

Stock code: 9955

Super Dragon Technology Co., Ltd.

Parent Company Only Financial Statements and Independent Auditor's Report

January 1 to December 31, 2024

And January 1 to December 31, 2023

Company Address: No.323, Huanke Rd., Guanyin Dist., Taoyuan City
Company Tel.: (03)473-6566

Parent Company Only Financial Statements
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Independent Auditors' Report

Super Dragon Technology Co., Ltd. is hereby submitted for your review:

Audit opinion

The Parent Company Only Balance Sheets of Super Dragon Technology Co., Ltd. as of December 31, 2024 and December 31, 2023, and the Parent Company Only Comprehensive Profit and Loss Statement, Parent Company Only Statement of Changes in Equity and Parent Company Only Statement of Cash Flows for the periods from January 1 to December 31, 2024 and January 1 to December 31, 2023, And the Notes to the Parent Company Only Financial Statements (including the summary of significant accounting policies) have been verified by the Accountant.

In the opinion of the Accountant based on our audit results and the independent audit reports by others (please refer to the other matter paragraph), the above Parent Company Only Financial Statements have been prepared in all material respects in accordance with Financial Reporting Standards for Securities Issuers. It is sufficient to express the Parent Company Only financial position of Super Dragon Technology Co., Ltd. and its subsidiaries as of December 31, 2024 and December 31, 2023, and the financial performance and cash flows of Super Dragon Technology Co., Ltd. from January 1 to December 31, 2024 and January 1 to December 31, 2023.

Basis of Audit Opinion

The Accountant performs the audit work in accordance with Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Audit Standard. The responsibilities of the Accountant under these standards will be further explained in the section of the accountant's responsibilities for checking the financial statements. In accordance with the professional ethics code of accountants, the staff of the firm to which the Accountant belongs has maintained independence from Super Dragon Technology Co., Ltd., and fulfilled other responsibilities under the code. Based on the audit results of our accountants and the audit reports of other accountants, we are of the opinion that sufficient and appropriate audit evidence has been obtained in order to be served as the basis for expressing the audit opinion.

Key audit items

Key audit items refer to the items that are the most important in the audit of the 2024 Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. in accordance with the professional judgment of the accountant. Such matters have been taken into account in the audit of the Parent Company Only Financial Statements as a whole and in the formation of the examination opinion, and the Accountant does not express an opinion on such matters alone.

Recognition of revenue

For the year ended December 31, 2024, Super Dragon Technology Co., Ltd. reported parent company only operating revenue of NT\$1,184,046 thousand. This amount is considered material to the parent company only financial statements. Given the complexity and uniqueness of the environmental industry in which the company operates, as well as its multi-jurisdictional sales activities including Taiwan and Hong Kong, the timing and amount of revenue recognition involve significant risk. Accordingly, revenue recognition was identified by the auditor as a key audit matter. The audit procedures of the Accountant include (but are not limited to) understanding various sales models, evaluating the reasonability of accounting policies for revenue recognition related to performance obligations under each model, including reviewing the transaction conditions of the parties, testing the effectiveness of internal controls related to the time point of revenue recognition of performance obligations in the sales cycle, and performing detailed tests on selected samples of sales details, including checking the original orders or sales contracts of major customers and other sales documents, reviewing the transaction conditions and confirming whether the revenue recognition time of each performance obligation is consistent with the performance obligations and satisfaction time set forth in the contract or order, and performing the verification procedures such as sales revenue cut-off test and significant sales return and discount after the review period for a period of time before and after the balance sheet date. The accountant also considers the appropriateness of the disclosure of operating income in Notes 4 and 6 to the Parent Company Only Financial Statements.

Valuation of inventories

The net inventory of Super Dragon Technology Co., Ltd. as of December 31, 2024 was NT\$174,516 thousand, accounting for 7% of the total assets, which is material to the Parent Company Only Financial Statements. As most of the inventories are gold, platinum and silver, in addition to the complex management of asset preservation and the need for close control, these precious metals are vulnerable to frequent and large price changes in the international market, and their inventory storage patterns are also diversified. These factors affect the complexity of the calculation of net realization and involved management personnel's judgement. Therefore, the Accountant has determined that valuation of inventory is a key audit item. The audit procedures of the accountant include (but are not limited to) the execution of the evaluation of the inventory plan of the management level, the selection of major inventory items to test the effective implementation of its internal control and the confirmation of inventory quantity and status. Select samples to test and evaluate the net realized value estimated by management personnel for valuation of inventory (including the determination of inventory quantity in process), etc. The accountant also considers the appropriateness of the disclosure of inventory in Notes 5 and 6 to the Parent Company Only Financial Statements.

Other Matters - Audits by other Certified Public Accountants

Included in the parent company only financial statements of Super Dragon Technology Co., Ltd, the financial statements of some of the investments under the equity method have not been audited by us but by other CPAs. Therefore, our opinion on the parent company only financial statements relating to the amounts listed in the financial statements of these investees is based on the reports of other independent auditors. As of December 31, 2024 and 2023, the Company's investments in associates accounted for using the equity method amounted to NT\$166,847 thousand and NT\$148,391 thousand, respectively, representing 6.31% and 5.32% of the parent company only total assets. The Company's share of profit (loss) of associates and joint ventures recognized under the equity method for the years ended December 31, 2024 and 2023 amounted to NT\$1,908 thousand and NT\$4,601 thousand, respectively, representing (1.17)% and (5.63)% of the parent company only loss before tax. The share of other comprehensive income (loss) of associates and joint ventures for the same periods amounted to NT\$65 thousand and NT\$0 thousand, representing 1.81% and 0% of the parent company only net other comprehensive income.

