Stock Code:1516

Falcon Power Co., Ltd.

Individual Financial Statements
With Report of Independent Auditors

For the Year Ended December 31, 2024 and 2023

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Note to Readers:
The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.
For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Individual Financial Statements
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Independent Auditor's Report

To Falcon Power Co., Ltd.:

Opinion

We have audited the accompanying individual balance sheets of Falcon Power Co., Ltd. (the "Company") as of December 31, 2024 and 2023, and the related individual statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the individual financial statements, including the summary of material accounting policies (together referred as "the individual financial statements").

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the individual financial position of the Company as of December 31, 2024 and 2023, and their individual financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue Recognition—Timing Accuracy

The company recognized revenues of NT$606,144 thousand for the year ended December 31, 2024. As the company's revenues primarily from the trading of electronic components, the sales orders or contracts with various customers contain various terms and conditions. The timing of fulfilling performance obligation needs to be determined based on varieties of sales terms and conditions enacted in the main sales contracts or sales orders. We therefore conclude that there are significant risks with respect to the timing of revenue recognition. Our audit procedures included, but were not limited to, assessing the appropriateness of the accounting policy for the timing of revenue recognition related to performance obligations under the sales model and evaluating and testing the effectiveness of internal control relevant to the timing of revenue recognition for performance obligations in the sales cycle. We have performed tests of sales details, including obtaining original customer orders or contract documents and examining whether the timing of revenue recognition for performance obligations is consistent with the timing of performance obligations and satisfaction of the orders or contracts. We have also considered the appropriateness of the disclosure of operating revenues in Note 6 to the parent company only financial statements.

Revenue Recognition—Judgment of Principal and Agent

The company's operating revenues for the year ended December 31, 2024 primarily derived from the trading of electronic components. The assessment of whether the company is the principal or agent involved significant judgment from management based on whether the company controls the electronic components prior to its transfer to the customer. Therefore, we consider the determination of the principal or agent for the transactions of electronic components to be a key audit matter. Our auditing procedures included, but were not limited to, assessing the appropriateness of revenue recognition accounting policies, including evaluating management's assumptions about the principal's role in the transactions of electronic components, reviewing significant contractual provisions, and determining whether management has primary responsibility for providing the electronic components, and assuming inventory risk before or after delivery of the and electronic components. We tested management's control over setting prices for each order, such as calculating changes in gross margin between orders, including reviewing contract terms and confirming that guaranteed notes and advance receipts were obtained in accordance with the terms of each order. In addition, we considered the appropriateness of the disclosure of operating income in Notes 5 and 6 to the financial statements.

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

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 individual financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Cheng, Ching-Piao

Lin, Cheng-Wei

Ernst & Young, Taiwan, R.O.C
March 11, 2025

Falcon Power Co., Ltd.

Individual Balance Sheets

As of December 31, 2024 and 2023

(All amounts are in thousands of New Taiwan Dollars.)

Assets			Dec. 31, 2024		Dec. 31, 2023	
Code	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$144,625	67	$192,571	40
1150	Net notes receivable	4 and 6.3	-	-	8,492	2
1170	Accounts receivable, net	4 and 6.4	14,186	7	234,707	48
1200	Other receivables		784	-	-	-
1220	Current tax assets	4 and 6.17	606	-	606	-
130x	Inventory	4 and 6.5	-	-	-	-
1470	Other current assets	6.6	881	1	520	-
11xx	Total current assets		161,082	75	436,896	90
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income	4 and 6.2	-	-	-	-
1600	Property, plant and equipment	4, 6.7 and 8	43,440	20	44,430	9
1840	Deferred tax assets	4 and 6.17	10,000	5	2,021	1
1900	Other non-current assets	6.8	8	-	8	-
15xx	Total non-current assets		53,448	25	46,459	10
1xxx	Total assets		$214,530	100	$483,355	100

(Please refer to the notes to the Individual financial statements)

Falcon Power Co., Ltd.
Individual Balance Sheets (Continued)
As of December 31, 2024 and 2023
(All amounts are in thousands of New Taiwan Dollars.)

Liabilities and Equity			Dec. 31, 2024		Dec. 31, 2023	
Code	Accounting items	Note	Amount	%	Amount	%
	Current liabilities					
2102	Short-term loans	6.9 and 8	$-	-	$30,000	6
2170	Accounts payable		4,275	2	-	-
2200	Other payables	6.10	3,146	2	3,225	1
2230	Current income tax liabilities	4 and 6.17	2,181	1	-	-
2300	Other current liabilities		47	-	36	-
21xx	Total current liabilities		9,649	5	33,261	7
2xxx	Total liabilities		9,649	5	33,261	7
	Owner's equity					
3100	Share capital	6.12				
3111	Common stock		400,082	186	388,202	80
3200	Capital surplus	6.12	20,185	9	20,185	4
3300	Retained earnings	6.12				
3310	Legal reserve		29,827	14	28,506	6
3320	Special reserve		6,022	3	6,022	1
3350	Unappropriated retained earnings		(245,213)	(114)	13,201	3
	Total retained earnings		(209,364)	(97)	47,729	10
3400	Other equity		(6,022)	(3)	(6,022)	(1)
3xxx	Total liabilities		204,881	95	450,094	93
	Total liabilities and equity		$214,530	100	$483,355	100

(Please refer to the notes to the Individual financial statements)

Falcon Power Co., Ltd.
Individual Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023
(All amounts except for earnings per share are in thousands of New Taiwan Dollars)

			2024		2023	
Code	Accounting items	Note	Amount	%	Amount	%
4000	Operating revenue	4 and 6.13	$606,144	100	$852,715	100
5000	Operating cost	6.5	(573,779)	(95)	(811,358)	(95)
5900	Gross profit		32,365	5	41,357	5
6000	Operating expense					
6200	Administration expense		(15922)	(2)	(16639)	(2)
6450	Expected credit impairment loss	6.14	(282838)	(47)	0	0
	Subtotal		(298760)	(49)	(16639)	(2)
6900	Operating income		(266395)	(44)	24718	3
7000	Non-operating revenue/expense	6.16 and 7				
7100	Interest income		2,783	-	1,202	-
7010	Other income		136	0	301	0
7020	Other gains and losses		15280	3	(9501)	(1)
7050	Financial costs		(110)	0	(219)	0
	Non-operating Total income and expenses		18089	3	(8217)	(1)
7900	Net profit before tax		(248306)	(41)	16501	2
7950	Income tax expense	4 and 6.17	3093	1	(3300)	0
8200	Net profit for the period		(245213)	(40)	13201	2
8300	Other comprehensive income				0	0
8500	Total other comprehensive income for the period		(245213)	(40)	13201	2
	Earnings per share (NT$)					
9750	Basic EPS	6.18	(6.13)		0.33	
9850	Diluted EPS	6.18	(6.13)		0.33	

(Please refer to the notes to the Individual financial statements)

Falcon Power Co., Ltd.
Individual Statements of Changes in Equity

For the years ended December 31, 2024 and 2023
(All amounts are in thousands of New Taiwan Dollars.)

				Retained earnings			Other equity items	
		Common stock capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains or losses of the financial assets measured at FVTOCI	Total equity
Code	Items	3100	3200	3310	3320	3350	3420	3XXX
A1	Balance as of January 1, 2023	$356,842	$20,185	$23,528	$6,022	$49,778	$(6,022)	$450,333
	Appropriation and distribution of earnings, 2022							
B1	Legal reserve appropriation			4,978		(4,978)		-
B5	Cash dividend for common stock					(13,440)		(13,440)
B9	Stock dividend for common stock	31,360				(31,360)		-
D1	Net income for 2023					13,201		13,201
D3	Other comprehensive income for the year 2023						-	-
D5	Total comprehensive income for the period	-	-	-	-	13,201	-	13,201
Z1	Balance as of December 31, 2023	388,202	20,185	28,506	6,022	13,201	(6,022)	450,094
	Appropriation and distribution of earnings, 2023							
B1	Legal reserve			1,321		(1,321)		-
B9	Stock dividend for common stock	11,880				(11,880)		-
D1	Net income for 2024					(245,213)		(245,213)
D3	Other comprehensive income for the year 2024						-	-
D5	Total comprehensive income for the period	-	-	-	-	(245,213)	-	(245,213)
Z1	Balance as of December 31, 2024	$400,082	$20,185	$29,827	$6,022	$(245,213)	$(6,022)	$204,881

(Please refer to the notes to the Individual financial statements)

Falcon Power Co., Ltd.

Individual Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(All amounts are in thousands of New Taiwan Dollars.)

Code	Items	2024 Amount	2023 Amount	Code	Item	2024 Amount	2023 Amount
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities		
A10000	Net profit before tax in the current period	$(248,306)	$16,501	B00040	Acquisition of financial assets measured at amortized cost	-	25,026
A20010	Adjustments to reconcile profit (loss):			B02800	(Increase) decrease in acquisition of financial assets measured at amortized cost	572	-
A20100	Depreciation expense	392	308	B03800	Purchase of property, plant and equipment	-	47,016
A20300	Expected credit impairment Loss	282,838	-	BBBB	Net cash inflow (outflow) from investing activities	572	72,042
A20900	Interest expense	110	219				
A21200	Interest income	(2,783)	(1,202)				
A22500	Loss on disposal of property, plant and equipment	26	-				
A30000	Changes in assets/liabilities related to operating activities:						
A31130	(Increase) decrease in notes receivable	8,492	287,576	CCCC	Cash flow from financing activities:		
A31150	(Increase) decrease in accounts receivable	(62,317)	(234,707)	C00100	Increase (decrease) in short-term loans	(30,000)	30,000
A31180	(Increase) decrease in other receivables	(784)	-	C04500	Cash dividends paid	-	(13,440)
A31240	(Increase) decrease in other current assets	(361)	(259)	CCCC	Net cash inflow (outflow) from financing activities	(30,000)	16,560
A32150	Increase (decrease) in accounts payable	4,275	(208,549)				
A32180	Increase (decrease) in other payables	(40)	(550)				
A32230	Increase (decrease) in other current liabilities	11	(24)				
A33000	Cash from (used in) operating activities	(18,447)	(140,687)				
A33100	Interest received	2,783	1,202	EEEE	Increase (decrease) in cash and cash equivalents for the period	(47,946)	(68,748)
A33300	Interest paid	(149)	(219)	E00100	Beginning balance of cash and cash equivalents	192,571	261,319
A33500	Income tax refunded (paid)	(2,705)	(17,646)	E00200	Ending balance of cash and cash equivalents	$144,625	$192,571
AAAA	Net cash from (used in) operating activities	(18,518)	(157,350)				

(Please refer to the notes to the Individual financial statements)

I. Company History

Falcon Power Co., Ltd. (hereinafter referred to as the Company), formerly known as Falconcycle Tech Co., Ltd., was established on February 20, 1986 as a manufacturer of bicycle transmission and braking parts.

