

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan JSP INTERNATIONAL GROUP, LTD. AND AFFILIATES 401(K) SALARY SAVINGS PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/1994
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) JSP INTERNATIONAL GROUP, LTD. 1285 DRUMMERS LANE SUITE 301 WAYNE, PA 19087
2b	Employer Identification Number (EIN) 13-3308754
2c	Plan Sponsor's telephone number 610-651-8630
2d	Business code (see instructions) 326100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/02/2024	SUSANNE PONTO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 751
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 604 6a(2) 585 6b 0 6c 101 6d 686 6e 2 6f 688 6g(1) 674 6g(2) 644 6h 126
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached 0
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached _____
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan JSP INTERNATIONAL GROUP, LTD. AND AFFILIATES 401(K) SALARY SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 JSP INTERNATIONAL GROUP, LTD.	D Employer Identification Number (EIN) 13-3308754

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

X

YesNo
- b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY	
42-0127290	

(b)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	93149	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

CBIZ INVESTMENT ADVISORY SERVICES,

81-3968784

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT ADVISORY	111876	Yes ☒ No ☐	Yes ☐ No ☒	14	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II**Information on Participating Plans (to be completed by DFEs, other than DCGs)**

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan JSP INTERNATIONAL GROUP, LTD. AND AFFILIATES 401(K) SALARY SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 JSP INTERNATIONAL GROUP, LTD.		
		D Employer Identification Number (EIN) 13-3308754

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)	2174	2626
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1330068	1374348
(9) Value of interest in common/collective trusts	1c(9)	5536708	4894477
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	51286936	59991885
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	58155886	66263336
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	58155886	66263336

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1621999	
(B) Participants	2a(1)(B)	2691951	
(C) Others (including rollovers)	2a(1)(C)	59438	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4373388
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	84958	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		84958
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	733284	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		733284
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		242669
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		9348115
c Other income	2c		146241
d Total income. Add all income amounts in column (b) and enter total	2d		14928655

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6588845	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)	906	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		6589751
f Corrective distributions (see instructions)	2f		26429
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	93149	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	111876	
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		205025
j Total expenses. Add all expense amounts in column (b) and enter total	2j		6821205

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8107450
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **KREISCHER MILLER**

(2) EIN: **23-1980475**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	☒	☐	415
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	☐	☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	☐	☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	☐	☒	
e Was this plan covered by a fidelity bond?	☒	☐	500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒	☐	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	☐	☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	☐	☐	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan JSP INTERNATIONAL GROUP, LTD. AND AFFILIATES 401(K) SALARY SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 JSP INTERNATIONAL GROUP, LTD.	D Employer Identification Number (EIN) 13-3308754	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 42-0127290		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.				
5	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6	a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
	b Enter the amount contributed by the employer to the plan for this plan year	6b		
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.				
7	Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8	If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11	a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
	b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12	Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to: a The corresponding number for the plan year immediately preceding the current plan year b The corresponding number for the second preceding plan year	15a 15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year: a Enter the number of employers who withdrew during the preceding plan year b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☐ Design-based safe harbor method ☐ "Prior year" ADP test ☒ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702477A</u> .	

JSP International Group, Ltd. and Subsidiaries

Consolidated Financial Statements as of and for
the Years Ended December 31, 2023 and 2022 and
Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

The Board of Directors

JSP International Group Ltd.

Opinion

We have audited the consolidated financial statements of JSP International Group, Ltd (a wholly owned subsidiary of JSP Corporation) and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income, stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they

would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

April 16, 2024

JSP INTERNATIONAL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 24,480,796	\$ 15,432,560
Accounts receivable, less allowance for doubtful accounts of \$144,513 and \$166,357 in 2023 and 2022, respectively	31,661,964	35,446,569
Inventories—net	29,904,066	29,637,364
Prepaid expenses and other current assets	4,509,410	3,884,571
Note Receivable - affiliate	1,543,750	-
Total current assets	92,099,986	84,401,064
LONG-TERM NOTE RECEIVABLE—Affiliate	-	2,800,000
PROPERTY, PLANT AND EQUIPMENT—Net	66,747,915	61,267,138
OPERATING LEASE RIGHT-OF-USE ASSETS	2,386,800	2,338,865
FINANCE LEASE RIGHT-OF-USE ASSETS	386,483	35,940
INTANGIBLE ASSETS—Net	3,048,857	3,400,714
GOODWILL—Net	689,791	862,239
OTHER LONG-TERM ASSETS	898,505	2,761,643
DEFERRED INCOME TAXES	1,568,301	1,022,735
TOTAL ASSETS	<u>\$ 167,826,638</u>	<u>\$ 158,890,338</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 4,261,172	\$ 5,125,943
Accrued expenses	10,034,382	7,256,373
Current portion of operating lease liabilities	768,708	782,735
Current portion of finance lease liabilities	157,415	16,510
Dividends payable due to JSPC	8,001,478	986,558
Due to JSPC	1,545,803	1,681,235
Revolving credit facility	-	11,500,000
Total current liabilities	24,768,959	27,349,354
OPERATING LEASE LIABILITIES	1,723,398	1,575,790
FINANCE LEASE LIABILITIES	243,486	19,638
DEFERRED INCOME TAXES	3,232,917	3,276,920
LIABILITY FOR POSTEMPLOYMENT BENEFIT PLANS	968,584	728,631
OTHER LIABILITIES	3,055,311	2,852,963
Total liabilities	33,992,653	35,803,296
COMMITMENT AND CONTINGENCIES (Note 19)		
STOCKHOLDER'S EQUITY:		
Common stock, \$100 par value. Authorized 400,000 shares; issued and outstanding 388,500 shares	38,850,000	38,850,000
Retained earnings	100,841,316	92,839,837
Accumulated other comprehensive loss	(5,857,331)	(8,602,795)
Total stockholder's equity	133,833,985	123,087,042
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 167,826,638</u>	<u>\$ 158,890,338</u>

See accompanying notes to consolidated financial statements.