Responsibilities of management personnel and governance unit for Parent Company Only Financial Statements

It is the responsibility of management to prepare Parent Company Only Financial Statements that are permitted to be expressed in accordance with the Financial Reporting Standards of Securities Issuers and to maintain such internal control as is necessary in connection with the preparation of Parent Company Only Financial Statements to ensure that the Parent Company Only Financial Statements are free from material misrepresentation due to fraud or error.

In preparing the Parent Company Only Financial Statements, management's responsibility also includes evaluating the ability of Super Dragon Technology Co., Ltd. to continue as a going concern, disclosure of related matters, and adoption of a going concern accounting basis, unless management intends to liquidate Super Dragon Technology Co., Ltd. or cease business, or no practicable alternative other than liquidation or suspension of business.

The governance unit of Super Dragon Technology Co., Ltd. should be responsible for supervising the process of financial reporting.

Accountant's responsibilities of auditing the Parent Company Only Financial Statements

The purpose of Accountant's audit of the Parent Company Only Financial Statement is to obtain reasonable assurance as to whether the Parent Company Only Financial Statements as a whole contain material misrepresentations due to fraud or error, and to issue a verification report. Reasonable assurance is a high degree of assurance, but there is no guarantee that an audit conducted in accordance with the audit standards will detect a material misrepresentation in the Parent Company Only Financial Statements. Misrepresentation may lead to fraud or error. Misrepresentations of individual amounts or aggregate amounts are considered material if they can reasonably be expected to affect economic decisions made by users of the Parent Company Only Financial Statements.

The Accountant uses professional judgement and professional skepticism when auditing in accordance with Auditing Standards. The Accountant also performs the following duties:

1. Identify and assess the risk of material misrepresentation due to fraud or error in the Parent Company Only Financial Statements; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate audit evidence to form a basis for the audit opinion. Because fraud may involve collusion, forgery, willful omission, misrepresentation, or overstepping internal controls, the risk of failing to detect material misrepresentation due to fraud is higher than that due to error.

2. Obtain the necessary understanding of the internal controls relevant to the audit in order to design audit procedures appropriate for the circumstances, provided that the purpose is not to express an opinion on the effectiveness of the internal controls of Super Dragon Technology Co., Ltd.
3. Evaluate the appropriateness of the accounting policies, and the reasonability of accounting estimate and related disclosure which the management personnel adopted.
4. According to the obtained audit evidence, conclude the appropriateness of management personnel's adoption of the accounting basis for a going concern, and conclude the events or conditions whether there is a material uncertainty about the ability of Super Dragon Technology Co., Ltd. to continue as a going concern. In the opinion of the Accountant, if there is material uncertainty of the event and condition, I should alert users of the Parent Company Only Financial Statements to the relevant disclosure of Parent Company Only Financial Statements in the audit report or amend the audit opinion if such disclosure is inappropriate. The conclusions of the Accountant is based on the audit evidence available as of audit report date. However, future events or conditions may cause Super Dragon Technology Co., Ltd. to no longer be able to continue as a going concern.
5. Evaluate whether the related transaction and events in the overall expression, structure and content of Parent Company Only Financial Statements (including related Notes), and Parent Company Only Financial Statements are expressed appropriately.
6. Obtain the adequate and appropriate audit evidence of the parent company only financial information to issue the opinions about the Parent Company Only Financial Statements. The accountant is responsible for the guidance, supervision and execution of group audit cases, and the formation of group audit opinions.

The matters communicated by the accountant with the governing unit include the planned scope and timing of the audit and significant audit findings (including significant lack of internal control identified during the audit).

The accountant also provides the governing unit with a statement that the personnel of the accounting firm subject to the independence code have complied with the Independence Code of Professional Ethics for Accountants, and communicates with the governing body all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of accountants.

Based on the matters communicated with the governance unit, the Accountant decides the key matters for the audit of the 2024 Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. The Accountant states such matters in the audit report, unless public disclosure of a particular matter is prohibited by statute, or in very rare circumstances, the Accountant decides not to communicate a particular matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest enhanced.

Ernst & Young Accounting Firm

The competent authority approve the public issuance of the Company's financial reports

Audit Document No.: (2014) Jin-Guan-Zheng-Shen-Zi No. 1030025503

(2022) Jin-Guan-Zheng-Shen-Zi No. 1110348358

Ching-Piao, Cheng

Certified Public Accountant:

Cheng-Wei, Lin

March 11, 2025

Super Dragon Technology Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2024 and 2023
(All amounts in NT\$ thousand)

Assets			December 31, 2024		December 31, 2023	
Code	Accounting title	Note	amount	%	amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$51,361	2	\$36,409	1
1136	Financial assets at amortized cost	4, 6.4, and 8	120,853	5	72,566	3
1150	Notes receivable, net	4 and 6.5	-	-	47	-
1170	Accounts receivable, net	4 and 6.6	31,601	1	28,954	1
1200	Other receivables		1,499	-	528	-
1210	Other receivables - related parties	7	1,002	-	-	-
1310	Inventory, net	4 and 6.7	174,516	7	339,484	12
1410	Prepayments		12,152	-	9,788	-
11XX	Total current assets		<u>392,984</u>	<u>15</u>	<u>487,776</u>	<u>17</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss	4 and 6.2	19,874	1	-	-
1517	Financial assets at fair value through other comprehensive income	4 and 6.3	9,333	-	9,333	-
1550	Investments using the equity method	4 and 6.8	437,041	17	468,850	17
1600	Property, plant and equipment	4, 6.9, and 8	1,640,522	62	1,678,833	60
1755	Right-of-use assets	4, 6.22, and 7	11,863	-	16,732	1
1760	Investment Property	4, 6.10, and 8	54,885	2	57,072	2
1840	Deferred tax assets	4 and 6.26	22,224	1	21,938	1
1900	Other non-current assets	6.11 and 8	53,701	2	48,901	2
15XX	Total non-current assets		<u>2,249,443</u>	<u>85</u>	<u>2,301,659</u>	<u>83</u>
1XXX	Total assets		<u>\$2,642,427</u>	<u>100</u>	<u>\$2,789,435</u>	<u>100</u>