The Company's shares have been listed and traded on the Taiwan Stock Exchange since 1995. In 2007 and 2008, the Company's assets were tunneled by the former owner in a criminal case. In the second half of 2008, the Company transformed into a solar energy and green energy saving industry, and also developed hydrogen energy, and then on March 2, 2009, the Company officially changed its name from "Falconcycle Tech Co., Ltd." to "Falcon Power Co., Ltd." with the same stock code.

In 2010, the current owner took over the management of the Company. In order to protect the rights and interests of the investing public, the Company has been engaged in litigation through the Cross-Straits Mutual Assistance Agreement. Since 2011, the Company has taken a steady approach to expand its business by trading bulk materials (aluminum ingots), and since 2013, the Company has been acting as an agent for waste incinerators and investing in waste liquid incinerators. Since 2015, our main business has been international trade.

The Company's registered place of incorporation and principal place of business is located at 6F.-5, No. 495, Guangfu S. Rd.

II. Date and Procedure of Financial Report Approval

The parent company only financial reports for the fiscal years 2024 and 2023 of the Company were approved and released by the Board of Directors on March 11, 2025
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III. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments and interpretation of initial application had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(A) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after January 1, 2025 and have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 10 “Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful Companying of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

(3) Clarify the treatment of non-recourse assets and contractually linked instruments.

(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term "transaction price".

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to "cost method" in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the application of the 'own-use' requirements.
(2) Permit hedge accounting if these contracts are used as hedging instruments.
(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

IV. Summary of Significant Accounting Policies

1. Compliance statements

The parent company only financial statements of the Company for the years ended 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, and IFRIC interpretations and announcements issued and approved by the Financial Supervisory Commission.

2. Basis of preparation

The company only financial statements are prepared on a historical cost basis, except for financial instruments measured at fair value. Unless otherwise indicated, the parent company only financial statements are presented in thousands of New Taiwan Dollars.

3. Foreign currency transactions

The company only financial statements of the Company are presented in New Taiwan Dollars, which is the functional currency of the Company.

Foreign currency transactions of the Company are recorded in the functional currency at the exchange rate on the transaction date. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the closing rate on that day, while non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rate on the day of measurement. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate on the date of the original transaction.

Except as described below, exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the period in which they arise:

(1)For foreign currency borrowings incurred to acquire qualifying assets, if the resulting exchange differences are considered as an adjustment to interest cost, they are capitalized as part of the borrowing cost and included in the cost of the asset.

(2)For foreign currency items under IFRS 9 “Financial Instruments”, they are accounted for according to the accounting policies for financial instruments.

(3)Exchange differences arising from monetary items that form part of the net investment in a foreign operation of the reporting entity are originally recognized in other comprehensive income and reclassified from equity to profit or loss upon disposal of the net investment.

When the benefit or loss of a non-monetary item is recognized in other comprehensive income, any exchange component of that benefit or loss is recognized in other comprehensive income. When the benefit or loss of a non-monetary item is recognized in profit or loss, any exchange component of that benefit or loss is recognized in profit or loss.

4. Criteria for classifying assets and liabilities into current and non-current

An asset is classified as current if it meets any of the following criteria. If it does not, it is classified as non-current:
(1) The asset is expected to be realized during the normal operating cycle or will be sold or consumed.
(2) The asset is held primarily for trading purposes.
(3) The asset is expected to be realized within twelve months after the reporting period.
(4) The asset is cash or a cash equivalent, but is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if it meets any of the following criteria. If it does not, it is classified as non-current:

(1) The liability is expected to be settled during the normal operating cycle.
(2) The liability is held primarily for trading purposes.
(3) The liability is expected to be settled within twelve months after the reporting period.
(4) The liability cannot be deferred unconditionally beyond the reporting period by at least twelve months. The terms of the liability may allow the issuer to settle it by issuing equity instruments at the option of the counterparty, which does not affect its classification.

5. Cash and cash equivalents

Cash and cash equivalents refer to cash on hand, demand deposits, and short-term investments with high liquidity and minimal risk of value fluctuation that can be readily converted to a known amount of cash, including term deposits or investments with maturities of three months or less.

6. Financial instruments

Financial assets and financial liabilities are recognized as financial instruments when they become parties to the contractual terms of such instruments.

For financial assets and financial liabilities falling within the scope of IFRS 9, "Financial Instruments," they are initially measured at fair value directly attributable to financial assets and financial liabilities (excluding financial assets and financial liabilities classified at fair value through profit or loss) acquired or issued in a transaction, plus or minus any directly attributable transaction costs of those financial assets and financial liabilities, respectively.

(1) Recognition and measurement of financial assets

The recognition and derecognition of all regular traded financial assets of the Company are processed on the trade date for accounting purposes.

The Company classifies financial assets into subsequent measurement at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, based on the following two criteria:

A. Business model for managing financial assets
B. Characteristics of contractual cash flows of financial assets

Financial assets measured at amortized cost

Financial assets meeting both of the following conditions are measured at amortized cost and reported on the balance sheet under items such as accounts receivable, notes receivable, financial assets measured at amortized cost, and other receivables:

A. Business model for managing financial assets: holding financial assets to collect contractual cash flows

B. Characteristics of contractual cash flows of financial assets: cash flows consisting solely of principal and interest on the principal amount outstanding

These financial assets (excluding those involving hedging relationships) are subsequently measured at amortized cost, which is the original amount measured at initial recognition, minus any principal repaid, plus or minus the cumulative amortization amount representing the difference between the original amount and the maturity amount (using the effective interest rate method), and adjusted for impairment losses. When derecognized, amortized through the amortization process, or impairment gains or losses are recognized, the gains or losses are recognized in profit or loss.

Interest calculated using the effective interest rate method (by multiplying the total book value of financial assets by the effective interest rate) or in the following situations is recognized in profit or loss:

A. If it is a credit-impaired financial asset purchased or originated, the interest is calculated by multiplying the effective interest rate adjusted for credit by the financial asset's amortized cost.
B. If it is not the above situation but becomes credit-impaired subsequently, the interest is calculated by multiplying the effective interest rate by the financial asset's amortized cost.

<u>Financial assets measured at FVTOCI</u>

Financial assets that meet both of the following conditions shall be measured at fair value through other comprehensive income and reported on the balance sheet:

A. Business model for managing financial assets: collecting contractual cash flows and selling the financial asset.
B. Characteristics of contractual cash flows of financial assets: the cash flows are solely payments of principal and interest on the principal amount outstanding.

The recognition of gains or losses related to these financial assets is explained as follows:

A. Except for impairment gains or losses and foreign exchange gains or losses recognized in profit or loss before derecognition or reclassification, gains or losses are recognized in other comprehensive income.

B. Accumulated gains or losses previously recognized in other comprehensive income are reclassified to profit or loss as reclassification adjustments when the financial asset is derecognized.

C. Interest is recognized in profit or loss based on the effective interest rate method (multiplying the effective interest rate by the total carrying amount of the financial asset) or in the following circumstances:

(a) If it is a credit-impaired financial asset purchased or originated, the interest is calculated by multiplying the effective interest rate adjusted for credit by the financial asset's amortized cost.

(b) If it is not the above situation but becomes credit-impaired subsequently, the interest is calculated by multiplying the effective interest rate by the financial asset's amortized cost.

In addition, for equity instruments within the scope of IFRS 9 and that are neither held for trading nor designated at fair value through profit or loss for accounting purposes by an acquirer in a business combination within the scope of IFRS 3, and for which there is no unfulfilled right of payment, the entity may choose (irrevocably) to recognize subsequent changes in fair value in other comprehensive income at initial recognition. The amount recognized in other comprehensive income may not subsequently be transferred to profit or loss (when the equity instrument is disposed of, the cumulative amount recognized in other comprehensive income will be included in other equity and transferred directly to retained earnings), and the financial asset measured at fair value through other comprehensive income is reported on the balance sheet. Dividends from the investment are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the investment cost.

Financial assets measured at FVTPL

Except for financial assets that meet specific criteria and are measured at amortized cost or measured at fair value through other comprehensive income, all financial assets are measured at fair value through profit or loss, and financial assets measured at fair value through profit or loss are reported on the balance sheet.

For these financial assets, fair value is used to measure them, and any gains or losses arising from remeasurement are recognized in profit or loss. The gains or losses recognized in profit or loss include any dividends or interest received from these financial assets.

(2) Impairment of financial assets

The Company recognizes and measures impairment losses for debt instrument investments measured at amortized cost and financial assets measured at fair value through other comprehensive income based on expected credit losses. For debt instrument investments measured at fair value through other comprehensive income, the allowance for expected credit losses is recognized in other comprehensive income and does not reduce the carrying amount of the investment.

The Company measures expected credit losses by reflecting the following:

A. An unbiased amount determined by evaluating the range of possible outcomes weighted by their respective probabilities.
B. The time value of money.
C. Reasonable and supportable information related to past events, current conditions, and forecasts of future economic conditions that can be obtained without undue cost or effort as of the balance sheet date.

The methods for measuring the provision for credit losses are explained as follows:

A. Measured by the expected credit loss amount for 12 months: This includes financial assets where credit risk has not significantly increased since initial recognition or those with low credit risk at the reporting date. In addition, it includes provisions for credit losses measured by the expected credit loss amount for the remaining period during the previous reporting period, but no longer meets the conditions of significant increase in credit risk since initial recognition at the current reporting date.

B. Measured by the expected credit loss amount for the remaining period: This includes financial assets where credit risk has significantly increased since initial recognition or those that are purchased or originated credit-impaired financial assets.

C. For trade receivables or contract assets within the scope of IFRS 15, the Company uses the expected credit loss amount for the remaining period to measure the provision for credit losses.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Company uses the expected credit loss amount for the remaining period to measure the provision for credit losses.

At each reporting date, the Company evaluates whether the credit risk of financial instruments has significantly increased since initial recognition by comparing the changes in default risk between the reporting date and the initial recognition date. For additional information related to credit risk, please refer to Note 12.

(3) Derecognition of financial assets

The Company shall derecognize a financial asset when one of the following criteria is met:

A. The contractual rights to receive cash flows from the financial asset expire.
B. The financial asset is transferred, and substantially all the risks and rewards of ownership of the asset are transferred to another party.
C. The Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but has transferred control of the asset.