JSP INTERNATIONAL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
NET SALES	\$ 189,730,867	\$ 186,051,724
COST OF GOODS SOLD	<u>146,732,953</u>	<u>166,195,636</u>
GROSS PROFIT	42,997,914	19,856,088
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	20,148,691	16,120,748
RESEARCH AND DEVELOPMENT EXPENSES	1,181,286	1,118,226
(LOSS) GAIN ON SALES OF EQUIPMENT	(463,863)	61,129
INCOME FROM OPERATIONS	21,204,075	2,678,243
INTEREST INCOME	258,315	769,065
INTEREST EXPENSE	(437,227)	(350,894)
FOREIGN EXCHANGE (LOSS)	(896,643)	(339,743)
OTHER INCOME—Net	<u>14,139</u>	<u>16,651</u>
INCOME BEFORE INCOME TAXES	20,142,659	2,773,322
INCOME TAX EXPENSE	<u>4,139,703</u>	<u>800,207</u>
NET INCOME	<u>\$ 16,002,956</u>	<u>\$ 1,973,116</u>

See accompanying notes to consolidated financial statements.

JSP INTERNATIONAL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
NET INCOME	\$ 16,002,956	\$ 1,973,116
OTHER COMPREHENSIVE INCOME—Net of tax:		
Foreign currency translation adjustments	2,793,763	1,027,537
Net unrealized change in postemployment benefits plans	<u>(48,299)</u>	<u>(25,424)</u>
Total other comprehensive income (loss)	2,745,464	1,002,113
TOTAL COMPREHENSIVE INCOME	<u>\$ 18,748,419</u>	<u>\$ 2,975,229</u>

See accompanying notes to consolidated financial statements.

JSP INTERNATIONAL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholder's Equity
	Shares	Amount			
Balance—December 31, 2021	388,500	\$ 38,850,000	\$ 91,853,279	\$ (9,604,908)	\$ 121,098,371
Net income	-	-	1,973,116	-	1,973,116
Other comprehensive loss	-	-	-	1,002,113	1,002,113
Dividends declared, \$2.54 per share	-	-	(986,558)	-	(986,558)
Balance—December 31, 2022	388,500	38,850,000	92,839,837	(8,602,795)	123,087,042
Net income	-	-	16,002,956	-	16,002,956
Other comprehensive income	-	-	-	2,745,464	2,745,464
Dividends declared, \$20.60 per share	-	-	(8,001,478)	-	(8,001,478)
Balance—December 31, 2023	<u>388,500</u>	<u>\$ 38,850,000</u>	<u>\$ 100,841,316</u>	<u>\$ (5,857,331)</u>	<u>\$ 133,833,985</u>

See accompanying notes to consolidated financial statements.

JSP INTERNATIONAL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 16,002,956	\$ 1,973,116
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,686,145	9,929,954
Noncash lease expense	958,623	1,201,596
Deferred income taxes	(167,821)	154,753
Loss/(Gain) on disposal of equipment	463,863	(61,129)
(Decrease)/Increase in allowance for doubtful accounts	(21,844)	84,766
Increase in deferred compensation expense	202,351	120,000
Changes in operating assets and liabilities:		
Accounts receivable	4,915,024	(4,534,290)
Inventories	154,083	5,312,263
Prepaid expenses and other current assets	(963,926)	533,299
Other long-term assets	1,423,957	183,376
Accounts payable	(1,060,659)	2,162,786
Accrued expenses	2,573,402	(1,536,005)
Due to JSPC	(215,749)	154,438
Operating lease liabilities	(873,172)	(1,181,950)
Net cash provided by operating activities	<u>35,077,233</u>	<u>14,496,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(16,031,070)	(14,979,839)
Proceeds from sale of equipment	17,960	1,091,816
Payments received on notes receivable	391,863	391,863
Payments received on note receivable from affiliate	<u>1,800,000</u>	<u>600,000</u>
Net cash used in investing activities	<u>(13,821,247)</u>	<u>(12,896,160)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from drawdown on revolving credit facilities	-	6,500,000
Payments on revolving credit facilities	(11,500,000)	(5,000,000)
Dividends paid	(986,558)	(1,514,885)
Principal payments of finance lease liabilities	<u>(45,807)</u>	<u>(1,807)</u>
Net cash used in financing activities	<u>(12,532,365)</u>	<u>(16,692)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>324,615</u>	<u>119,881</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,048,236	1,704,002
CASH AND CASH EQUIVALENTS—Beginning of year	<u>15,432,560</u>	<u>13,728,558</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 24,480,796</u>	<u>\$ 15,432,560</u>

See accompanying notes to consolidated financial statements.

JSP INTERNATIONAL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. BUSINESS

JSP International Group, Ltd., a wholly owned subsidiary of JSP Corporation (JSPC), a Japanese corporation, and its subsidiaries (collectively, the Company) manufactures and molds preformed particles of polypropylene (the Product) predominantly in the United States and Mexico, which are sold principally to the automotive industry. The Company's current technology and support for its financing arrangements have been supplied through JSPC. Management believes that such support will continue as necessary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and include the accounts of the Company and its direct and indirect wholly owned and majority owned subsidiaries, JSP International de Mexico (JSPI Mexico), JSP Mold LLC, JSP Realty LLC, JSP International LLC (JSPI), JSP Specialty Foams LLC, and JSP Resins LLC (JSPR). All intercompany balances and transactions have been eliminated in consolidation.

