

(11) Subsequent events: None

(Continued)

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Notes to Consolidated Interim Financial Statements

(12) Other:

A summary of personnel costs, depreciation, depletion and amortization is as follows:

Function / Account	2024 Operating cost	2024 Operating expenses	2024 Total	2023 Operating cost	2023 Operating expenses	2023 Total
Personnel costs						
Salaries	130,256	48,228	178,484	124,865	44,786	169,651
Health insurance	1,845	550	2,395	1,542	472	2,014
Pension	1,509	5,066	6,575	1,494	4,693	6,187
Other personnel expense	11,051	955	12,006	9,278	748	10,026
Depreciation	28,548	4,685	33,233	32,666	3,519	36,185
Amortization	-	46	46	-	24	24

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Maximum balance of financing to other parties during the period	Ending balance	Actual usage amount during the period (note 3)	Range of interest rates during the period	Purposes of fund financing for the borrower (note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt (note 3)	Collateral Item	Collateral Value	Individual funding loan limits (note 2)	Maximum limit of fund financing (note 2)
1	TC	The Company	Other receivables	Yes	22,017 (MYR3,000)	-	-	4.0	2	-	Operating capital	-		-	1,673,835	1,673,835
1	TC	TCH	Other receivables	Yes	4,036 (MYR550)	4,036 (MYR550)	4,036 (MYR550)	2.7	2	-	Operating capital	4,036		-	1,673,835	1,673,835
1	TC	EHL	Other receivables	Yes	44,033 (MYR6,000)	44,033 (MYR6,000)	44,033 (MYR6,000)	4.0	2	-	Operating capital	-		-	167,384	223,178
1	TC	ESKB	Other receivables	Yes	4,770 (MYR650)	3,303 (MYR450)	3,303 (MYR450)	4.0	2	-	Operating capital	-		-	1,673,835	1,673,835
1	TC	ESKW	Other receivables	Yes	7,339 (MYR1,000)	7,339 (MYR1,000)	7,339 (MYR1,000)	4.0	2	-	Operating capital	-		-	1,673,835	1,673,835

Note 1: The nature of financing is classified as follows:

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

Note 2: According to TC's policy on loans granted for others, the maximum aggregate amount of loans granted and individual loans granted by TC shall not exceed 40% and 30%, respectively. For entities in which the Company, directly or indirectly, owned more than 100% of their shares, the amount available for financing shall not exceed 300% of the net worth of the lending Company.

Note 3: Transactions within the Group have been eliminated in the preparation of the consolidated financial statements.

Note 4: Calculated with the year-end exchange rate (MYR:NTD＝1:7.3389).

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement Name	Counter-party of guarantee and endorsement Relationship with the Company (note 1)	Limitation on amount of guarantees and endorsements for a specific enterprise (note 2)	Maximum balance for guarantees and endorsements during the period (note 3)	Balance of guarantees and endorsements as of reporting date (note 3)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 2)	Guarantee provided by parent company	Guarantee provided by subsidiaries	Guarantee for companies in China area
1	TC	EHL	3	176,084	106,612 (MYR14,527)	106,612 (MYR14,527)	66,175 (MYR9,017)	-	24.22%	220,105	N	N	N
1	TC	ESKB	1	176,084	3,060 (MYR417)	-	-	-	- %	220,105	N	N	N
1	TC	ESKW	1	176,084	38,441 (USD500；MYR3,000)	22,017 (MYR3,000)	20,666 (MYR2,816)	-	5.00%	220,105	N	N	N

Note 1: The relationship between guarantor and guarantee is as follows:

1. A subsidiary whose common stock is more than 50% owned by the guarantors.
2. For entities in which the Company, directly or indirectly, owned more than 90% of their shares.
3. For entities that do business with the Company.

Note 2: The following are in accordance with the internal control policy "Policy and Procedures for Loaning of Funds and Making of Endorsement/Guarantees":

1. The overall guarantee amounts and guarantee provided to any individual company shall not exceed 50% and 40% of the net worth of the endorsement / guarantee provider's latest financial statements.
2. the aggregate endorsement/ guarantees amount and the maximum amount permitted to any single entity shall not exceed 50% and 40%, respectively, of the net worth on the latest financial statements of the Company.

Note 3: Calculated with year-end exchange rate was (USD:NTD＝1:32.8452；MYR:NTD＝1:7.3389).

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Notes to Consolidated Interim Financial Statements

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with an amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with an amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(ix) Information regarding trading in derivative financial instruments: Please refer to notes 6(b) and 6(l).

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	TC	EHL	2	Other receivables	44,033	Loans, no available comparisons. The mutual negotiable terms and conditions.	5.89%
2	EHL	TC	2	Revenue	14,756	The Price was calculated by the mutual negotiable prices.	1.27%

Note 1: the numbering is as follows

1. 0 represents the parent company.
2. 1 and thereafter subsidiary companies.

Note 2: the nature of the relationship is as follows

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

Note 3: other receivables include loans, receivable interest, and payments made on behalf.

Note 4: The account should be disclosed if the amount is over 1% of the total assets from the statement of financial position and total operating revenue from the statement of comprehensive income.