When a financial asset is derecognized in its entirety, the difference between the carrying amount of the financial asset and the consideration received or receivable, together with any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liabilities and equity instruments

The financial liabilities and equity instruments issued by the Company are classified as financial liabilities or equity instruments based on the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

Equity instruments

Equity instruments refer to any contract that recognizes the residual interest of the Company in assets after deducting all liabilities. The equity instruments issued by the Company are recognized at the amount received, net of direct issue costs.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost when initially recognized.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include accounts payable and borrowings, which are subsequently measured using the effective interest method. When a financial liability is derecognized and when amortization is performed using the effective interest method, the related gains or losses and amortization amounts are recognized in profit or loss.

The calculation of amortized cost takes into account any discount or premium at acquisition and transaction costs.

Derecognition of financial liabilities

When the obligation of a financial liability is discharged, cancelled or expired, the financial liability shall be derecognized.

When the Company exchanges debt instruments with significant differences with creditors or significantly modifies all or part of the terms of existing financial liabilities (regardless of whether it is due to financial difficulties), the original liability is derecognized and the new liability is recognized. When derecognizing financial liabilities, the difference between the carrying amount of the financial liabilities and the total consideration paid or payable (including non-cash assets transferred or liabilities assumed) shall be recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities can be offset and presented in the balance sheet on a net basis only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle the assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

7. Fair value measurement

Fair value refers to the price that could be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in one of the following markets:

(1) the principal market for the asset or liability, or
(2) if there is no principal market, the most advantageous market for the asset or liability

The principal or most advantageous market must be one that the company has access to in order to enter into transactions.

Fair value measurement of assets or liabilities uses the assumptions that market participants would use when pricing the asset or liability, based on the economic benefits they expect to receive.

The fair value measurement of non-financial assets considers the ability of market participants to generate economic benefits by using the asset in its highest and best use or by selling the asset to another market participant who would use it in its highest and best use.

The Company uses appropriate and sufficient valuation techniques in the circumstances and with observable inputs maximized and unobservable inputs minimized.

8. Inventory

Inventory is valued using the lower of cost and net realizable value on an item-by-item basis.

Cost refers to the costs incurred to bring the inventory to its present location and condition, ready for sale or use in production.

Inventory cost is calculated using the weighted average method.

Net realizable value refers to the estimated selling price in the ordinary course of business, less the estimated costs of completion, disposal, and transportation.

The provision of services is accounted for in accordance with IFRS 15 and is not within the scope of inventory.

9. Property, plant, and equipment

Property, plant, and equipment are recognized based on acquisition cost, and are displayed after deducting accumulated depreciation and accumulated impairment. The aforementioned cost includes the cost of dismantling, removal, and restoration of the location of the property, plant, and equipment, as well as necessary interest expenses incurred due to unfinished projects. If the various components of property, plant, and equipment are significant, depreciation is separately recorded. When a significant component of property, plant, and equipment needs to be periodically reset, the Company treats it as an individual asset and recognizes it separately based on specific useful life and depreciation method. The book value of the reset part is then eliminated in accordance with the exclusion rules under IAS 16 “Property, Plant, and Equipment”. If significant overhaul costs meet the recognition criteria, they are recognized as a part of the book value of property, plant, and equipment as replacement costs, while other repair and maintenance expenses are recognized in profit or loss.

Depreciation is recognized using the straight-line method based on the estimated useful lives of the following assets:

Building and construction	4-50 years
Transportation equipment	5 years
Office equipment	3 years

If an item or any significant component of property, plant, and equipment is disposed of or is expected not to generate economic benefits from use or disposal in the future after initial recognition, it is eliminated and recognized in profit or loss.

The residual value, useful life, and depreciation method of property, plant, and equipment are evaluated at the end of each fiscal year, and if the expected values differ from previous estimates, such changes are recognized as accounting estimate changes.

10. Lease

On the day the contract is established, the Company evaluates whether the contract is a lease or contains a lease. If the transfer of the right to control the use of a recognized asset is exchanged for consideration for a period of time, the contract is a lease or contains a lease. To evaluate whether the contract transfers the right to control the use of a recognized asset for a period of time, the Company evaluates whether it has the following two during the entire period of use:

(1) The right to obtain almost all economic benefits from the use of the recognized asset; and

(2) The right to direct the use of the recognized asset.

For contracts that are leases or contain leases, the Company treats each lease component in the contract as a separate lease and treats the non-lease components in the contract separately. For contracts that include one lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to the lease component based on the relative standalone price of each lease component and the aggregate standalone price of the non-lease components. The relative standalone prices of the lease and non-lease components are determined based on the prices charged by the lessor (or similar supplier) for the respective component (or similar component). If the observable standalone price is not readily available, the Company maximizes the use of observable information to estimate the standalone price.

<u>Company as a lessee</u>

Except for short-term leases or leases of low-value assets that meet certain criteria, when the Company is the lessee in a lease contract, it recognizes right-of-use assets and lease liabilities for all leases.

On the commencement date, the Company measures the lease liability at the present value of the lease payments not yet paid on that date. If the implicit rate of the lease is readily determinable, the lease payments are discounted using that rate. If not, the lessee’s incremental borrowing rate is used. On the commencement date, the lease payments included in the lease liability comprise the following payments related to the right to use the underlying asset and not yet paid on that date:

(1) Fixed payments (including substantive fixed payments), less any lease incentives receivable;
(2) Variable lease payments based on an index or rate (using the index or rate at commencement date);
(3) Amounts expected to be payable by the lessee under residual value guarantees;
(4) The exercise price of a purchase option, if the Company is reasonably certain to exercise that option; and
(5) Penalties payable by the lessee for terminating the lease, if the lease term reflects the lessee's option to terminate the lease.

After the commencement date, the Company measures the lease liability using the amortized cost basis, increases the carrying amount of the lease liability for interest on the lease liability using the effective interest method, and reduces the carrying amount of the lease liability for lease payments made.

On the commencement date, the Company measures the right-of-use assets at cost, which includes:

(1)The initial measurement of lease liabilities;
(2)Any lease payments made on or before the commencement date, less any lease incentives received;
(3)Any initial direct costs incurred by the lessee; and
(4)The estimated cost of dismantling, removing, and restoring the site or of restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequent to initial recognition, the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, which means the cost model is applied to measure the right-of-use assets.

If the ownership of the underlying asset transfers to the Company at the end of the lease term or if the cost of the right-of-use asset reflects the Company's exercise of a purchase option, depreciation is recognized on the right-of-use asset from the commencement date until the end of its useful life. Otherwise, depreciation is recognized on the right-of-use asset from the commencement date until the earlier of the end of its useful life or the end of the lease term.
The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use assets are impaired and to account for any recognized impairment losses.

Except for short-term leases or leases of low-value assets, the Company reports right-of-use assets and lease liabilities on the balance sheet and separately reports depreciation expense and interest expense related to leases on the statement of comprehensive income.

For short-term leases and leases of low-value assets, the Company chooses to recognize lease payments as an expense on a straight-line basis or on another systematic basis over the lease term.

Company as a lessor

On the contract inception date, the Company classifies each lease as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. If it does not transfer substantially all the risks and rewards, it is classified as an operating lease. On the commencement date, the Company recognizes assets held under finance leases on the balance sheet and expresses them as lease receivables using the net investment in the lease.

For contracts that contain both lease and non-lease components, the Company applies the provisions of IFRS 15 to allocate consideration in the contract.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. For operating leases with variable lease payments that are not dependent on an index or rate, they are recognized as rental income when the event that triggers payment occurs.

11. Impairment of non-financial assets

At the end of each reporting period, the Company evaluates whether there are indications of impairment for all assets that are subject to IAS 36 “Impairment of Assets”. If there are indications of impairment or if a regular impairment test is required for a particular asset, the Company tests the asset on an individual basis or the cash-generating unit to which the asset belongs. If the carrying amount of the asset or cash-generating unit is greater than its recoverable amount, impairment loss is recognized. The recoverable amount is the higher of the net fair value or the value in use.

At the end of each reporting period, the Company also assesses whether there are indications that previously recognized impairment losses for assets other than goodwill may no longer exist or may have decreased. If such indications exist, the Company estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount of the asset increases due to changes in the estimated service potential of the asset, the impairment loss is reversed. However, the carrying amount after reversal cannot exceed the carrying amount of the asset if impairment loss had not been recognized, net of accumulated depreciation or amortization.

Goodwill of a cash-generating unit or group, whether or not there are indications of impairment, is subject to regular impairment testing on an annual basis. If an impairment loss is recognized, it is first allocated to reduce the carrying amount of goodwill, and any excess is allocated to the other assets of the cash-generating unit on a pro-rata basis based on the relative carrying amounts of those assets. Impairment loss on goodwill, once recognized, cannot be reversed for any reason.

Impairment losses and reversals of continuing operations are recognized in profit or loss.

12. Provision for liabilities

The provision for liabilities is recognized when there is a present obligation (legal or constructive) arising from past events, and it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. When the Company expects that some or all of the provision for liabilities will be reimbursed, it is only recognized as a separate asset when the reimbursement is virtually certain. If the time value of money is significant, the provision for liabilities is discounted using a pre-tax rate that reflects the specific risks of the liability. When discounting the liability, the increase in the amount of the liability due to the passage of time is recognized as borrowing cost.
If the obligation arises over a period of time, the expense related to the settlement of the liability is gradually recognized.

13. Revenue Recognition

Revenue from contracts with customers is mainly from the sale of commodities and the accounting is explained as follows:

Sales of commodities

Revenue from the trading of raw coal and electronic components are recognized when the committed commodity is delivered to the customer and the customer obtains control of the commodity (i.e., the customer's ability to dominate the use of the commodity and obtain substantially all of the residual benefits of the commodity) and satisfies the performance obligation. The principal commodity are raw coal and electronic components, and revenue is recognized based on the contracted price. The Company's credit period for the sale of commodities is generally from the receipt of a promissory note immediately after shipment to sight to 120-days promissory notes and 90 days of monthly settlement after shipment, and is recognized as a receivable when control of the commodity is transferred and the right to receive consideration is unconditional. These receivables are generally short term and do not have a significant financial component.

14. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of that asset. All other borrowing costs are recognized as expenses incurred during the period. Borrowing costs include interest and other costs incurred in connection with borrowing funds.

15. Post-employment benefits

The Company has a defined contribution plan for post-employment benefits. The Company's monthly contribution rate for employee retirement benefits shall not be less than 6% of the employee's monthly salary, and the amount contributed shall be recognized as current expenses.