Cash Equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Trade Accounts Receivable—Trade accounts receivable are recorded at the invoiced amount, are presented net of the allowance for credit losses, and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flow. The Company primarily sells its products to various customers within the automotive industry. Customers typically are provided with payment terms of 30-60 days. The Company has tracked historical loss information for its trade receivables and compiled historical credit loss percentages for different aging categories (Current, 1-30 days past due, 31-60 days past due, 61-90 days past due, and 91+ days past due).

Management believes that the historical loss information it has compiled is a reasonable starting point in which to calculate the expected allowance for credit losses for accounts receivable held at December 31, 2023, as the composition of the trade receivables has remained historically consistent.

The Company writes off receivables after all means of collection have been exhausted and the potential for recovery is considered remote. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the years ending December 31, 2023 and 2022. The allowance for credit losses was \$144,513 as of December 31, 2023 and was \$166,357 as of December 31, 2022. The Company does not have any off balance sheet credit exposure related to its customers.

Revenue Recognition—The Company derives its revenues primarily from the sale of preformed particles of polypropylene and molded parts. Revenues are recognized when control of these products is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those products. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue. Shipping and handling fees charged to customers are recorded in net sales. The Company does not have any significant financing components as payment is received at or shortly after the point of sale. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year. When the period is greater than a year, it will be amortized over the contract life if the cost is determined to be recuperated from the customer. If the cost is determined to be unrecoverable, it is to be expensed in the period incurred. Cost incurred to fulfill a contract will be expensed if such cost is not expected to be recoverable and the contract is less than a year. If the contract is over a year and such cost is not expected to be recoverable, such cost will be capitalized and amortized over the life of the contract. If the cost is expected to be recoverable, the cost will be capitalized until project completion and subsequently charged to the customer. As of December 31, 2023, such capitalized cost was \$1,583,585 (all costs expected to be recoverable in 2024; included in prepaid expenses and other current assets). As of December 31, 2022, such capitalized cost was \$1,200,097 (included in prepaid expenses and other current assets). This cost mainly relates to tooling and molding equipment that the Company constructs to fulfill production purpose, as instructed by the customer in the contract.

Shipping & Handling—Shipping and handling services are either separately stated on the purchase order, or separately billed to the customer, or the cost is built into the price/piece. Accordingly, each shipping service on a purchase order represents a promise to transfer distinct services to the customer, and therefore represents a separate performance obligation. Shipping and handling fees charged to customers are recorded in net sales.

Disaggregation of Revenue from Contracts with Customers—All revenue is recognized from customer contracts. Revenue from performance obligations satisfied at a point in time consists of preformed particles of polypropylene and molded parts. As such, disaggregation of revenue is not necessary.

Performance Obligations—For performance obligations related to the sale of preformed particles of polypropylene and molded parts, control transfers to the customer at a point in time. The Company's principal terms of sale are Free-On-Board Shipping Point—Risk and title transferred at the shipping point, and therefore the Company transfers control and records revenue for product sales upon shipment.

Variable Consideration—The nature of the Company's business gives rise to variable consideration, including cash discounts, sales allowances, returns, and rebates that generally decrease the transaction price which reduces revenue. These variable amounts are generally credited to the customer, based on achieving certain levels of sales activity, product returns or price concessions.

Variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience and known trends.

Translation of Foreign Currencies—The Company’s reporting currency is the U.S. dollar. The local currency is the functional currency for JSPI Mexico’s operations. Assets and liabilities of JSPI Mexico’s operations are translated into U.S. dollars at the current rate of exchange existing at year end, and revenues and expenses are translated at average monthly exchange rates. Translation gains and losses are recorded as a component of other comprehensive income (loss). Transaction gains and losses are recognized in the consolidated statements of operations as foreign exchange gain (loss), net.

Inventories—Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first in, first out (FIFO) method.

Property, Plant, and Equipment—Property, plant, and equipment are stated at cost. Depreciation on property, plant, and equipment is calculated using the straight-line method over the estimated useful lives of the respective assets. The estimated useful life of buildings is 20 years, while machinery and equipment range from 5 to 10 years. Costs for maintenance and repairs are expensed as incurred. Upon retirement or other disposition, the cost of an asset and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the consolidated statements of operations. During 2022, the Company entered into various agreements to sell the assets of Sheet Foam for \$1,052,000. All of these transactions closed as of December 31, 2022, and the Company recognized a gain on sale of \$52,000.

Long Lived Assets—Long lived assets, such as property, plant, and equipment and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by the asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party appraisals, as considered necessary.

Goodwill—Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is amortized on a straight-line basis over 10 years and is tested for impairment at the entity level when a triggering event occurs that indicates that the fair value of the entity may be below its carrying amount. There were no impairment losses recorded in fiscal years 2023 and 2022.

Income Taxes—Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company records interest related to unrecognized tax benefits in interest expense and penalties in selling, general, and administrative expenses.

Use of Estimates—The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property, plant, and equipment, assets impairment considerations, the initial recording of fair value of goodwill and intangible assets; the allowance for doubtful accounts; the valuation of inventories; and income tax uncertainties and other contingencies.

Fair Value of Financial Instruments—The Company does not hold financial instruments for trading purposes. The carrying amounts of cash and cash equivalents, accounts receivable, note receivables, accounts payable and revolving credit facilities approximate their fair value due to the short-term maturity of these instruments. Management believes that the carrying amount of its affiliated notes receivable approximates fair value.