Note 5: The mentioned transactions between the Group's subsidiaries have been eliminated in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2024:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value (Notes 1 and 2)			
The Company	TC	Malaysia	Furniture manufacturing and sales	77,137	77,137	10,000,000	100.00%	557,945	17,490	17,490	Subsidiary
The Company	TCH	Malaysia	Furniture sales	13,842	13,842	2,000,000	100.00%	689	(57)	(57)	Subsidiary
The Company	EHL	Malaysia	Kitchen cabinet manufacturing and sales	105,008	105,008	32,211,111	89.20%	(26,640)	(60,155)	(53,658)	Subsidiary
TC	ESKB	Malaysia	Wood pellet manufacturing and sales, leasing machinery and equipment	56,884	56,884	8,000,012	100.00%	32,972	583	583	Sub-subsidiary
TCH	TCH(US)	United States	Management Consultant	3	3	100	100.00%	819	(7)	(7)	Sub-subsidiary
ESKB	ESKW	Malaysia	Rubberwood processing and sales	22,512	22,512	3,000,000	100.00%	33,696	810	810	Sub-subsidiary

Note 1: Investment gains (losses) have been recognized by the equity method based on the financial statements of the investee companies audited by the Company's auditor.

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

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(c) Information on investment in mainland China: None

(d) Major shareholders:

Unit: share

Shareholder's Name / Shareholding	Shares	Percentage
Eng Synergy Management Sdn. Bhd.	11,700,000	32.97%
Surging Success Sdn. Bhd.	2,285,000	6.44%
Eng Say Kaw	2,205,109	6.21%

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

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

(3) The shareholding ratio is calculated by unconditionally rounding it down to two decimal places.

(14) Segment information:

(a) General information

The Group's reportable segments are A, B, C, and D. Segment A is involved in the manufacturing and sale of bedroom furniture, segment B in the manufacturing and sale of kitchen cabinets, segment C in the manufacturing and sale of rubber wood, and segment D, starting in 2023, has shifted its primary operating activities from wood pellet manufacturing and sales to leasing.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report, which the chief operating decision maker reviews, as the basis to determine resource allocation and make a performance evaluation. The Group's operating segments' profits and losses are measured based on the income before income tax. The amount reported should be consistent with the report used by the chief operating decision maker.

The measured amount of assets and liabilities of the Group's reportable segments has not yet been reported to the operating decision-makers.

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The Group's operating segment information and reconciliation are as follows:

	2024					
	Segment A	**Segment B**	**Segment C**	**Segment D**	**Adjustments and eliminations**	**Total**
Revenue						
Revenue from external customers	$ 1,051,990	18,718	92,617	1,039	-	1,164,364
Intersegment revenues	-	14,756	18,132	-	(32,888)	-
Interest revenue	7,013	12	2	-	(2,058)	4,969
Total revenue	$ 1,059,003	33,486	110,751	1,039	(34,946)	1,169,333
Interest Expense	$ 4,587	3,377	1,019	160	(2,052)	7,091
Depreciation and Amortization	$ 23,030	7,900	1,431	918	-	33,279
Reportable segment profit or loss	$ 11,495	(60,155)	1,205	(227)	-	(47,682)

	2023					
	Segment A	**Segment B**	**Segment C**	**Segment D**	**Adjustments and eliminations**	**Total**
Revenue						
Revenue from external customers	$ 879,877	72,311	56,330	1,280	-	1,009,798
Intersegment revenues	-	18,262	14,886	-	(33,148)	-
Interest revenue	4,286	45	-	-	(3,127)	1,204
Total revenue	$ 884,163	90,618	71,216	1,280	(36,275)	1,011,002
Interest Expense	$ 8,471	4,347	375	211	(3,125)	10,279
Depreciation and Amortization	$ 18,687	15,820	696	1,006	-	36,209
Reportable segment profit or loss	$ (5,470)	(29,741)	2,122	(148)	-	(33,237)

(c) Product and service information

Revenue from external customers of the Group was as follows:

Products and Services	**2024**	**2023**
Furniture manufacturing and sales	$ 1,051,990	879,877
Kitchen cabinet manufacturing and sales	18,718	72,311
Rubberwood processing and sales	92,617	56,330
Rental income	1,039	1,280
Total	$ 1,164,364	1,009,798

(Continued)

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(d) Geographic information

Export sales revenue by country is based on the billing location of the customer, and non-current assets by location are based on where the assets are located. The information was as follows:

Export sales

Region		2024	2023
United States	$	1,043,232	910,364
Malaysia		104,305	66,223
Other		16,827	33,211
Total	$	1,164,364	1,009,798

Non-current Assets

Region		December 31, 2024	December 31, 2023
Malaysia	$	130,608	188,647

Non-current assets include property, plant and equipment, right-or-use assets, intangible assets, and prepayment for equipment, not including financial assets measured at amortized cost, deferred tax assets and refundable deposits.

(e) Information on major customers whose revenue exceeded 10% of the Group's operating revenue was as follows:

		2024	2023
Customer A	$	329,433	210,750
Customer C		247,314	297,379
Customer D		207,059	171,306
Total	$	783,806	679,435

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