16. Income taxes

Income tax expense (benefit) refers to the aggregate amount included in determining the results of operations for the period related to current and deferred income taxes.

Current income tax

The current income tax liability (asset) related to the current and prior periods is measured using the enacted or substantively enacted tax rates and laws at the end of the reporting period. Current income tax related to items recognized in other comprehensive income or directly in equity is separately recognized in other comprehensive income or equity, respectively, and not in profit or loss.

The portion of the undistributed earnings subject to additional corporate income tax is recognized as an income tax expense on the date when the decision to distribute the earnings is made at a shareholders' meeting.

Deferred income tax

Deferred income tax is calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet at the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax losses and unused tax credits can be utilized, except:

a. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on the enacted or substantively enacted tax rates and laws at the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences that would arise from the manner of recovery of assets or settlement of liabilities carrying amounts expected at the end of the reporting period. Deferred income tax related to items not recognized in profit or loss is not recognized in profit or loss but is recognized in other comprehensive income or directly in equity based on the nature of the underlying transaction. Deferred income tax assets are reviewed and recognized at the end of each reporting period.

Deferred income tax assets and liabilities only have statutory enforceability to the extent that there is offsetting income tax asset and income tax liability in the current period from the same taxing authority, and they relate to income taxes levied by the same tax authority on the same taxpayer.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 “Income Taxes”), deferred tax assets and liabilities related to Pillar Two income tax will not be recognized nor disclosed.

V. Major Sources of Accounting Judgments, Estimates and Assumptions Uncertainty

In preparing the individual financial statements, the management of the Company is required to make judgments, estimates and assumptions at the end of the reporting period, which will affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, the uncertainty associated with these significant assumptions and estimates may result in significant adjustments to the carrying amounts of assets or liabilities in future periods.

1. Judgments

In the process of adopting the Company’s accounting policies, the management makes the following judgments that have the most significant impact on the amounts recognized in the financial statements:

(1) Revenue recognition - principal vs. agent determination

The Company’s main source of revenue is from the sale of raw coal. When selling raw coal, the Company controls the commodity before it is transferred to the customer. Therefore, the Company is determined to be the principal, as explained below:

A. The Company has primary responsibility for fulfilling the promise to provide a specific good.

B. The Company bears the inventory risk until the specific good is transferred to the customer.

C. The Company has discretion in establishing the price for the specific good.

Please refer to Note 6 for further explanation of the Company’s revenue.

2. Estimates and assumptions

The main source of uncertainty for estimates and assumptions made about the future as of the end of the reporting period is that there is a significant risk of material adjustment to the carrying amounts of assets and liabilities in the next financial year. The explanation is as follow:

(1) Income tax

The uncertainty of income tax exists in the interpretation of complex tax regulations, the amount and timing of future taxable income. Due to the long-term and complex nature of extensive international business relationships and contracts, differences between actual results and assumptions made or changes in these assumptions in the future may require adjustments to the already recorded income tax benefits and expenses in the future. The provision for income tax is based on reasonable estimates made according to the possible audit results of the tax authorities in the countries where the Company operates. The amount provided is based on various factors such as past tax audit experience and different interpretations of tax regulations by taxpayers and their respective tax authorities. The differences in interpretation may give rise to various issues due to the situation of each individual Company’s location.

Unused tax losses and income tax credits that can be carried forward, as well as temporary differences that can be deducted, are likely to result in the recognition of deferred income tax assets within the scope of future taxable income or temporary differences that should be taxed. The amount of deferred income tax assets that can be recognized is estimated based on the timing and level of future taxable income and temporary differences that may occur, as well as future tax planning strategies.

(2) Accounts receivable - estimate of impairment loss

The estimate of impairment loss on accounts receivable of the Company is measured based on the expected credit loss amount over the remaining period of credit, using the difference between the present value of the contractual cash flows (book value) and the expected cash flows to be received (forward-looking information) as the credit loss. However, the discounting effect on short-term accounts receivable is not significant, and the credit loss is measured as the undiscounted difference. If the actual cash flows in the future are less than expected, significant impairment losses may be incurred, please refer to Note 6 for details.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

VI. Explanation of Significant Accounting Items

1. Cash and cash equivalents

	2024.12.31	2023.12.31
Cash and petty cash	$30	$30
Checks and demand deposits	84,595	104,541
Time deposit	60,000	88,000
Total	$144,625	$192,571

2. Financial assets at fair value through other comprehensive income

	2024.12.31	2023.12.31
Investments in equity instruments measured at FVTOCI—non-current:		
Unlisted company stocks	$6,022	$6,022
Adjustments for change in value of financial assets measured at FVTOCI	(6,022)	(6,022)
Total	$-	$-

(1) The Company's financial assets measured at fair value through other comprehensive income were not pledged.

(2) In 2009, the board of directors resolved that the Company participate in the capital increase of Green Hydrotec, Inc. with NT$1,500 thousand and acquire 100,000 shares.

(3) For the compulsory enforcement of damage compensation between the Company and the debtor, Lin Tso-Ying, the Taiwan Kaohsiung District Court ordered the seizure of 992,000 shares of Nanowin Technology Co., Ltd. held by the debtor, which was taken over by the Company in June 2014 at NT$4,762 thousand. Subsequently, 50,000 shares were resold in July 2014 at a price of NT$4.8 per share. On June 4, 2020, Nanowin Technology Co., Ltd. ceased operations.

3. Net notes receivable

	2024.12.31	2023.12.31
Notes receivable - from sales	$-	$8,492
Less: Allowance for impairment losses	-	-
Total	$-	$8,492

(1)The Company's notes receivable are not secured by collateral.

(2)The Company evaluates impairment losses in accordance with IFRS 9. For information related to allowance for impairment losses, please refer to Note 6.14, and for credit risk-related information, please refer to Note 12.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

4. Accounts Receivable, Net

	2024.12.31	2023.12.31
Accounts Receivable	$297,024	$234,707
Less: loss allowance	(282,838)	-
Total	$14,186	$234,707

The accounts receivable of the Company are not guaranteed.

The credit period for customers includes receipt are net 60 to 120 days end of month.

As of December 31, 2024 and 2023, the accounts receivable were NT$297,024 thousand and NT$234,707 thousand.

Information related to the allowance for doubtful accounts from January 1 to December 31, 2024 and 2023 is detailed in Note 6.14, and information related to credit risk is detailed in Note 12.

5. Inventory

(1)Details of inventory are as follows:

	2024.12.31	2023.12.31
Goods	$-	$-

(2)The cost of inventories recognized as cost of goods sold for the year 2024 and 2023 were NT$573,779 thousand and NT$811,358 thousand, respectively.

6. Other current assets

	2024.12.31	2023.12.31
Advance payment	$-	$220
Other	881	300
Total	$881	$520

7. Property, plant and equipment

	Land	Building and Structure	Transportation Equipment	Office Equipment	Total
Costs:					
2024.01.01	$37,088	$8,049	$3,409	$32	$48,578
Additions	-	-	-	-	-
Disposal	-	-	(878)	-	(878)
2024.12.31	$37,088	$8,049	$2,531	$32	$47,700

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

2023.01.01	$37,088	$8,049	$3,409	$32	$48,578
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
2023.12.31	$37,088	$8,049	$3,409	$32	$48,578
Depreciation and impairment:					
2024.01.01	$-	$1,753	$2,365	$30	$4,148
Depreciation	-	155	235	2	392
Disposal	-	-	(280)	-	(280)
2024.12.31	$-	$1,908	$2,320	$32	$4,260
2023.01.01	$-	$1,598	$2,218	$24	$3,840
Depreciation	-	155	147	6	308
Disposal	-	-	-	-	-
2023.12.31	$-	$1,753	$2,365	$30	$4,148
Net book value:					
2024.12.31	$37,088	$6,141	$211	$-	$43,440
2023.12.31	$37,088	$6,296	$1,044	$2	$44,430

The property, plant and equipment serve as collateral. Please see Note 8 for details.

The significant components of the buildings and structures are mainly the main building and decoration projects, and depreciation is provided for each at the useful life of 50 years and 4 years, respectively.

8. Other non-current assets

	2024.12.31	2023.12.31
Refundable deposits	$8	$8
Overdue receivables	26,005	26,005
Less: Allowance for doubtful accounts	(26,005)	(26,005)
Total	$8	$8

9. Short-term loans

	Interest rates applied	2024.12.31	2023.12.31
Secured bank loans	2.375%	$-	$30,000

As of December 31, 2024 and 2023, the company's unused short-term borrowing limit were approximately 115,000 thousand and 35,000thousand, respectively.

Bank loans serve as collateral please see Note 8 for details.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

10. Other payables

	2024.12.31	2023.12.31
Accrued salaries	$1,411	$1,650
Accrued Interest	-	39
Accrued expenses	1,642	933
Accrued retirement benefits	93	92
Accrued employee compensation	-	341
Accrued director compensation	-	170
Total	$3,146	$3,225

11. Retirement benefit plan

Defined contribution plan

The Company’s employee retirement scheme established in accordance with the Labor Standards Act is a defined contribution plan. Under the Act, the Company’s monthly contribution rate to the employee retirement pension must not be less than 6% of the employee’s monthly salary. The Company has established an employee retirement scheme in accordance with the Act and contributes 6% of each employee’s monthly salary to their personal retirement pension account with the Bureau of Labor Insurance.

The Company recognized expenses of NT$365 thousand and NT$314 thousand for the defined contribution plan for the year ended December 31, 2024 and 2023, respectively.

12. Equity

(1) Common stock

As of December 31, 2024 and 2023, the authorized capital stock of the Company was NT$3,000,000 thousand, consisting of 300,000 thousand shares with a par value of NT$10 per share. The issued capital stock was NT$400,082 thousand and 388,202 thousand consisting of 40,008 thousand shares and 38,820 thousand shares with a par value of NT$10 per share, all of which have one vote per share and the right to receive dividends.

In addition, on June 7, 2024, the Company carried out a capitalization of retained earnings of NT$11,880 thousand, and on October 17, 2024, the board of directors resolved to use November 15, 2024 as the record date for the capital increase. As a result, the paid-in capital of the Company after the capital increase was NT$400,082 thousand, consisting of 40,008 thousand shares with a par value of NT$10 per share.

(2) Capital surplus

	2024.12.31	2023.12.31
Premium on issuance	$18,480	$18,480
Treasury stock transactions	1,705	1,705
Total	$20,185	$20,185

According to laws and regulations, capital surplus can only be used to offset company losses and cannot be distributed as dividends. When the Company has no losses, a certain percentage of the capital surplus can be transferred to the paid-in capital as capital reserve each year. The capital surplus can also be distributed in cash to shareholders in proportion to their original shareholdings.