Postemployment Plans—The Company has several noncontributory defined benefit postemployment plans covering all of its employees at the Mexico plant in accordance with Mexican regulations. The benefits are based on age, years of service, and salary. The Company records annual amounts relating to these plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, compensation increases, and turnover rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in accumulated other comprehensive loss and amortized to net periodic cost over future periods. The net periodic costs are recognized as employees render the services necessary to earn the postemployment benefits. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

Lease Arrangements— The Company lease various facilities, equipment, and land under operating and finance lease agreements. The Company determines if an arrangement is a lease at inception. A contract is or contains a lease if the contract conveys the right to control and obtain substantially all of the economic benefits from an identified asset, and provides the Company with the right to direct the use of the identified asset for a period of time in exchange for consideration. Leases with initial term lengths of twelve months or less are not recorded on the Company's balance sheet.

Topic 842 includes certain practical expedients that can be elected for new leases that are executed after the adoption of the new requirements. The Company elected the following practical expedients provided by this guidance:

- The practical expedient for short-term leases, which allows the Company to not recognize lease agreements that have a lease term of 12 months or less, and the Company is not reasonably certain to purchase the underlying asset.
- The practical expedient for nonlease components, which allows the Company to not separate lease components from the related nonlease components, and the Company is applying this expedient to certain equipment assets.
- The practical expedient for risk-free discount rate for non-public business entities, which allows the Company to use a risk-free discount rate for a comparable period to the lease term in order to calculate the present value of lease payments.

At the lease commencement date, the Company recognizes a lease liability and an ROU asset representing its right to use the underlying asset over the lease term. The initial measurement of the lease liability is calculated on the basis of the present value of the remaining lease payments and the ROU asset is measured on the basis of this liability, adjusted by prepaid and accrued rent, lease incentives, and initial direct costs. The subsequent measurement of a lease is dependent on whether the lease is classified as an operating lease or a finance lease. Operating lease cost is recognized on a straight-line basis over the lease term, with the cost presented within the Cost of Goods Sold and Selling, general, and administrative expenses line items in the Consolidated Statement of Operations. Finance lease cost is comprised of a separate interest component and amortization component. The amortization component is presented within the Cost of Goods Sold and Selling, general, and administrative expenses line items and the interest component is presented within the Interest Expense line item on the Consolidated Statement of Operations.

As of December 31, 2023 and 2022, the Company has not identified agreements that have a residual value guarantee. The Company also has not identified material agreements that it acts as a lessor under the definitions in ASC 842. Likewise, there are no material lease agreements that the Company has entered but has not commenced as of December 31, 2023 and 2022.

The Company's lease terms may include options to extend or terminate the lease. The Company exercises judgment to calculate the term of those leases when extension or termination options are present and include such options in the calculation of the lease term when it is reasonably certain that the Company will exercise those options.

Topic 842 requires that a lessee use the rate implicit in the lease when measuring the lease liability and ROU asset, unless that rate is not readily determinable. Alternatively, the Company, as a private company and as practical expedient, is permitted to use a risk-free rate. The Company has elected, for all asset classes, to use the risk-free rate when classifying and measuring its leases. The treasury rate factors in the term of the lease as well as the economic environment that the company is operating in. As all of the company's leases have been executed in the United States, the Company uses the daily treasury yield curve rates, as published by the U.S Department of the Treasury

Recent Accounting Pronouncements—In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of credit losses on Financial Instruments*, which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which simplifies the goodwill impairment test. On November 15, 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2019-10 delaying the effective date for the simplified goodwill impairment test standard. The amendment is effective for financial statements issued for fiscal years beginning after December 15, 2022. The Company adopted the standard effective January 1, 2023. There was no impact to the Company's financial statements as a result of the adoption of this standard.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes. The amendment is effective for financial statements issued for fiscal years beginning after December 15, 2022. The Company adopted the standard effective January 1, 2023. There was no impact to the Company's financial statements as a result of the adoption of this standard.

3. MAJOR CUSTOMERS AND CONCENTRATION OF CREDIT RISK

A significant portion of the Company's net sales is to the automotive industry, which accounted for approximately 51% and 53% of net sales for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, approximately 55% and 51% of third party receivables were from customers in this industry, respectively. Customers include automobile manufacturers, as well as first tier automotive suppliers. Specifically, three customers comprise approximately 40% and 41% of net sales for the years ended December 31, 2023 and 2022, respectively. Three customers comprised approximately 39% and 46% of accounts receivable at December 31, 2023 and 2022, respectively.

4. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Income taxes paid for the years ended December 31, 2023 and 2022 were \$4,104,373 and \$362,667, respectively. Interest paid for the years ended December 31, 2023 and 2022 was \$437,227 and \$350,894, respectively. Purchases of property, plant and equipment in accounts payable at December 31, 2023 and 2022 totaled \$804,724 and \$662,184, respectively.