(See notes to parent company only financial statements)

Chairman: Chieh-Hsin Wu

Manager: Ming-Yeh Yang

Chief Accounting Officer: Tze-Hui Chen

Super Dragon Technology Co., Ltd.
Parent Company Only Balance Sheet (continued)
December 31, 2024 and 2023
(All amounts in NT\$ thousand)

Liabilities and equity			December 31, 2024		December 31, 2023	
Code	Accounting title	Note	amount	%	amount	%
	Current liabilities					
2100	Short-term borrowings	6.12 and 8	\$600,000	23	\$610,000	22
2130	Contract liabilities	4 and 6.20	15	-	1,436	-
2170	Accounts payable		9,370	-	3,955	-
2200	Other payables	6.13	55,195	2	46,403	2
2280	Lease liabilities	4 and 6.22	5,049	-	8,155	-
2300	Other current liabilities		2,349	-	2,287	-
2320	Long-term borrowings due within one year or one business cycle	6.16	125,873	5	86,955	3
21XX	Total current liabilities		<u>797,851</u>	<u>30</u>	<u>759,191</u>	<u>27</u>
	Non-current liabilities					
2540	Long-term borrowings	6.16 and 8	644,333	25	683,634	25
2570	Deferred tax liabilities	4 and 6.26	6,446	-	5,276	-
2580	Lease liabilities	4 and 6.22	-	-	4,921	-
2600	Other non-current liabilities	4, 6.14, and 6.15	23,418	1	23,625	1
25XX	Total non-current liabilities		<u>674,197</u>	<u>26</u>	<u>717,456</u>	<u>26</u>
2XXX	Total liabilities		<u>1,472,048</u>	<u>56</u>	<u>1,476,647</u>	<u>53</u>
	Equity attributable to owners of the parent company					
3100	Share capital					
3110	Common shares	6.18	1,045,137	39	1,032,082	37
3200	Capital surplus	6.18	993,262	38	958,405	34
3300	Retained earnings	6.18				
3350	Undistributed earnings (deficit to be offset)		(824,328)	(31)	(661,103)	(23)
3400	Other equity interest		(43,692)	(2)	(16,596)	(1)
3XXX	Total equity		<u>1,170,379</u>	<u>44</u>	<u>1,312,788</u>	<u>47</u>
	Total liabilities and equity		<u>\$2,642,427</u>	<u>100</u>	<u>\$2,789,435</u>	<u>100</u>

(See notes to parent company only financial statements)

Chairman: Chieh-Hsin Wu

Manager: Ming-Yeh Yang

Chief Accounting Officer: Tze-Hui Chen

Super Dragon Technology Co., Ltd.
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2024
And January 1 to December 31, 2023
(Unit: NT\$ thousand, except for earnings per share)

Code	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Net operating revenue	4 and 6.20	\$1,184,046	100	\$1,118,686	100
5000	Operating cost		(1,178,846)	(99)	(1,082,466)	(97)
5900	Gross profit (loss)		5,200	1	36,220	3
6000	Operating expense					
6100	Selling expense		(4,497)	-	(4,117)	-
6200	Administrative expenses		(97,262)	(9)	(85,198)	(8)
6300	Research and development expenses	6.24	(9,772)	(1)	(4,503)	-
	Total operating expenses		(111,531)	(10)	(93,818)	(8)
6900	Operating income (loss)		(106,331)	(9)	(57,598)	(5)
7000	Non-operating income and expenses					
7010	Other income		20,902	2	16,257	1
7020	Other gains and losses		(6,133)	(1)	(531)	-
7050	Financial costs	26 and 6.4	(33,265)	(3)	(30,612)	(2)
7070	Share of profit or loss of subsidiaries, associates, or joint ventures recognized using the equity method		(38,398)	(3)	(9,255)	(1)
	Total non-operating income and expenses		(56,894)	(5)	(24,141)	(2)
7900	Net profit (loss) before tax		(163,225)	(14)	(81,739)	(7)
7950	Tax benefit (expense)		-	-	-	-
8200	Net income (loss) for this period		(163,225)	(14)	(81,739)	(7)
8300	Other comprehensive income	6.25				
8310	Items not reclassified to profit or loss					
8316	Unrealized Valuation Gain (Loss) on Equity Instrument Investments at Fair Value through Other Comprehensive Income of Subsidiaries, Associates, and Joint Ventures		65	-	-	-
8360	Items that may be subsequently reclassified to profit or loss					
8381	Exchange differences arising from the translation of the financial statements of foreign operations of subsidiaries, associates, and joint ventures		4,419	1	(2,385)	-
8399	Income taxes related to items that may be reclassified to profit or loss		(884)	-	477	-
	Other comprehensive income for this period (net of tax)	6.27	3,600	1	(1,908)	-
8500	Total comprehensive income of the current period		<u><u>\$(159,625)</u></u>	<u><u>(13)</u></u>	<u><u>\$(83,647)</u></u>	<u><u>(7)</u></u>
9750	Basic earnings (losses) per share (NTD)		<u><u>\$(1.58)</u></u>		<u><u>\$(0.79)</u></u>	
9850	Diluted earnings (losses) per share (NTD)		<u><u>\$(1.58)</u></u>		<u><u>\$(0.79)</u></u>	