(3) Profit distribution and dividend policy

A. According to the Company's articles of association, the net profit obtained after annual settlement shall be distributed in the following order:

① Payment of income tax according to the law.
② Offset of previous year's losses.
③ Ten percent of the net profit shall be appropriated as the legal reserve.
④ Appropriation or reversal of the special surplus reserve as deemed necessary.
⑤ After deducting the above items, the board of directors shall draft a resolution for profit distribution based on the remaining balance and past year's profits, and submit it to the shareholders' meeting for approval.

B. Dividend policy

The Company's business and industry are still in the growth stage, and there are significant investment and business expansion plans in the future, which require substantial funds. In order to maintain stable dividends, the board of directors may propose a dividend distribution resolution based on more than 50% of the distributable profits, taking into account the Company's performance and financial situation. The cash dividend portion should generally not be lower than 20% of the proposed dividend, but the board may propose to increase the stock dividend payout ratio or distribute all dividends in the form of stock dividends at the shareholders' meeting, depending on the Company's financial planning needs. If necessary funds can be raised in other ways or the Company's funds are sufficient, cash dividends may also be increased to avoid excessive dilution of earnings per share.

C. Legal reserve

According to the Company Act, the legal reserve shall be appropriated until it reaches the total amount of the paid-in capital. The legal reserve may be used to offset losses. When the Company has no losses, new shares or cash may be issued in proportion to the original shareholders' holdings for the portion of the legal reserve that exceeds 25% of the paid-in capital.

D. Special surplus reserve

In accordance with the Financial Supervisory Securities Corporate.1090150022 issued by the Financial Supervisory Commission on March 31, 2021, the Company has set up a special surplus reserve to provide for unrealized revaluation increments and cumulative translation adjustments (gains) accounted for on the date of transition to the International Financial Reporting Standards under the exemption item of IFRS 1 "First-time Adoption of International Financial Reporting Standards". The Company may reverse the proportion of the special surplus reserve and distribute profits when using, disposing of, or reclassifying related assets in the future.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

E. At the board meetings and shareholders' meetings held on March 11 2025, and June 7, 2024, respectively, the Company proposed and resolved on the allocation and distribution of earnings for the years 2024 and 2023, as well as the dividends per share, as shown below:

	Allocation and Distribution of Earnings		Dividends per Share (NTD)	
	2024	2023	2024	2023
Legal reserve	$-	$1,321		
Common stock dividend	-	11,880	$-	$0.31
Cash dividend	-	-	-	-

For information on the estimation and recognition of employee compensation and director compensation, please refer to Note 6.15.

13. Revenue

	2024	2023
Revenue from customer contracts		
Revenue from sales of goods	$606,144	$852,715

The information related to revenue from customer contracts for the years 2024 and 2023 of the Company is presented as follows:

(1) Revenue breakdown:

	Coal	Electronic components	Other	Total
2024				
Sales of goods	$-	$576,581	$29,563	$606,144
Point of revenue recognition:				
At a point in time	$-	$576,581	$29,563	$606,144

	Coal	Electronic components	Other	Total
2023				
Sales of goods	$383,243	$458,044	$11,428	$852,715
Point of revenue recognition:				
At a point in time	$383,243	$458,044	$11,428	$852,715

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

(2) Transaction price allocated to remaining performance obligations

As of December 31, 2024 and 2023, all contracts of the Company were short-term and thus no information related to remaining performance obligations was required.

(3) Assets recognized from the costs incurred to obtain or fulfill customer contracts

None.

14. Expected credit losses (gains)

	2024	2023
Operating expenses—Expected credit losses (gains)		
Notes receivable	$-	$-
Accounts receivable	282,838	-
Total	$282,838	$-

For information related to credit risk, please refer to Note 12.

The Company measures its accounts receivable (including notes receivable and accounts receivables) for impairment losses based on the expected credit losses during the remaining period of its existence. The relevant explanation for the assessment of the impairment loss amount as of December 31, 2024 and December 31, 2023 is as follows:

Accounts receivable are considered as a single group based on past experience, and the impairment loss is measured using the provision matrix. The relevant information is as follows:

2024.12.31

		Days past due					
	Not overdue	Under 30 days	31-60 days	61-181 days	Over 181 days	Individual evaluation of transaction partners(Note1)	Total
Total carrying amount	$13,186	$-	$-	$-	$-	$283,838	$297,024
Loss rate	-%	-%	-%	-%	-%	99.65%	
Expected credit losses during remaining period	-	-	-	-		(282,838)	(282,838)
Carrying amount	$13,186	$-	$-	$-	$-	$1,000	$14,186

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

2023.12.31

	Not overdue (Note2)	Days past due: Under 30 days	31-60 days	61-181 days	Over 181 days	Individual evaluation of transaction partners(Note1)	Total
Total carrying amount	$243,199	$-	$-	$-	$-	$-	$243,199
Loss rate	-%	-%	-%	-%	-%	-%	
Expected credit losses during remaining period	-	-	-	-	-	-	-
Carrying amount	$243,199	$-	$-	$-	$-	$-	$243,199

Note1: As of the date of issuance of the financial statements, the accounts receivable from the customer remained outstanding beyond the agreed collection period. Except for NT$1,000 thousand subsequently collected after the balance sheet date, the remaining balance of NT$282,838 thousand has been recognized as an expected credit loss. The Company has obtained promissory notes as performance guarantees, signed by the customer, the responsible person, and the spouse of the responsible person. On March 5, 2025, the Company filed a civil petition for compulsory execution of the promissory notes to urge the customer to enhance collection efforts from its counterparties, with the objective of expediting the recovery of the outstanding receivables. As of the date of issuance of the financial statements, the court's ruling remained pending.

Note2: All notes receivable of the Company are not overdue.

(2) The information on changes in the provision for notes receivable and accounts receivables of the Company from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023 is as follows:

	Notes receivable	Accounts receivable
2024.01.01	$-	$-
Additions (reversals) in the period	-	282,838
2024.12.31	$-	$282,838
2023.01.01	$-	$-
Additions (reversals) in the period	-	-
2023.12.31	$-	$-

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

15. Summary table of employee benefits, depreciation, and amortization expenses by function as follows:

Function / Nature	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salary expenses	$-	$8,075	$8,075	$-	$7,677	$7,677
Labor and health insurance expenses	-	660	660	-	653	653
Retirement benefit expenses	-	365	365	-	314	314
Director compensation	-	1,122	1,122	-	1,297	1,297
Other employee benefits expenses	-	200	200	-	183	183
Depreciation expenses	-	392	392	-	308	308

Note:

As of December 31, 2024 and 2023, the number of employees of the Company was 10 and 9, respectively, with 4 directors not serving as employees.

2. Companies whose stocks are listed on stock exchanges or traded over-the-counter should disclose the following information:

(1)The average employee benefit expenses for 2024 and 2023 were NT$1,150 thousand and NT$1,765 thousand, respectively.

(2)The average employee salary expenses for 2024 and 2023 were NT$1,346 thousand and NT$1,535 thousand, respectively.

(3)The percentage change in the average employee salary expenses was 12%.

(4)The Company's salary policy for directors and managers is based on industry norms, taking into account their job responsibilities, risk exposure, and contributions. Employee salaries are determined based on their educational background, professional knowledge and skills, professional experience, and individual performance. Flexible pay adjustments are made according to the Company's operating conditions to motivate employees and retain outstanding talents. Annual salary adjustments are made based on employees' job grades and performance ratings, with corresponding adjustment items and amounts determined.

According to the provisions of the Company's articles of association, if there is a profit for the year, no less than 1.5% should be allocated as employee compensation, and no more than 3% should be allocated as director compensation. However, if there is an accumulated loss, an amount should be reserved in advance to make up for it. The aforementioned employee compensation shall be in the form of stocks or cash, and the resolution shall be voted with at least two-thirds of the directors attending and passed by a majority of the attending directors, and reported to the shareholders' meeting. For information on the employee compensation and director compensation passed by the board of directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

As the Company incurred a loss for the year ended December 31, 2024, no provision for employee remuneration or director compensation was made. For the year ended December 31, 2023, based on the profitability of the Company, employee remuneration was accrued at 2.00%, amounting to NT$341 thousand, and director compensation was accrued at 1.00%, amounting to NT$170 thousand. In the event that the Board of Directors resolves to distribute employee remuneration in the form of shares, the number of shares to be distributed shall be calculated based on the closing price of the Company's stock on the day preceding the Board resolution. Any difference between the accrued amounts and the actual amounts resolved by the Board shall be recognized in the profit or loss of the following year.

On February 6, 2024, the Company's board of directors decided to distribute the employee compensation and director compensation for the year 2023 in cash, with amounts of 341 thousand and 170 thousand respectively, which is the same as the expenses recorded in the individual financial report for 2023.

16. Non-operating income and expenses

(1) Interest income

	2024	2023
Financial assets measured at amortized cost	$2,783	$1,202

(2) Other income

	2024	2023
Rental income	$91	$91
Other income—other (Note)	45	210
Total	$136	$301

(3) Other gains and losses

	2024	2023
Loss on disposal of property, plant and equipment	$(26)	$-
Net foreign exchange gains (losses)	15,306	(9,501)
Total	$15,280	$(9,501)

(3) Financial costs

	2024	2023
Interest expense on bank borrowings	$(110)	$(39)
Other interest expense	-	(180)
Total	$(110)	$(219)

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

17. Income taxes

(1) The major components of income tax expense (benefit) for the years 2024 and 2023 are as follows:

Income tax recognized in profit or loss

	2024	2023
Current income tax expense (benefit):		
Current income tax payable	$4,886	$5,321
Adjustments to current income tax of prior years	-	-
Deferred income tax expense (benefit):		
Deferred income tax expense (benefit) related to origination and reversal of temporary differences	(7,979)	(2,021)
Income tax expense	$(3,093)	$3,300

(2) The reconciliation of income tax expense to the amount computed by applying the applicable income tax rate to accounting profit is as follows:

	2024	2023
Profit before income tax from continuing operations	$(248,306)	$16,501
Income tax calculated at applicable domestic tax rates	$(49,661)	$3,300
Income tax effects of deferred income tax assets/liabilities	46,568	-
Adjustments to current income tax of prior years	-	-
Total income tax expense recognized in profit or loss	$(3,093)	$3,300

(3) Asset (liability) balances related to the following items:

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized exchange losses(benefit)	$2,021	$(2,021)	$-	$-
Expected credit losses		10,000	-	10,000
Deferred income tax (expense)/benefit		$7,979	$-	
Net deferred income tax assets/(liabilities)	$2,021			$10,000
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	$2,021			$10,000
Deferred income tax liabilities	$-			$-

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized exchange losses(benefit)	$-	$2,021	$-	$2,021
Deferred income tax (expense)/benefit		$2,021	$-	
Net deferred income tax assets/(liabilities)	$-			$2,021
The information expressed in the balance sheet is as follows:				
Deferred income tax assets	$-			$2,021
Deferred income tax liabilities	$-			$-

(4) Unrecognized deferred tax assets

As of December 31, 2024 and 2023, the Company had unrecognized deferred income tax assets amounting to $51,712 thousand and $5,144 thousand respectively.