5. ACCOUNTS RECEIVABLE

Following is a summary of net accounts receivable at December 31, 2023 and 2022:

	2023	2022
Trade accounts	\$ 29,746,552	\$ 33,375,428
Affiliates	-	22,390
Value-added taxes	2,059,925	2,215,108
Less:		
Allowance for doubtful accounts	<u>(144,513)</u>	<u>(166,357)</u>
	<u>\$ 31,661,964</u>	<u>\$ 35,446,569</u>

6. INVENTORIES, NET

Inventories at December 31, 2023 and 2022, consisted of the following:

	2023	2022
Finished goods	\$ 14,125,259	\$ 12,704,547
Raw materials and chemicals	<u>15,778,807</u>	<u>16,932,817</u>
	<u>\$ 29,904,066</u>	<u>\$ 29,637,364</u>

7. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following at December 31, 2023 and 2022:

	2023	2022
Molding equipment being constructed for resale	\$ 1,583,585	\$ 1,021,153
Prepaid and refundable income taxes	1,048,431	1,574,744
Notes receivable—short-term	274,102	295,839
Miscellaneous prepaids and other	<u>1,603,292</u>	<u>992,835</u>
	<u>\$ 4,509,410</u>	<u>\$ 3,884,571</u>

The Company has arranged for and is constructing certain molding equipment to be used in the molding of polypropylene based parts. Based upon purchase orders received and agreements reached with various customers, the Company expects to sell the completed molding equipment held at December 31, 2023 and 2022 to the customers in 2024.

In July 2018, the Company loaned £312,750 (\$405,274) to Bockatech Ltd. On January 1, 2019, the loan began to bear interest at 5% annually. In February 2020, an amendment to the note was made to extend the principal repayment date to June 30, 2022. The loan balance as of December 31, 2021 was £312,750 (\$422,578). Each month in 2021, Bockatech, Ltd. paid the Company the interest due. As such, there was no accrued interest as of December 31, 2021. On May 6, 2022, the Company received a payment from Bockatech Ltd. for the entire loan balance of £312,750 (\$381,214). This amount is included in the payments received on notes receivable for fiscal year 2022 in the Consolidated Statements of Cash Flows.

8. OTHER LONG-TERM ASSETS

Other long-term assets consisted of the following at December 31, 2023 and 2022:

	2023	2022
Molding equipment being constructed for resale	\$ -	\$ 178,944
Interest receivable—affiliate	-	1,664,250
Other long-term assets	<u>898,505</u>	<u>918,449</u>
	<u>\$ 898,505</u>	<u>\$ 2,761,643</u>

Other long-term assets consisted primarily of employee benefits, rent, and utility deposits.

9. PROPERTY, PLANT, AND EQUIPMENT

The components of property, plant, and equipment at December 31, 2023 and 2022 were as follows:

	2023	2022
Land	\$ 2,979,526	\$ 2,842,132
Buildings and improvements	35,756,743	36,825,063
Machinery and equipment	153,144,429	140,052,885
Construction in progress	<u>11,162,800</u>	<u>8,788,841</u>
	203,043,498	188,508,921
Less accumulated depreciation	<u>(136,295,583)</u>	<u>(127,241,783)</u>
Net property, plant, and equipment	<u>\$ 66,747,915</u>	<u>\$ 61,267,138</u>

Depreciation expense was \$11,124,856 and \$9,080,403 for the years ended December 31, 2023 and 2022, respectively.

10. ACCRUED EXPENSES

Accrued expenses consisted of the following at December 31, 2023 and 2022:

	2023	2022
Vacation	\$ 192,457	\$ 149,108
Utilities	822,847	764,775
Health insurance	544,500	567,000
Accrued bonus	1,018,000	550,000
Income taxes	55,694	48,595
Value-added taxes	612,905	651,990
Payroll	1,257,963	1,250,664
Inventory receipts	853,748	615,480
Freight	439,492	361,909
Other	<u>4,236,777</u>	<u>2,296,853</u>
	<u>\$ 10,034,383</u>	<u>\$ 7,256,373</u>

Other accrued expenses consisted primarily of liabilities for outside services, insurance claims, and expensed items received but not yet invoiced.

11. DEBT

The Company has available two credit facilities with banks totaling \$30,000,000. Any borrowing under the credit facilities cannot have a maturity date exceeding six months and bears interest quoted by the banks at the time of such borrowing. JSPC, the Company's parent, is required to guarantee any borrowings by the Company under these credit facilities. As of December 31, 2023, there was no balance outstanding for these credit facilities. As of December 31, 2022, \$11,500,000 was outstanding. Letters of credit totaling \$795,000 were issued as of December 31, 2023 and 2022, and amounts available for borrowing were \$29,205,000 and \$17,705,000, respectively. The Company is charged 1% annually for any outstanding letters of credit. The credit facilities are renewed on or around March 31 each year, and the Company has renewed them through March 31, 2025.

During the term of the credit facilities, the Company is required to maintain net worth greater than \$0. The Company was in compliance with the net worth covenant during 2023 and 2022.

12. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the year ended December 31, 2023 and 2022 were as follows:

	2023	2022
Balance as of January 1:		
Gross goodwill	\$ 4,956,775	\$ 4,956,775
Accumulated amortization expense	<u>(4,094,536)</u>	<u>(3,598,861)</u>
Net goodwill as of January 1	<u>\$ 862,239</u>	<u>\$ 1,357,914</u>
Amortization expense	<u>\$ (172,448)</u>	<u>\$ (495,675)</u>
Balance as of December 31:		
Gross goodwill	\$ 4,956,775	\$ 4,956,775
Accumulated amortization expense	<u>(4,266,984)</u>	<u>(4,094,536)</u>
Net goodwill as of December 31	<u>\$ 689,791</u>	<u>\$ 862,239</u>

Details of intangible assets as of December 31, 2023 and 2022 were as follows:

2023			
	Estimated Useful Life	Gross Carrying Amount	Net Carrying Amount
Patents	14 yrs	\$ 4,380,000	\$ (1,877,143)
Trademarks	20 yrs	<u>780,000</u>	<u>(234,000)</u>
Total		<u>\$ 5,160,000</u>	<u>\$ (2,111,143)</u>
2022			
	Estimated Useful Life	Gross Carrying Amount	Net Carrying Amount
Patents	14 yrs	\$ 4,380,000	\$ (1,564,286)
Trademarks	20 yrs	<u>780,000</u>	<u>(195,000)</u>
Total		<u>\$ 5,160,000</u>	<u>\$ (1,759,286)</u>

Amortization expense was \$351,857 and \$351,857 for the years ended December 31, 2023 and 2022, respectively. Estimated annual amortization expense is \$351,857 for the period 2024-2028.