(See notes to parent company only financial statements)

Chairman: Chieh-Hsin Wu

Manager: Ming-Yeh Yang

Chief Accounting Officer: Tse-Hui Chen

Super Dragon Technology Co., Ltd.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2024
And January 1 to December 31, 2023
(All amounts in NT\$ thousand)

	Item	Share capital	Capital surplus	Retained earnings	Other equity items			Total
				Undistributed earnings (deficit to be offset)	Exchange differences arising from the translation of the financial statements	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive	Unearned Employee Compensation Cost	
Code		3100	3200	3350	3410	3420	3500	31XX
A1	Balance on January 1, 2023	\$1,032,082	\$958,405	\$(579,364)	\$(14,688)	\$-	\$-	\$1,396,435
D1	2023 net loss			(81,739)				(81,739)
D3	Other comprehensive income for 2023			-	(1,908)			(1,908)
Z1	Balance as of December 31, 2023	1,032,082	958,405	(661,103)	(16,596)	-	-	1,312,788
D1	2024 net loss			(163,225)				(163,225)
D3	Other comprehensive income for 2024				3,535	65		3,600
T1	Restricted Employee Stock Awards and Others	13,055	34,857				(30,696)	17,216
Z1	Balance as of December 31, 2024	<u>\$1,045,137</u>	<u>\$993,262</u>	<u>\$(824,328)</u>	<u>\$(13,061)</u>	<u>\$65</u>	<u>\$(30,696)</u>	<u>\$1,170,379</u>

(See notes to parent company only financial statements)

Chairman: Chieh-Hsin Wu

Manager: Ming-Yeh Yang

Chief Accounting Officer: Tze-Hui Chen

Super Dragon Technology Co., Ltd.
Parent Company Only Cash Flow Statement
January 1 to December 31, 2024
And January 1 to December 31, 2023
(All amounts in NT\$ thousand)

Code	Item	2024	2023	Code	Item	2024	2023
AAAA	Cash flow of operating activities:			BBBB	Cash flow of investing activities:		
A00010	Net loss before tax	\$(163,225)	\$(81,739)	B00060	Decrease (increase) in financial assets at amortized cost	(48,287)	14,036
A20000	Adjustments:			B00100	Acquisition of financial assets at fair value through profit or loss	(313)	-
A20010	Income or expenses that do not affect cash flows:			B01800	Acquisition of investments using the equity method	(5,330)	(164,700)
A20100	Depreciation expenses (including investment property)	56,865	55,685	B01900	Disposal of investment under equity method	-	7,851
A20400	Net Loss on Financial Assets at Fair Value through Profit or Loss	11,694	-	B02000	Increase in prepayments for investments	-	(31,255)
A20900	Interest expense	33,265	30,612	B02700	Acquisition of property, plant and equipment	(29,568)	(15,204)
A21200	Interest income	(7,193)	(3,304)	B02800	Proceeds from Disposal of Property, Plant and Equipment	525	-
A21900	Share-Based Payment Compensation Cost	4,161	-	B03800	Decrease (increase) in guarantee deposits paid	(16,560)	14,852
A22300	Share of profit or loss of subsidiaries, associates, or joint ventures	38,398	9,255	BBBB	Net cash inflows (outflows) from investing activities	(99,533)	(174,420)
A22500	Disposal of property, plant and equipment losses (gains)	1,951	-	CCCC	Cash flow of financing activities:		
A23100	Disposal of investment gains	-	(1,641)	C00100	Increase (decrease) in short-term borrowings	(10,000)	(110,000)
A29900	Government grants	(207)	(207)	C01600	Long-term borrowings	148,751	268,000
A30000	Changes in assets/liabilities related to operating activities:			C01700	Repayment of long-term borrowings	(149,134)	(75,955)
A31130	Decrease (increase) in notes receivable	47	(47)	C04020	Repayment of lease principal	(8,952)	(7,740)
A31150	Decrease (increase) in accounts receivable	(2,647)	953	C04600	Capital Increase through Cash	13,055	-
A31180	Decrease (increase) in other receivables	(280)	(116)	CCCC	Net cash inflows (outflows) from financing activities	(6,280)	74,305
A31190	(Increase) Decrease in Other Receivables - Related Parties	(1,002)	-				
A31200	Decrease (increase) in inventory, net	164,968	96,495				
A31230	Decrease (increase) in prepayments	(2,364)	(3,900)	EEEE	Increase (decrease) in cash and cash equivalents during this period	14,952	(62,215)
A31240	Decrease (increase) in other current assets	(1,556)	(1,258)	E00100	Opening balance of cash and cash equivalents	36,409	98,624
A32125	Increase (decrease) in contract liabilities	(1,421)	1,436	E00200	Ending balance of cash and cash equivalents	\$51,361	\$36,409
A32130	Increase (decrease) in notes payable	-	(17,320)				
A32150	Increase (decrease) in accounts payable	5,415	(23,949)				
A32180	Increase (decrease) in other payables	6,405	2,608				
A32190	Increase (decrease) in other payables - related parties	-	(201)				
A32230	Increase (decrease) in other current liabilities	62	1,626				
A33000	Cash inflows (outflows) from operations	143,336	64,988				
A33100	Interest received	7,193	3,304				
A33200	Dividends received	3,225	-				
A33300	Interest paid	(32,298)	(30,132)				
A33500	Income tax refund (payment)	(691)	(260)				
AAAA	Net cash inflows (outflows) from operating activities	120,765	37,900				

(See Notes to the Parent Company Only Financial Statements)