(5) Tax settlement and declaration cases for the Company's taxable income from business operations before 2022 (inclusive) have been approved and filed by the tax authorities.

18. Earnings per share

The calculation of basic earnings per share is the net profit attributable to the ordinary shareholders of the Company for the current period divided by the weighted average number of outstanding ordinary shares during the current period.
The calculation of diluted earnings per share is the net profit attributable to the ordinary shareholders of the Company for the current period divided by the weighted average number of outstanding ordinary shares during the current period plus the weighted average number of potential ordinary shares that would be issued upon the conversion of all dilutive potential ordinary shares.

	2024	2023
(1) Basic earnings per share		
Net profit for the period (in thousands of NT dollars)	$(245,213)	$13,201
Weighted average number of outstanding ordinary shares (in thousands of shares)	40,008	40,008
Basic earnings per share (in NT dollars)	$(6.13)	$0.33

(2) Diluted earnings per share

Net profit for the period (in thousands of NT dollars)	$(245,213)	$13,201
Weighted average number of outstanding ordinary shares (in thousands of shares)	40,008	40,008
Employee compensation (in thousands of shares)	(Note)	21
Adjusted weighted average number of outstanding ordinary shares after dilution (in thousands of shares)	40,008	40,029
Diluted earnings per share (in NT dollars)	$(6.13)	$0.33

Note: Calculate diluted earnings per share is anti-dilutive, only basic earnings per share is disclosed.

There were no significant changes in the number of outstanding ordinary shares or potential ordinary shares during the reporting period up to the date of issuance of the financial statements.

VII. Related Party Transactions

The following are the related parties that have transactions with the Company during the financial reporting period:

(1) Name of related party and relationship with the Company

Name of Related Party	Relationship with the Company
Shan Chun Co., Ltd.	The Chairman of the Company is the responsible person of that company
Ting Yang Co., Ltd.	Corporate director of the Company
Ting Yang Corporation	The Chairman of the Company is the responsible person of that company
Hsieh, Hsiu-Chuan	Former Chairman of the Company(Note1)
Lou, Chien-Chia	Former Chairman of the Company(Note1)
Yi Yang Construction Co., Ltd.	The President of the Company is the responsible person of that company

Note: The former chairman of the company Xie Xiu-Juan was deceased on February 26, 2023. The Board of Directors appointed Lou Jian-Qiao as the chairman on March 1, 2023: and the Board of Directors appointed Xie Ying-Yu instead of Lou Jian-Qiao as the new chairman on April 20, 2023.

Note1: The Company’s President became the responsible person of the other company in May 2024, and has been considered a related party of the Company since that date.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

(2)Significant transactions with related parties

1. Operating lease transactions

Rental income:

Name of related party	Leased asset	Lease period	2024	Method of rental collection
Ting Yang Co., Ltd.	6F.-5, No. 495, Guangfu S. Rd., Taipei City	2024.01.01-2024.12.31	23	Full rental payment collected once per year at the beginning of the year.
Shan Chun Co., Ltd.	6F.-5, No. 495, Guangfu S. Rd., Taipei City	2024.01.01-2024.12.31	23	Full rental payment collected once per year at the beginning of the year.
Ting Yang Corporation	6F.-5, No. 495, Guangfu S. Rd., Taipei City	2024.01.15-2025.01.14	23	Full rental payment collected once per year at the beginning of the year.
Yi Yang Construction Co., Ltd.	6F.-5, No. 495, Guangfu S. Rd., Taipei City	2024.02.01-2025.01.31	23	Full rental payment collected once per year at the beginning of the year.
Total			$92	

Name of related party	Leased asset	Lease period	2023	Method of rental collection
Ting Yang Co., Ltd.	6F.-5, No. 495, Guangfu S. Rd., Taipei City	2023.01.01-2023.12.31	23	Full rental payment collected once per year at the beginning of the year.
Shan Chun Co., Ltd.	6F.-5, No. 495, Guangfu S. Rd., Taipei City	2023.01.01-2023.12.31	23	Full rental payment collected once per year at the beginning of the year.
Ting Yang Corporation	6F.-5, No. 495, Guangfu S. Rd., Taipei City	2022.01.15-2023.01.14 and 2023.01.15-2024.01.14	23	Full rental payment collected once per year at the beginning of the year.
Total			$69	

2. Compensation to key management personnel of the Company

	2024	2023
Short-term employee benefits	$6,041	$3,474
Post-employment benefits	217	152
Total	$6,258	$3,626

3. Fund financing

The details of fund financing provided by the Company to related parties from January 1 to December 31, 2024 and 2023 are as follows:

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

2024.01.01－2024.12.31

None

2023.01.01－2023.12.31

Counterparty	Maximum balance	Ending balance	Interest rate range	Total interest expense	Collateral
Hsieh, Hsiu-Chuan	$64,000	$-	2.65%	$139	None
Lou, Chien-Chiao	33,000	-	2.65%	41	None
Total	$97,000	$-		$180	

The Fund financing described above is provided by related parties for the company's working capital.

VIII. Pledged Assets

The Company has the following assets pledged as collateral:

Name of pledged asset	Book value	Pledging institution	Nature of collateral
2024.12.31			
Property, plant and equipment—land	$37,088	Taiwan Cooperative Bank-Wujhou Branch	Short-term loans
Property, plant and equipment—buildings and structures	6,141	Taiwan Cooperative Bank-Wujhou Branch	Short-term loans
Total	$43,229		
2023.12.31			
Property, plant and equipment—land	$37,088	Taiwan Cooperative Bank-Wujhou Branch	Short-term loans
Property, plant and equipment—buildings and structures	6,296	Taiwan Cooperative Bank-Wujhou Branch	Short-term loans
Total	$43,384		

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

As of December 31, 2024, in addition to those disclosed in other notes, the significant contingencies and unrecognized contractual commitments of the Company are as follows:

1. On June 11, 2010 and July 13, 2010, the Company entered into a contract and a supplemental agreement for the "Solar Power Generation System Installation Project" with Nanowin Technology Co., Ltd. (hereinafter referred to as Nanowin Technology) for a total contract

price of NT$189,759 thousand (including business tax). In accordance with the contract, the Company has paid Nanowin Technology NT$94,880 thousand (including business tax), but Nanowin Technology has not performed its obligations in accordance with the contract and the supplemental agreement. Therefore, the Company filed a lawsuit in 2011 and obtained an execution order from the Taipei District Court on October 3, 2013 to execute the seizure of the property of Nanowin Technology, and also deposited a security deposit of NT$5,000 thousand. Later, in May 2014, Nanowin Technology deposited the full amount of the bond. On December 31, 2014, Nanowin Technology was ordered by the Taipei District Court to pay the Company $14,484 thousand plus interest at 5% per annum from November 5, 2012 to the date of settlement. The amount of the judgment was calculated by offsetting the subsidy income received by Nanowin Technology from the Bureau of Energy of the Ministry of Economic Affairs and the amount of the construction work still to be paid by the Company, and the Company was able to obtain a guarantee of $4,828 thousand for the defendant's provisional execution, but Nanowin Technology appealed against the judgment. On September 21, 2016, the Company set aside a guarantee of $4,828 thousand to the Taipei District Court to execute the provisional execution of the first instance judgment, and on June 8, 2017 and August 2, 2018, the Company received $7,969 thousand and $3,309 thousand, respectively, from the Civil Execution Department of the Taiwan Kaohsiung District Court for the allocation of damage compensation for compulsory enforcement (recorded under other income). The appeal was dismissed by the Taiwan High Court on November 9, 2017, and Nanowin Technology filed another appeal on November 9, 2017, which was dismissed by a civil ruling of the Taiwan High Court on January 9, 2018, due to its failure to pay the judgment fee. In addition, the Company recovered the $9,828 thousand guarantee set aside in December 2018.

2. The Company's former responsible persons, Chang Wei-Yue and Chang Wei-Hsuan, entered into a false contract with Nanowin Technology under a fictitious CIGS company, which involved the tunneling of the Company's assets. On January 18, 2011, the Company filed a lawsuit with the Taiwan Taipei District Prosecutors Office for a motion for provisional attachment and provisional execution in the amount of NT$150,000 thousand against former responsible persons, Chang Wei-Yue and Chang Wei-Hsuan, and has set aside a security deposit of NT$100,000 thousand (including $50,000 thousand for provisional attachment and $50,000 thousand for provisional execution). On September 30, 2013, a civil judgment was issued by the Taiwan Taichung District Court, which ruled that the three former responsible persons, Chang Wei-Yue, Chang Wei-Hsuan, and Lin Tso-Ying, shall pay $150,000 thousand together, however, the three defendants appealed the judgment. In addition, the Company reached an agreement with the defendants, Chang Wei-Yue and Chang Wei-Hsuan, on a civil judgment in January 2015, and received a settlement of $45,000 thousand (recorded under other income), and they have withdrawn their appeal. In February 2015, the Company obtained $50,000 thousand of the guarantee for the provisional attachment. The Company also reached a settlement with Lin Tso-Ying in January 2016 and received a settlement amount of NT$12,500 thousand (included in other income). Lin Tso-Ying also withdrew the appeal and therefore the Company received the guarantee amount of NT$50,000 thousand for provisional execution on January 12, 2016. As for the case of Nanowin Technology assisting in tunneling the Company's assets, the Company has set aside $3,335 thousand as guarantee for the execution of provisional attachment of $10,000 thousand to the Taiwan Kaohsiung District Court. In January 2016, the Company reached a settlement with Nanowin Technology and obtained the guarantee.