13. INCOME TAXES

Income tax expense consisted of the following components for the years ended December 31, 2023 and 2022:

	2023	2022
Current:		
Federal	\$ 3,972,722	\$ 332,258
State	587,219	143,948
Foreign	<u>0</u>	<u>159,488</u>
	<u>4,559,941</u>	<u>635,694</u>
Deferred:		
Federal	(10,443)	167,111
State	(33,561)	(85,259)
Foreign	<u>(375,851)</u>	<u>82,661</u>
	<u>(419,855)</u>	<u>164,513</u>
Income tax expense	<u>\$ 4,140,086</u>	<u>\$ 800,207</u>

Deferred income taxes are recorded based upon differences between the financial statement and the tax basis of assets and liabilities. The following deferred income taxes have been recorded at December 31, 2023 and 2022:

	2023	2022
Deferred tax assets:		
Accrued compensation	\$ 1,147,749	\$ 912,413
Accrued royalties	238,903	242,062
Accounts receivable	36,338	41,128
Lease liabilities	648,910	531,126
Inventories	1,004,890	1,002,851
Goodwill amortization	209,657	205,546
	362,818	-
Other	<u>711,498</u>	<u>394,121</u>
 Total gross deferred tax assets	 4,360,763	 3,329,247
 Less valuation allowance	 <u>-</u>	 <u>(41,367)</u>
 Total gross deferred tax assets	 <u>4,360,763</u>	 <u>3,287,880</u>
Deferred tax liabilities:		
Property, plant, and equipment	5,303,264	4,940,251
Right-of-use lease assets	621,930	524,294
Other	<u>100,185</u>	<u>77,520</u>
 Total gross deferred tax liabilities	 <u>6,025,379</u>	 <u>5,542,065</u>
 Net deferred tax liability	 <u><u>\$ 1,664,616</u></u>	 <u><u>\$ 2,254,185</u></u>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

The Company has not recognized a deferred tax liability for the undistributed earnings of its foreign operations that arose in 2023 and prior years because the Company does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future. A deferred tax liability will be recognized when the Company is no longer able to demonstrate that it plans to permanently reinvest undistributed earnings. As of December 31, 2023 and 2022, the undistributed earnings of this subsidiary were approximately \$20,000,000 and \$20,000,000, respectively. It is not practical to determine the tax liability associated with these undistributed earnings.

The effective income tax rate differs from the U.S. federal statutory income tax rate of 21% primarily as a result of state income taxes, nondeductible expenses including certain goodwill amortization, and rate differential of foreign earnings.

The Company and its affiliates are subject to income tax examinations by federal, foreign and state taxing authorities. The taxable years that remain subject to examination by federal, state and foreign tax authorities are 2021 and 2022.

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss is recognized as a component of stockholder's equity in the consolidated balance sheets. The tax effect for each component of other comprehensive income (loss) consisted of the following:

As of December 31, 2023	Gross Amount	Benefit for Income Taxes	Net Amount
Foreign currency translation adjustments	\$ (5,690,286)	\$ -	\$ (5,690,286)
Net unrealized change in postemployment benefit plans	<u>(238,636)</u>	<u>71,591</u>	<u>(167,045)</u>
Accumulated other comprehensive loss	<u><u>\$ (5,928,922)</u></u>	<u><u>\$ 71,591</u></u>	<u><u>\$ (5,857,331)</u></u>
As of December 31, 2022	Gross Amount	Benefit for Income Taxes	Net Amount
Foreign currency translation adjustments	\$(8,484,049)	\$ -	\$(8,484,049)
Net unrealized change in postemployment benefit plans	<u>(169,637)</u>	<u>50,891</u>	<u>(118,746)</u>
Accumulated other comprehensive loss	<u><u>\$(8,653,686)</u></u>	<u><u>\$ 50,891</u></u>	<u><u>\$(8,602,795)</u></u>

The changes, net of tax, in each component of accumulated other comprehensive loss consisted of the following:

	Foreign Currency Translation Adjustments	Net Unrealized Change in Postemployment Benefit Plans	Accumulated Other Comprehensive (Loss) Income
Balance at December 31, 2021	\$ (9,511,586)	\$ (93,322)	\$ (9,604,908)
2022 other comprehensive (loss) income	<u>1,027,537</u>	<u>(25,424)</u>	<u>1,002,113</u>
Balance at December 31, 2022	(8,484,049)	(118,746)	(8,602,795)
2023 other comprehensive income (loss)	<u>2,793,763</u>	<u>(48,299)</u>	<u>2,745,464</u>
Balance at December 31, 2023	<u><u>\$ (5,690,286)</u></u>	<u><u>\$ (167,045)</u></u>	<u><u>\$ (5,857,331)</u></u>

15. BENEFIT PLANS

The Company has an employee savings plan (the Savings Plan) that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the Savings Plan, participating U.S. employees may defer a portion of their pretax earnings, up to the Internal Revenue Service annual contribution limit of \$22,500 and \$20,500, or \$30,000 and \$27,000 if the employee's age is 50 years or older, as of December 31, 2023 and 2022, respectively. The Company matches up to 200% of each employee's contributions up to a maximum of 6% of the employee's salary. Total Company contributions to the Savings Plan in 2023 and 2022 were \$1,897,628 and \$1,832,856, respectively.