Chairman: Chieh-Hsin Wu

Manager: Ming-Yeh Yang

Chief Accounting Officer: Tze-Hui Chen

Super Dragon Technology Co., Ltd.
Notes to Parent Company Only Financial Statements
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Super Dragon Technology Co., Ltd. (hereinafter referred to as “the Company”) was approved to be incorporated and registered on September 25, 1996. The original registered company name was "Super Dragon Engineering Co., Ltd." and then renamed “Super Dragon Technology Co., Ltd.” on December 2, 1999. The main business scope includes the collection and treatment of business waste (including general and hazardous) and the trading of copper, lead, zinc, iron, tin, aluminum, gold-plated, silver-plated, and palladium-plated materials, as well as single precious metals (gold, silver, and palladium). The Company's stock has been traded on Taipei Exchange since December 30, 2003 and on Taiwan Stock Exchange since January 21, 2008. Its registered business is located at No.323, Huanke Rd., Datan Vil., Guanyin Dist., Taoyuan City. The main operating sites are located at No. 12, Ronggong South Rd., Caoluo Vil., Guanyin Dist., Taoyuan City and No. 323, Huanke Rd., Datan Vil., Guanyin Dist., Taoyuan City.

II. Approval Date and Procedures of the Consolidated Financial Statements

The 2024 and 2023 consolidated financial statements of the Company were released after being approved by the Board of Directors on March 11, 2025.

III. Application of New Standards, Amendments and Interpretations

1. Changes in accounting policies due to the initial application of the IFRSs:

The Company has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations ("IFRSs") that have been endorsed by the FSC and are applicable to the fiscal years beginning on or after January 1, 2024, and the initial application of the newly issued and amended standards and interpretations caused no material impact on the Company.

2. The new or amended IFRSs published by IASB and endorsed by the FSC not yet adopted by the Company:

No.	New, Revised or Amended Standards and Interpretations	Effective Date Announced by the IASB
1	Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

(1) Amendments to IAS 21 “Lack of Exchangeability”

This amendment explains the exchangeability and lack of exchangeability between currencies, and how the exchange rate is determined when the currency lacks exchangeability, and adds additional disclosure requirements when the currency lacks exchangeability.

The above adjustments are applicable to fiscal years beginning on or after January 1, 2025. The Company has assessed that the impact is not material.

3. Up to the date the financial statements were approved for release, the new or amended IFRSs published by IASB and endorsed by the FSC and not adopted by the Company:

No.	New, Revised or Amended Standards and Interpretations	Effective Date Announced by the IASB
1	Amendments to 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 Venture	To be determined by the IASB
2	IFRS 17 “Insurance Contracts”	January 1, 2023
3	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
4	Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
5	Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
6	Annual Improvements to IFRS Standards—Volume 11	January 1, 2026
7	Contracts Dependent on Renewable Energy (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

- (1) Amendments to 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 Venture

The amendments aim to address the inconsistency regarding the loss of control due to the investment in an associate or a joint venture through a subsidiary between IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”. IAS 28 stipulates that when non-monetary assets are invested in exchange for the equity in an associate or a joint venture, the share of the resulting profit or loss shall be eliminated as the treatment method adopted for downstream transactions. IFRS 10 stipulates that the total gain or loss upon loss of control over a subsidiary shall be recognized. The amendments restrict the above requirements of IAS 28: when assets that constitute a business as defined in IFRS 3 are sold or purchased, the total resulting gain or loss shall be recognized.

In the amendments, IFRS 10 was amended so that when an investor sells or invests in a subsidiary (associate or joint venture) that does not constitute a business as defined by IFRS 3, only the profit or loss arising therefrom within the scope not belonging to the investor shall be recognized.

- (2) IFRS 17 “Insurance Contracts”

This standard provides a comprehensive model of insurance contracts, including all accounting-related elements (recognition, measurement, presentation, and disclosure principles). The core of the standard is a regular model. Under this model, during the initial recognition, the group of insurance contracts are measured at the aggregate amount of fulfillment cash flows and contractual service margins. The carrying amount at the end of each reporting period is the sum of the liabilities for the remaining coverage and the liabilities for incurred claims.

In addition to the regular model, it also provides a specific applicable method for contracts with direct participation features (variable fee approach and a simplified method for short-term contracts) (premium allocation approach).

After this standard was published in May 2017, the amendments were published in 2020 and 2021. In these amendments, the effective date in the transitional provisions will be postponed for two years (that is, from January 1, 2021 postponed through January 1, 2023) with additional exemptions provided, while some regulations are simplified to reduce the cost of adopting this standard, and some regulations are amended to make some scenarios easier to interpret. After this standard becomes effective, it will supersede the transitional provisions (i.e. IFRS 4 “Insurance Contracts”).

(3) IFRS 18 “Presentation and Disclosure in Financial Statements”

This standard will replace IAS 1 “Presentation of Financial Statements,” with the following key changes:

A. Enhanced Comparability of Income Statements

Income statement revenues and expenses will be classified into five categories: operating, investing, financing, income tax, or discontinued operations. The first three are new classifications designed to improve income statement structure, requiring all entities to provide newly defined subtotals (including operating profit). By enhancing income statement structure and introducing newly defined subtotals, investors will have a consistent starting point when analyzing financial performance across entities, facilitating more meaningful comparisons.

B. Increased Transparency of Management Performance Measures

Entities will be required to provide explanations of entity-specific metrics related to the income statement (termed management performance measures).

C. Useful Aggregation of Financial Statement Information

Application guidance has been established for determining whether financial information should be presented in the primary financial statements or in the notes. This change is expected to provide more detailed and useful information. Requires companies to provide more transparent information on operating expenses to help investors locate and understand the information they use.