Regarding the above-mentioned tunneling of the Company's assets, on April 13, 2012, the Company filed a criminal incidental civil lawsuit in the Criminal Court of the Taiwan Taipei District Court against the former responsible persons, Chang Wei-Yue, Chang Wei-Hsuan, Lin Tso-Ying, Lu Fu-Shou, Chen Wei-Hsiang and Chang Ching-Chang. On May 10, 2011, the prosecutor of the Taiwan Taipei District Court concluded the investigation and filed an criminal charge against Chang Wei-Yue, Chang Wei-Hsuan, Lin Tso-Ying, Lu Fu-Shou, Chen Wei-Hsiang and Chang Ching-Chang, the former responsible persons. All of the above-mentioned persons were sentenced to prison terms by the Taiwan Taipei District Criminal Court on March 29, 2013, but the case was appealed by the prosecutor of the Taiwan Taipei District Court on May 3, 2013. On July 14, 2016, the Taiwan High Court handed down the verdict on the case and sentenced Chen Wei-Hsiang, Chang Ching-Chang, Lin Tso-Ying, Lu Fu-Shou, Chang Wei-Yue, and Chang Wei-Hsuan to fixed-term imprisonment for their crimes. On July 14, 2016, the Taiwan High Court handed down the verdict on the case and sentenced Chen Wei-Hsiang, Chang Ching-Chang, Lin Tso-Ying, Lu Fu-Shou, Chang Wei-Yue, and Chang Wei-Hsuan to fixed-term imprisonment for their crimes. However, the Company appealed to the Taiwan Supreme Court on August 11, 2016 against the verdict, and on November 23, 2017, the Taiwan Supreme Court ruled that the guilty parts of Chang Wei-Yue and Chang Wei-Hsuan were revoked and remanded to the Taiwan High Court, while the penalty part of Chang Ching-Chang was revoked and the revoked part was dismissed, and the appeals of the others were dismissed. On August 26, 2020, the Taiwan High Court handed down a new verdict, which dismissed the original verdict regarding the guilt of Chang Wei-Yue and Chang Wei-Hsuan, and sentenced Chang Wei-Yue and Chang Wei-Hsuan to a fixed-term imprisonment for accepting property from others for major crimes. Chang Wei-Yue and Chang Wei-Hsuan appealed, but the appeal was dismissed by the Supreme Court on November 16, 2020, because they did not file their appeal briefs before the third trial court ruled. Regarding the criminal incidental civil litigation, the Taiwan Taipei District Court ruled in favor of the Company on December 31, 2019 that Lin Tso-Ying and Lu Fu-Shou shall pay the Company $351,022 thousand and $14,787 thousand jointly and severally, and the ruling was confirmed on February 3, 2020. In addition, regarding the criminal incidental civil lawsuit against Chang Wei-Yue and Chang Wei-Hsuan, the Supreme Court held that the original criminal lawsuit against Chang Wei-Yue and Chang Wei-Hsuan did not involve money laundering. On December 31, 2019, the Civil Court dismissed the criminal incidental civil lawsuit against Chang Wei-Yue and Chang Wei-Hsuan on the grounds of procedural irregularities. The Company filed an appeal from this ruling, and on April 30, 2020, the Taiwan High Court ruled that the Company's appeal was successful and remanded to the Taipei District Court for a new trial. On August 25, 2020, the Taiwan Taipei District Court ruled in favor of the Company that Chang Wei-Yue and Chang Wei-Hsuan shall pay the Company $351,022 thousand jointly and severally, and the ruling was confirmed on November 16, 2020.

On June 8, 2021, the Company filed a claim with the Taiwan Taipei District Prosecutors Office for the return and payment of confiscated items or force-collected property in response to the aforementioned civil judgment, and on September 30, 2021, the Taiwan Taipei District Prosecutors Office replied that the Company's claim for the return of the proceeds of crime was subject to the recovery of the proceeds of crime. On October 28, 2021, the Company received an amount of $24,007 thousand from the Civil Execution Department of the Taichung District Court as a result of the overflow distribution from the National Taxation Bureau of the Central Area, Ministry of Finance, which was included in other income.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

3. On October 1, 2012, the Company received a civil lawsuit filed by the Securities and Futures Investors Protection Center, requesting the Company, its former responsible person, Chang Wei-Yue, and its former directors and supervisors, totaling 36 persons, to jointly and severally indemnify the investors for damages in the amount of approximately $178,079 thousand. On April 28, 2017, the Taiwan Taipei District Court ruled in favor of the Company in the first instance, and on May 26, 2017, the Securities and Futures Investors Protection Center filed an appeal against the judgment. As of the date of the financial report, the case is still pending in court.

   In addition, on November 27, 2013, the Company received an additional statement of claim filed by Cho Tai-Ling and others in the Taipei District Court, seeking damage compensation for infringement of rights from the Company and its former responsible person, Chang Wei-Yue and others, totaling 6 persons, in a civil lawsuit. On August 31, 2017, the Taiwan Taipei District Court ruled in favor of the Company in the first civil trial, but Cho Tai-Ling and others appealed the judgment on September 29, 2017, and the appeal was dismissed by the Taiwan High Court on October 9, 2018. However, Cho Tai-Ling and others filed a further appeal on November 9, 2018, which was dismissed by the Supreme Court on March 5, 2019 as unlawful.

X. Significant Disaster Losses

None.

XI. Significant Post-Balance Sheet Events

None.

XII. Others

1. Types of financial instruments

Financial assets

	2024.12.31	2023.12.31
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	$144,596	$192,541
Notes receivable	-	8,942
Accounts receivable	14,186	234,707
Refundable deposits	8	8
Total	$158,790	$435,748

Financial liabilities

	2024.12.31	2023.12.31
Financial liabilities measured at amortized cost:		
Short-term loans	$-	$30,000
Accounts payable	4,275	-
Other payables	3,146	3,225
Total	$7,421	$33,225

2. Financial risk management objectives and policies

The Company's financial risk management objective is to manage market risk, credit risk and liquidity risk associated with operating activities. The Company identifies, measures and manages the aforementioned risks in accordance with the Company's policies and risk appetite.

The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with relevant regulations, and significant financial activities are subject to review by the board of directors and the audit committee in accordance with relevant regulations and internal control systems.

During the implementation of financial management activities, the Company must ensure compliance with the relevant regulations established for financial risk management.

3. Market risk

The market risk of the Company refers to the risk of financial instruments fluctuating in fair value or cash flows due to changes in market prices. Market risk mainly includes interest rate risk and other price risks (such as equity instruments).
In practice, it is rare for a single risk variable to change independently, and the changes in each risk variable are usually correlated. However, the sensitivity analysis of the following risks does not consider the interaction effects of related risk variables.

Exchange rate risk

The Company's exchange rate risk is mainly related to its operating activities (when the currency used for income or expenses differs from the functional currency of the Company).

If the currencies of the Company's accounts receivable and accounts payable are the same, a natural hedging effect will arise in the corresponding positions. However, this method of natural hedging does not meet the requirements of hedge accounting for managing exchange rate risk. As a result, hedge accounting is not utilized.

The sensitivity analysis of the Company's exchange rate risk mainly focuses on the major foreign currency items at the end of the financial reporting period and the impact of related foreign currency appreciation/depreciation on the Company's income and equity.

The Company's exchange rate risk is mainly affected by fluctuations in the US dollar exchange rate, and the sensitivity analysis information is as follows:

When the New Taiwan Dollar appreciates/depreciates against the US dollar by 1%, the Company's income for the years 2024 and 2023 will decrease/increase by NT$351 thousand and NT$2,961 thousand, respectively.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company's interest rate risk mainly comes from its investments in US dollar-denominated floating-rate securities.

The sensitivity analysis of interest rate risk focuses on the interest rate risk items as of the end of the financial reporting period, including floating rate investments, and assumes that if interest rates increase/decrease by 0.5% for one fiscal year, the Company's profit or loss will increase/decrease by NT$723 thousand and NT$813 thousand in 2024 and 2023, respectively.

Equity price risk

The Company faces equity price risk for its unlisted equity securities, which are subject to fluctuations in fair value due to uncertainty about the future value of the underlying investments. These securities are classified as fair value through other comprehensive income. To manage the price risk of its equity securities, the Company employs a strategy of diversification and sets limits on its investments in equity securities, both individually and in the aggregate. Portfolio information on equity securities is regularly provided to senior management, and all investment decisions on equity securities are reviewed and approved by the board of directors.

4. Credit risk management

Credit risk refers to the risk of financial loss resulting from a counterparty's inability to fulfill the obligations specified in a contract. The credit risk of the Company is mainly due to its business activities, which primarily involve accounts and notes receivable, as well as its financial activities, which primarily involve bank deposits and various financial instruments.

Each unit of the Company follows the policies, procedures, and controls related to credit risk to manage credit risk. The credit risk assessment of all counterparties is based on various factors, including their financial condition, credit ratings from rating agencies, past transaction experiences, current economic conditions, and the Company's internal rating standards. The Company also uses certain credit enhancement tools, such as advance payments and guarantees, at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2024 and 2023, the top ten customers' accounts receivable accounted for 100% of the Company's total accounts receivable, and as of the same dates, the accounts receivable balances of the top ten customers were NT$297,024 thousand and NT$243,199 thousand, respectively.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

The Company's finance department manages the credit risk of bank deposits and other financial instruments in accordance with the Company's policies. Since the Company's trading partners are determined through internal control procedures and are reputable banks and financial institutions with good credit, there is no significant credit risk.

The Company adopts IFRS 9 to evaluate the anticipated credit losses. Debt instrument investments, other than receivables, that are measured at fair value through profit or loss, are originally obtained with the assumption that the credit risk is low. On every balance sheet date, the Company appraises whether the credit risk has considerably escalated since the original recognition to decide the approach for measuring the provision for losses and its loss rate. As of December 31, 2024, and 2023, the Company did not have any investments in debt instruments that are not measured at fair value through profit or loss.

In addition, the Company offsets financial assets when it determines that it cannot reasonably expect to recover them, such as when the issuer or debtor faces significant financial difficulties or has declared bankruptcy.