The Company also maintains several noncontributory defined benefit postemployment plans covering all of its employees at the Mexico plant in accordance with Mexican regulations. The Company has recorded a benefit obligation of \$973,219 and \$728,631 as of December 31, 2023 and 2022, respectively. This amount represents the plans' benefit obligations determined by an actuary using a December 31 measurement date. The benefits to be paid under the provisions of the plans are based on age, years of service, and compensation. The plans are unfunded and the significant actuarial assumptions used to calculate the benefit obligations for both December 31, 2023 and 2022 are a discount rate of 9.18%, salary increase of 6.54%, and minimum wage rate increase of 6.54%.

Projected benefit obligations by plan at December 31, 2023 and 2022 were as follows:

	2023	2022
Pension plan	\$ 759,077	\$ 575,049
Severance indemnity	55,388	43,155
Seniority premium	<u>158,754</u>	<u>110,427</u>
	<u>\$ 973,219</u>	<u>\$ 728,631</u>

Benefit cost for the years ended December 31, 2023 and 2022 was \$140,372 and \$93,455, respectively. Expected benefit payments in each year during the period 2024–2028 are \$17,760, \$21,702, \$38,509, \$73,807, and \$118,673, respectively. The expected aggregate benefits to be paid in the five years from 2029 to 2033 are \$691,402. The expected benefits are based on the same assumptions used to measure the Company's benefit obligation at December 31, 2023 and 2022 and include estimated future employee service.

The Company maintains a post-employment compensation arrangement with certain employees. The agreement provides a benefit based on years of service and base compensation. Total expense for 2023 and 2022 related to this arrangement was \$162,000 and \$180,000, respectively. As of December 31, 2023 and 2022, the post-employment compensation liability was \$1,872,000 and \$1,710,000, respectively, and is included in other liabilities in the consolidated balance sheets.

16. LEASES

The Company lease various facilities, equipment, and land under operating and finance lease agreements. The Company's lease terms may include options to extend or terminate the lease.

Total lease expense consisted of the following components for the years ended December 31, 2023 and 2022:

	2023	2022
Lease expense		
Finance lease expense:		
Amortization of right-of-use assets	\$ 59,643	\$ 2,018
Interest on lease liabilities	6,468	219
Operating lease expense	958,623	1,237,997
Short-term lease expense	1,341,037	1,229,353
Variable lease expense	463	0
	<u>\$ 2,366,234</u>	<u>\$ 2,469,587</u>

As of December 31, 2023 the weighted-average remaining lease term of finance leases and operating leases was 2.99 years and 4.75 years and the weighted-average discount rate was 4.60% and 3.55%, respectively. As of December 31, 2022 the weighted-average remaining lease term of finance leases and operating leases was 2.37 years and 4.61 years, respectively, and the weighted-average discount rate was 4.46% and 1.45%, respectively.

During the year ended December 31, 2023, the Company made cash payments of approximately \$51,802 and \$872,716 for finance lease liabilities and operating lease liabilities, respectively. During the year ended December 31, 2023, operating cash flows from finance leases were \$59,643; finance cash flows from finance leases were \$45,807; and operating cash flows from operating leases were \$85,907. During the year ended December 31, 2022, the Company made cash payments of approximately \$2,026 and \$1,206,725 for finance lease liabilities and operating lease liabilities, respectively. During the year ended December 31, 2022, operating cash flows from finance leases were \$2,018; finance cash flows from finance leases were \$1,807; and operating cash flows from operating leases were \$19,646.

Future minimum lease payments required under leases that have remaining noncancelable lease terms in excess of one year at December 31, 2023 are summarized as follows:

	Finance Leases	Operating Leases
2024	\$ 159,440	\$ 776,339
2025	134,177	515,791
2026	106,649	380,338
2027	25,793	370,721
2028	0	356,580
Thereafter	0	321,100
	<u>426,059</u>	<u>2,720,869</u>
Total lease payments		
Imputed Interest	(27,966)	(234,644)
Effect of exchange rate changes	2,807	5,881
Present value of lease liabilities	<u>\$ 400,900</u>	<u>\$ 2,492,106</u>

During the years ended December 31, 2023 and 2022, right-of-use assets obtained in exchange for new finance lease liabilities were approximately \$406,976 and \$37,630, and right-of-use assets obtained in exchange for new operating lease liabilities were approximately \$937,205 and \$446,188, respectively.

17. COMMITMENTS AND CONTINGENCIES

Raw Material and Equipment Purchases—There were outstanding commitments of approximately \$13,154,000 and \$10,967,000 at December 31, 2023 and 2022, respectively, associated with the purchase of raw materials and new manufacturing equipment, all made in the normal course of business.

Claims and Litigation—The Company is involved in various claims and litigation in the normal course of business. Management does not believe that any such claims or litigation to which the Company is a party will have a material adverse effect on the Company's consolidated financial position or results of operations.

18. TRANSACTIONS WITH RELATED PARTIES

Royalties—The technology involved in the manufacturing process is being licensed under an agreement with JSPC. Pursuant to this agreement, the Company is required to make annual royalty payments on sales of Products, as defined in the agreement, through December 2013, and then until such time as either party provides six month advance notice of intention to cancel. Royalty expense for 2023 and 2022 was \$1,505,620 and \$1,627,377, respectively. At December 31, 2023 and 2022, the Company had amounts due to JSPC, primarily consisting of royalties, of \$1,559,164 and \$1,681,235, respectively.