(4) Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Simplifies disclosures for subsidiaries without public accountability and allows subsidiaries meeting the definition to voluntarily apply this standard.

(5) Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

These amendments include:

A. Clarifies that financial liabilities are derecognized on settlement date and provides accounting treatment for financial liabilities settled electronically before the settlement date.

B. Clarifies how to assess cash flow characteristics of financial assets with environmental, social, and governance (ESG) linked features or other similar contingent features.

C. Clarifies treatment of non-recourse assets and contractually linked instruments.

D. Requires additional disclosures under IFRS 7 for financial assets or liabilities with terms related to contingent features (including ESG-linked features), and equity instruments classified as fair value through other comprehensive income.

(6) Annual Improvements to IFRS Standards—Volume 11

A. Amendments to IFRS 1

Primarily aligns the explanation of hedge accounting for first-time adopters with IFRS 9.

B. Amendments to IFRS 7

Updates outdated cross-references for derecognition gains or losses.

C. Amendments to IFRS 7 Implementation Guidance

Improves textual explanations in the implementation guidance, including the introduction, disclosures of deferred fair value and transaction price differences, and credit risk disclosures.

D. Amendments to IFRS 9

Adds cross-references to address uncertainties regarding derecognition of lease liabilities by lessees and clarifies transaction prices.

E. Amendments to IFRS 10

Eliminates inconsistencies between paragraphs B74 and B73 of the standard.

F. Amendments to IAS 7

Removes the reference to the cost method in paragraph 37 of the standard.

(7) Contracts Dependent on Renewable Energy (Amendments to IFRS 9 and IFRS 7)

These amendments include:

A. Clarifies the application of "own use" requirements.

B. Permits the application of hedge accounting when contracts are used as hedging instruments.

C. Increases note disclosure requirements to help investors understand the impact of such contracts on a company's financial performance and cash flows.

The above standards or interpretations issued by the International Accounting Standards Board but not yet endorsed by the Financial Supervisory Commission (FSC) will become effective on dates specified by the FSC. The Company is currently evaluating the potential impact of the newly issued or amended standard (3) and is temporarily unable to reasonably estimate its impact. The remaining newly issued or amended standards or interpretations have no significant impact on the Company.

IV. Summary of Significant Accounting Policies

1. Statement of compliance

The Company's parent company only financial statements for 2024 and 2023 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of preparation

The Company prepared the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. As per Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit or loss and other comprehensive income in the parent company-only financial statements are the same as the share of the current profit or loss and other comprehensive income attributable to the owners of the parent company in the financial statements prepared on a consolidated basis; and the owner's equity in the parent company-only financial statements is the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis. Therefore, the investment in subsidiaries is presented as "investments using the equity method" in the parent company only financial statements, with necessary valuation adjustments made.

The parent company only financial statements have been prepared on the historical cost basis except for the financial instruments at fair value. The parent company only financial statements are presented in NT\$ thousand, unless otherwise specified.

3. Foreign currency transactions

The Company's parent company only financial statements are presented in NTD as the functional currency.

Transactions in foreign currencies are recognized at the exchange rates prevailing on the transaction dates. On each balance sheet date, monetary items denominated in foreign currencies are translated at the exchange rate prevailing on that date. Non-monetary items in foreign currencies measured at fair value are translated at the exchange rate prevailing on that date when the fair value is measured. Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rates prevailing on the initial transaction dates.

Except as stated below, exchange differences arising from settlement or translation of monetary items are recognized in profit or loss for the period in which they occur.

- (1) Regarding foreign-currency borrowings incurred to acquire an eligible asset, if the resulting exchange difference is regarded as an adjustment to interest costs, it is part of the borrowing cost and is capitalized as the cost of the asset.
- (2) Foreign-currency items to which IFRS 9 "Financial Instruments" applies are handled in accordance with the accounting policies for financial instruments.
- (3) Regarding monetary items that form part of a reportable entity's net investment in foreign operations, exchange differences arising therefrom are initially recognized in other comprehensive income and are reclassified from equity to profit or loss when the net investment is disposed of.

When the gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange gain or loss is recognized in other comprehensive income. When the gain or loss on a non-monetary item is recognized in profit or loss, any exchange gain or loss is recognized in profit or loss.

4. Translation of foreign currency financial statements

Each foreign operation of the Company determines its own functional currency and measures its financial statements in the functional currency accordingly. When the parent company only financial statements were prepared, the assets and liabilities of the foreign operations were translated into NTD at the closing exchange rate on the balance sheet date. Income and expense items were translated at the average exchange rates for the period. Any exchange differences arising from translation were recognized in other comprehensive income. When the foreign operations were disposed of, the cumulative exchange differences were previously been recognized in other comprehensive income as an independent component under equity was reclassified from equity to profit or loss when the gains or losses on disposal were recognized. When control, significant influence, or joint control over foreign operations is lost with some equity retained, it is still treated as disposal.

Regarding the partial disposal of a subsidiary with foreign operations (over which the control is not lost), the cumulative exchange difference recognized in other comprehensive income is adjusted in proportion through "investment using the equity method" and is not recognized in profit or loss. The partial disposal of an associate or a jointly controlled entity with foreign operations (over which the significant influence or joint control is not lost), when part of the disposal includes associates or jointly controlled entities of foreign operating institutions, the cumulative exchange difference is reclassified to profit or loss in proportion.

The goodwill arising from the acquisition of a foreign operation and the adjustment to the fair value of the carrying amounts of its assets and liabilities are regarding as the foreign operation's assets and liabilities and presented in its functional currency.