5. Liquidity risk management

The Company maintains financial flexibility through contracts such as cash and cash equivalents, and bank loans. The following table summarizes the payment maturity of the financial liabilities of the Company's contracts, compiled based on the earliest possible repayment date and using undiscounted cash flows, including the agreed interest. The undiscounted interest amount paid on the cash flows for variable interest rate payments is derived from the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1-5 years	Total
2024.12.31			
Loans	$-	$-	$-
Accounts payable	7,421	-	7,421
2023.12.31			
Loans	$30,713	$-	$30,713
Accounts payable	3,225	-	3,225

Derivative financial instruments

None

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

6. Reconciliation of liabilities from financing activities

Reconciliation of liabilities from January 1 to December 31, 2024:

	Short-term borrowings	Total liabilities from financing activities
2024.01.01	$30,000	$30,000
Cash flows	(30,000)	(30,000)
2024.12.31	$-	$-

Reconciliation of liabilities from January 1 to December 31, 2022:

	Deposits received	Total liabilities from financing activities
2023.01.01	$-	$-
Cash flows	30,000	30,000
2023.12.31	$30,000	$30,000

7. Fair value of financial instruments

(1) Valuation techniques and assumptions used for fair value

Fair value refers to the price that can be received for selling an asset or the price that needs to be paid for transferring a liability in orderly transactions between market participants at the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

A. The carrying amounts of cash and cash equivalents, receivables, payables, and other current liabilities are reasonable approximations of fair value, mainly due to the short maturity of these instruments.

B. For financial assets and financial liabilities traded in active markets with standard terms and conditions, their fair value is determined based on market quotes (such as listed stocks and bonds).

C. For equity instruments without active market trading (such as privately placed stocks listed on stock exchanges, publicly traded stocks of companies without active market trading, and unlisted company stocks), fair value is estimated using the market approach, based on the prices and other relevant information (such as lack of liquidity discounts, input values such as similar company price-to-earnings ratios and price-to-book ratios).

(2) Fair value of financial instruments measured at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost by the Company is close to their fair value.

(3) Fair value hierarchy information of financial instruments

Please refer to Note 12.9 for the fair value hierarchy information of the Company's financial instruments.

8. Derivative instruments

As of December 31, 2024 and 2023, the Company did not hold any derivative financial instruments.

9. Fair value hierarchy

(1) Definition of fair value hierarchy

All assets and liabilities measured or disclosed at fair value are classified into the fair value hierarchy based on the lowest level of input that is significant to the overall fair value measurement. The levels of input are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities.

For assets and liabilities recognized in the financial statements on a recurring basis, the Company reevaluates their classification at the end of each reporting period to determine if there are any transfers between the different levels of the fair value hierarchy.

(2) Fair value hierarchy information

The Company did not have any non-recurring assets measured at fair value. The fair value hierarchy information for recurring assets is presented as follows:

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Equity instruments measured at FVTOCI	$-	$-	$-	$-

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Equity instruments measured at FVTOCI	$-	$-	$-	$-

Transfer between Level 1 and Level 2 of the fair value hierarchy

During the period from January 1 to December 31, 2024 and 2023, there are no transfers between Level 1 and Level 2 of the fair value hierarchy for the Company's assets and liabilities that are not measured at fair value on a recurring basis.

Details of changes in Level 3 of the fair value hierarchy on a recurring basis

The reconciliation of the opening to closing balances of the Company's assets and liabilities that were measured at fair value on a recurring basis during the period from January 1 to December 31, 2024 and 2023, which fall within Level 3 of the fair value hierarchy, is no change.

10. Information on foreign currency financial assets and liabilities that have a significant impact:

The information on foreign currency financial assets and liabilities that have a significant impact on the Company is as follows: (in thousands)

	2024.12.31			2023.12.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items:						
USD	$1	31.54	$35	$9,633	30.74	$296,114
Financial liabilities						
Monetary items:						
USD	$-	-	$-	$-	-	$-

	2024	2023
Net exchange gain or loss on monetary financial assets and liabilities		
USD	$15,307	$(9,501)

The above information is based on the carrying amount in foreign currencies (converted to functional currency).

11. Capital management

The primary objective of the Company's capital management is to ensure that sound credit ratings and good capital ratios are maintained in order to support corporate operations and maximize shareholders' equity. The Company manages and adjusts its capital structure in accordance with economic conditions. The Company may adjust dividend payments, return capital or issue new shares to maintain and adjust the capital structure.

XIII. Note Disclosures

(1) Information on significant transaction events

1.Loans extended to others: None.

2.Endorsements or guarantees made for others: None.

3.Securities held at the end of the period (excluding investments in subsidiaries, affiliated companies, and joint ventures): Please refer to Attachment 1.

4.Cumulative purchases or sales of a single security reaching NT$300 million or exceeding 20% of the paid-in capital: None.

5.Amount of investment in real estate reaching NT$300 million or exceeding 20% of the paid-in capital: None.

6.Amount of proceeds from disposal of real estate reaching NT$300 million or exceeding 20% of the paid-in capital: None.

7.Sales or purchases of goods with related parties reaching NT$100 million or exceeding 20% of the paid-in capital: None.

8.Amount of receivables from related parties reaching NT$100 million or exceeding 20% of the paid-in capital: None.

9.Derivative trading engaged by the Company: None.

(2) Related information on investment in subsidiaries:

1. When the Company has significant influence or control over the investee, relevant information on the investee shall be disclosed: None.

2. When the Company has control over the investee, relevant information on the investee as per Note 13 (1) shall be disclosed: None.

(3) Information on investments in China: None.

(All amounts, unless otherwise specified, are in thousands of New Taiwan Dollars)

(4) Information on major shareholders:

Name \ Shares	Number of shares held (shares)	Shareholding ratio
Ting Yang Co., Ltd.	5,530,671	13.82%
Shan Chun Co., Ltd.	4,851,793	12.12%

XIV. Department Information

(1)The Company's main source of revenue is from the trading and sales of raw coal and electronic components. The Company's operating decision-makers review the overall operational results to formulate decisions on the allocation of resources and evaluate the Company's overall performance. Therefore, it is a single operating segment, and the basis of compilation is the same as the summarized description of significant accounting policies as described in Note 4.

(2)Geographical information

(A) Revenue from external customers:

	2024	2023
Taiwan	$606,144	$852,715

(1)Non-current assets

	2024.12.31	2023.12.31
Taiwan	$43,448	$44,438

(2)Significant customer information: Net sales revenue to a single customer accounting for 10% or more of the Company's net sales revenue:

Customer	2024	2023
Customer A	$-	$388,651
Customer B	576,581	458,044

Attachment 1

Falcon Power Co., Ltd.

Securities held at the end of the period (excluding investments in subsidiaries, affiliated companies, and joint venture interests)

As of December 31, 2024 and 2023

Unit: NT$1,000/thousand shares

Holding company	Type and name of marketable securities	Relationship with the issuer of the securities	Financial statement account	End of term				Remark
				Number of shares	Carrying amount	Shareholding %	Fair value	
	Stock							
The Company	Green Hydrotec, Inc.	-	Financial assets measured at fair value through other comprehensive income - non-current	100	$-	0.81%	$-	
The Company	Nanowin Technology Co., Ltd. (Note)	-	Financial assets measured at fair value through other comprehensive income - non-current	942	-	1.36%	-	
Total					$-		$-	

Note: Nanowin Technology Co., Ltd. was abolished on June 4, 2020.

Falcon Power Co., Ltd.

1.Cash and cash equivalents Details

31-Dec-24

Unit: NT$1,000 / Foreign currency $1,000

Item	Description		Amount	Remark
Cash and petty cash:			$30	Exchange Rate as of December 31, 2024:
				USD：NTD＝31.54：1
Demand and check deposits:				
Demand deposit－NTD			84,560	
Demand deposit－foreign currenc	USD 1		35	
Subtotal			84,595	
Time deposits	Period	Interest rates		
Taiwan Cooperative Bank	113/12/29~114/01/29	1.23%	30,000	
Taiwan Cooperative Bank	113/11/04~114/02/04	1.29%	30,000	
Subtotal			60,000	
Total			$144,625	

Falcon Power Co., Ltd.

2. Accounts Receivable

31-Dec-24

Unit: NT$1,000

Customer name	Amount	Remark
Customer B	$283,838	1. The amount of individual client included in others dose not esceed 5% of the account balance.
Customer C	4,165	
Customer D	9,021	2. Notes receivable are not notes receivable from related parties.
Minus: allowance for loss	(282,838)	3. The notes here are generated from the main business activities and have not been provided as collateral or pledged.
Net amount	$14,186	

Falcon Power Co., Ltd.

3. Other receivables

31-Dec-24

Unit: NT$1,000

Customer name	Amount	Remark
Interest receivable	$784	

Falcon Power Co., Ltd.

4. Income tax assets

31-Dec-24

Unit: NT$ thousand

Item	Amount	Remark
Income tax refund receivable	$606	

Falcon Power Co., Ltd.

5.Financial assets measured at fair value through other comprehensive income

31-Dec-24

Unit: NT$1,000/thousand shares

Name	Opening balance		Increase		Decrease		Closing balance		Provision of guarantee or pledge	Remark
	Shares	Fair value	Shares	Amount	Shares	Amount	Shares	Fair value		
Unlisted Stocks:										
Green Hydrotec, Inc.	100	$-	-	$-	-	$-	100	$-	No	
Nanowin Technology Co., Ltd.	942	-	-	-	-	-	942	-	No	Note
Total		$-		$-		$-		$-		

Note: Nanowin Technology Co., Ltd. was abolished on June 4, 2020.

Falcon Power Co., Ltd.

6. Accounts payable

31-Dec-24

Unit: NT$ thousand

Item	Amount	Remark
Vendor A	$4,275	

Falcon Power Co., Ltd.

7. Other current liabilities

31-Dec-24

Unit: NT$1,000

Customer name	Amount	Remark
Receivables held on behalf of others	$47	

Falcon Power Co., Ltd.

8.Income tax liabilities for the period

31-Dec-24

Unit: NT$1,000

Customer name	Amount	Remark
Beginning of year	$-	
Add：The current period estimates the income tax for the year 201	4,886	
Less：The amount of provisional payment and interest income withheld	(2,705)	
Ending of year	$2,181	

Falcon Power Co., Ltd.

9. Net operating income

From January 1 to December 31, 2024

Unit: NT$1,000

Item	Summary	Amount	Remark
Electronic components	47,692,800 pcs	$576,581	
Others		29,563	
Less: Sales returns and discounts		-	
Net operating income		$606,144	

Falcon Power Co., Ltd.

10. Operating costs

From January 1 to December 31, 2024

Unit: NT$1,000

Item	Amount	Remark
Trading		
Beginning inventory	$-	
Plus: Net purchases for the period	573,779	
Minus: Ending inventory	-	
Cost of sales and purchase	573,779	
Total operating costs	$573,779	

Falcon Power Co., Ltd.

11. Management and general expenses

From January 1 to December 31, 2024

Unit: NT$1,000

Item	Amount	Remark
Salary expenses	$9,083	1. The amount of other expenses does not exceed 5% of the total amount of the account.
Compensation of employees	480	
Labor expenses	2,685	
Entertainment expenses	838	
Other expenses	2,836	
Total	$15,922	