Inventory and Equipment—The Company purchased raw materials, certain equipment, and technical services totaling \$507,945 and \$529,619 from JSPC in 2023 and 2022, respectively.

Notes Receivable—In February 2011, the Company loaned \$6,000,000 to JSP Participacoes Ltda. (JSPP), a Brazilian affiliated entity owned by JSPC. Currently the loan bears interest at 3% annually. At December 31, 2023 and 2022, accrued interest related to the note was \$543,750 and \$1,664,250, respectively. In April 2023, an eighth amendment to the loan agreement was made that extended the term of the loan until April 2024. The Company does not anticipate amending the loan repayment terms. In December 2023, JSPP made a payment in the amount of \$3,000,000, of which \$1,800,000 was applied against the outstanding principal balance and \$1,200,000 against the outstanding accrued interest. The balance of this note receivable was \$1,000,000 and \$2,800,000 at December 31, 2023 and 2022, respectively. The principal balance and related accrued interest are included in Note Receivable - Affiliate.

In August 2018, the Company loaned \$50,000 to an employee. Initial loan terms stated that the loan bears interest at 4.85% annually with repayment terms at 130 biweekly payments of \$433 of principal and interest with a principal. The maturity date of the loan was August 2023. As of December 31, 2023, the loan was fully repaid and there was no accrued interest unpaid. The loan balance as of December 31, 2022 was \$7,247 (\$7,247 current; included in prepaid expenses and other current assets). There was no accrued interest unpaid as of December 31, 2022.

Dividends—On December 8, 2023, the Company declared a \$20.60 per share cash dividend on the Company's common stock. The dividend was charged to retained earnings on the declaration date in the amount of \$8,001,478. No payments were made with regard to this dividend as of December 31, 2023.

On December 7, 2022, the Company declared a \$2.54 per share cash dividend on the Company's common stock. The dividend was charged to retained earnings on the declaration date in the amount of \$986,558. This dividend was paid during the year ended December 31, 2023.

19. SUBSEQUENT EVENTS

The Company has evaluated all subsequent events and transactions through April 16, 2024, the date at which the consolidated financial statements were available to be issued.

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

JSP I G, L. A

EIN 13 3308754
 PLAN NUMBER 001
 PLAN YEAR 01/01/2023 TO 12/31/2023

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	SEI TRUST COMPANY	Registered Investment Company Allspring Small Co Value A	\$ 0.00	\$ 437,648.78
	The American Funds	Registered Investment Company Am Funds Am Balanced R4 Fund	\$ 0.00	\$ 3,649,872.92
	Baron	Registered Investment Company Baron Growth Retail Fund	\$ 0.00	\$ 3,408,290.35
	Legg Mason	Registered Investment Company ClearBridge Sm Cp Gr A Fund	\$ 0.00	\$ 622,716.51
	Columbia Funds	Registered Investment Company Columbia Div Income Adv Fund	\$ 0.00	\$ 2,007,272.61
	Fidelity Investments	Registered Investment Company Fidelity Adv Total Bond A Fd	\$ 0.00	\$ 1,928,970.20
*	Principal Global Investors Trust Co	Common/Collective Trust Morley Stable Value VI Fund	\$ 0.00	\$ 4,894,477.00
	MFS Investment Management	Registered Investment Company MFS Core Equity R3 Fund	\$ 0.00	\$ 4,988,742.99
	MFS Investment Management	Registered Investment Company MFS Growth A Fund	\$ 0.00	\$ 7,484,229.09
	MFS Investment Management	Registered Investment Company MFS Mid Cap Value R3 Fund	\$ 0.00	\$ 1,149,605.11
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Overseas Stk I	\$ 0.00	\$ 1,484,242.09
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Retirement 2060	\$ 0.00	\$ 479,517.18
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2005 Fund	\$ 0.00	\$ 1,146,255.05
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2010 Fund	\$ 0.00	\$ 39.73
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2015 Fund	\$ 0.00	\$ 129,231.32

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

JSP I G, L. A
 EIN 13 3308754
 PLAN NUMBER 001
 PLAN YEAR 01/01/2023 TO 12/31/2023

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2020 Fund	\$ 0.00	\$ 713,171.90
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2025 Fund	\$ 0.00	\$ 1,768,694.91
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2030 Fund	\$ 0.00	\$ 2,952,845.49
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2035 Fund	\$ 0.00	\$ 3,999,016.96
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2040 Fund	\$ 0.00	\$ 2,326,822.19
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2045 Fund	\$ 0.00	\$ 2,271,251.88
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2050 Fund	\$ 0.00	\$ 2,128,120.27
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2055 Fund	\$ 0.00	\$ 2,083,806.33
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2065 Fund	\$ 0.00	\$ 29,609.55
	Value Line	Registered Investment Company Value Line Select Growth Fd	\$ 0.00	\$ 3,658,988.39
	Vanguard Group	Registered Investment Company Vanguard Intl Growth Inv Fund	\$ 0.00	\$ 757,442.31
	Vanguard Group	Registered Investment Company Vanguard Mid Cap Index Adm Fd	\$ 0.00	\$ 2,578,953.25
	Vanguard Group	Registered Investment Company Vanguard Sm Cap Index Adm Fund	\$ 0.00	\$ 2,212,721.87
	Vanguard Group	Registered Investment Company Vanguard 500 Index Admiral Fd	\$ 0.00	\$ 3,593,805.80
*	Participant Loans	Range of Interest Rates Rates Range From 4.25% To 10.25%	\$ 0.00	\$ 1,374,348.00