5. Criteria for classification of current and non-current assets and liabilities

Assets that meet one of the following criteria are classified as current assets, otherwise they are non-current assets:

- (1) Assets expected to be realized in the normal operating cycle or intended to be sold or consumed;
- (2) Assets held primarily for the purpose of trading;

- (3) Assets expected to be realized within 12 months after the balance sheet date;
- (4) Cash or cash equivalents, excluding assets restricted from being exchanged or used to settle liabilities for at least 12 months after the balance sheet date.

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

- (1) Liabilities expected to be settled in the normal operating cycle;
- (2) Liabilities held primarily for the purpose of trading;
- (3) Liabilities expected to be settled within 12 months after the balance sheet date;
- (4) Does not have the right at the reporting date to defer settlement of the liability for at least twelve months after the reporting period.

6. Cash and cash equivalents

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

7. Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities within the scope of IFRS 9 "Financial Instruments" are measured at fair value upon initial recognition; the transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (except financial assets and financial liabilities classified as at fair value through profit or loss) are added to or subtracted from the fair values of the financial assets and financial liabilities.

(1) Recognition and measurement of financial assets

Regular trading of financial assets is recognized and derecognized in accordance with trade date accounting.

The Company classifies financial assets as those subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss based on the two bases below:

- A. The business model for financial asset management
- B. Contractual cash flow characteristics of financial assets

Financial assets at amortized cost

Financial assets that meet both of the following criteria are measured at amortized cost and are recognized in the balance sheet as notes or accounts receivable, financial assets at amortized cost, or other receivables:

- A. Business model for financial asset management: Holding financial assets to collect contractual cash flows.
- B. Contractual cash flow characteristics of financial assets: The cash flow is entirely the payment for principal and the interest on the outstanding principal.

Such financial assets (excluding those for hedging) are subsequently measured at the amortized cost [the amount measured upon initial recognition, less the principal repaid, plus or less the cumulative amortization of the differences between the initial amount and the due amount (using the effective interest approach), with the allowance for losses adjusted]. The gain or loss is recognized in profit or loss upon de-recognition, through the amortization process, or when an impairment gain or loss is recognized.

Interest accrued using an effective interest method (effective interest rate multiplied by the total carrying amount of a financial asset) or based on the situations below is recognized in profit or loss:

- A. In the case of a credit-impaired financial asset purchased or created, the credit-adjusted effective interest rate is multiplied by the amortized cost of the financial asset;
- B. If it is not the case but subsequently becomes credit-impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets that meet both of the following criteria are measured at fair value through other comprehensive income and recognized in the balance sheet as financial assets at fair value through other comprehensive income:

- A. The business model for financial asset management: Collection of contractual cash flows and sales of financial assets.
- B. Contractual cash flow characteristics of financial assets: The cash flow is entirely the payment for principal and the interest on the outstanding principal.

The recognition of relevant gains and losses on such financial assets is specified below:

- A. Before de-recognition or reclassification, except for impairment gains or losses and foreign currency exchange gains or losses that are recognized in profit or loss, such gains or losses are recognized in other comprehensive income.
- B. Upon de-recognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest accrued using an effective interest method (effective interest rate multiplied by the total carrying amount of a financial asset) or based on the situations below is recognized in profit or loss:
 - (a) In the case of a credit-impaired financial asset purchased or created, the credit-adjusted effective interest rate is multiplied by the amortized cost of the financial asset;
 - (b) If it is not the case but subsequently becomes credit-impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

In addition, regarding equity instruments within the scope of IFRS 9 that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group, upon initial recognition, elects (irrevocably) to recognize the subsequent changes in the fair values thereof in other comprehensive income. The amount recognized in other comprehensive income must not be subsequently reclassified to profit or loss (when such equity instruments are disposed of, it will be included in the cumulative amount of other equity items and directly transferred to retained earnings) and is recognized in the balance sheet as a financial asset at fair value through other comprehensive income. Investment dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss, except for those meeting specific conditions to be measured at amortized cost or at fair value through other comprehensive income, and are reported as financial assets at fair value through profit or loss and accounts receivable on the balance sheet.

Such financial assets are measured at fair value, and any gain or loss arising from remeasurement is recognized in profit or loss. The gain or loss recognized in profit or loss includes any dividends or interest received due to the financial asset.

(2) Impairment of financial assets

The Company's investments in debt instruments at fair value through other comprehensive income and financial assets at amortized cost are recognized as expected credit losses with an allowance for losses provided. An allowance for losses on an investment in a debt instrument measured at fair value through other comprehensive income is recognized in other comprehensive income without the carrying amount of the investment reduced.

The Company measures expected credit losses in a way that reflects the following:

- A. An unbiased, probability-weighted amount determined by evaluating each potential outcome
- B. Time value of money
- C. Reasonable and corroborative information related to past events, present conditions, and future economy forecasts (which can be accessed without an excessive cost or investment on the balance sheet date)

The methods of measuring an allowance for losses are specified below:

- A. Measured at 12-month expected credit losses: Including financial assets with the credit risk not increasing significantly since the initial recognition or those with an estimated low credit risk on the balance sheet date. Also, it also includes an allowance for the lifetime expected credit losses during the prior reporting period, without meeting the indicator that the credit risk has significantly increased since the initial recognition on the balance sheet date of this period.
- B. Measured at lifetime expected credit losses: Including financial assets with the credit risk increasing significantly since the initial recognition or credit-impaired financial assets purchased or created.
- C. For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures an allowance for lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the allowance for credit losses based on the expected credit loss amount over the lease term.

On each balance sheet date, the Company evaluates whether the credit risk of a financial instrument has increased significantly after the initial recognition by comparing the default risk of the financial instrument on the balance sheet date and the initial recognition date. Please refer to Note 12 for relevant credit risk information.

(3) Derecognition of financial assets

The Company derecognizes a financial asset held in the case of any of the following circumstances:

- A. The contractual rights to receive the cash flows from the financial asset have expired.
- B. A financial asset is transferred with all the risks and rewards attached to the ownership of the asset substantially transferred to the counterparty.
- C. All the risks and rewards attached to the ownership of the asset are neither substantially transferred nor retained, but the control over the asset is transferred.

When a financial asset as a whole is de-recognized, the difference between its carrying amount and the sum of the consideration received or receivable plus any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liabilities and equity

Liabilities and equity instruments issued by the Company are classified as financial liabilities or equity as per the substance of the agreement and the definitions of financial liabilities and equity instruments.

Equity instrument

Equity instrument refers to any contract that demonstrates the Company's remaining interest in assets less all of its liabilities. Equity instruments issued by the Company are recognized at the acquisition prices, less the direct issuance cost.

Financial liability

Financial liabilities that fall within the scope of IFRS 9 are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost, including payables and borrowings, are subsequently measured using the effective interest rate method after the initial recognition. When financial liabilities are de-recognized and amortized using the effective interest rate method, the relevant gains or losses and amortizations are recognized in profit or loss.

The amortized cost is calculated with the discount or premium and the transaction cost upon acquisition taken into account.

Derecognition of financial liabilities

When the obligations of financial liabilities are lifted, cancelled, or expire, the financial liabilities are derecognized.

When the Company exchanges debt instruments with materially different terms with a creditor or significantly changes all or part of the terms of the existing financial liabilities (financial difficulties or not), the initial liabilities are derecognized and new liabilities are recognized. When a financial liability is derecognized, the difference between its carrying amount and the total consideration paid or payable (including the non-cash assets transferred or the liabilities assumed) is recognized in profit or loss.

(5) Offset of financial assets and liabilities

Financial assets and financial liabilities can only be offset and presented in the balance sheet as a net amount when the recognized amount is legally entitled to be offset with an intension to be settled in a net amount or realize the asset and settle the liability at the same time.

8. Fair value measurement

Fair value is the price that can be received from a sale of an asset or paid to transfer a liability in an orderly transaction between market participants. It is assumed that the sale of the asset or transfer of the liability takes place in one of the markets below when the fair value is measured:

- (1) The principal market for the asset or liability, or
- (2) If there is no principal market, the most favorable market for the asset or liability.

The principal or most favorable market should be accessible for the Company to trade. The measurement of the fair value of an asset or a liability serves as an assumption that market participants would adopt when pricing the asset or liability in the in the best economic interest of the market participants.

The fair value of a non-financial asset is measured based on market participants' ability to make the most of or put the asset to the best use or by selling the asset to another market participant who will make the most of or put the asset to the best use to generate economic benefits.

The Company measures the fair value using a valuation technique that is appropriate in relevant situations with sufficient information available and maximizes the use of relevant observable inputs while minimizing the use of unobservable inputs.

9. Inventories

Inventories are valued at the lower of cost or net realizable value with an item-by-item comparison method.

Costs refer to the costs incurred in bringing inventories to a condition and location ready for sale or production.

Raw materials are valued at the actual purchase cost with a weighted average method.

Finished goods and work in process - include direct raw materials, labor, and fixed manufacturing overhead apportioned based on normal production capacity, excluding the borrowing costs.

The net realizable value is calculated based on the estimated selling price, less the costs and selling expenses required till completion in the ordinary course of business.

The provision of services is handled in accordance with IFRS 15 outside the scope of inventories.

10. Investments using the equity method

As per Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company's investments in its subsidiaries are presented as "investments using the equity method" with necessary valuation adjustments made, to bring the current profit or loss and other comprehensive income in the parent company-only financial statements to be the same as the share of the current profit or loss and other comprehensive income attributable to the owners of the parent company in the financial statements prepared on a consolidated basis; and the owner's equity in the parent company-only is the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis. Such adjustments are mainly made to the treatment of investments in subsidiaries in the consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements" and the differences in the application of IFRS by reportable entities at different levels, while being debited to or credited from "investments using the equity method", "share of profit or loss of subsidiaries, associates, or joint ventures using the equity method", or "share of other comprehensive income of subsidiaries, associates, or joint ventures using the equity method".

The Company's investments in associates are accounted for using the equity method, except for assets that are classified as assets held for sale. Associates refer to those on which the Company has significant influence.

With an equity method adopted, an investment in an associate recognized in the balance sheet is the amount of cost, plus the amount of the net change in the Company's net assets in the associate after the acquisition in proportion to the Company's shareholding. After the carrying amount of the investment in the associate and other relevant long-term interests are reduced to zero using the equity method, additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of the said associate. Unrealized gains or losses arising from transactions between the Company and its associates are eliminated in proportion to its equity in the associates.

When a change in the equity in an associate does not occur due to an item under profit or loss or other comprehensive income and does not affect the Company's shareholding, the Company recognizes the change in ownership interests in proportion to its shareholding. Therefore, when the associate is subsequently disposed of, the capital surplus recognized is transferred to profit or loss in proportion to the disposal.

In the event of issuance of new shares by an associate, when the Company does not subscribe in proportion to its shareholding, resulting in a change in the proportion of investment and an increase or decrease in the Company's share in the associate's net assets, "capital surplus" and "investments using the equity method" are adjusted accordingly. When the proportion of investment decreases, the relevant items previously recognized in other comprehensive income will be reclassified to profit or loss or other appropriate accounts depending on the percentage of the decrease. When the associate is subsequently disposed of, the above capital surplus recognized is transferred to profit or loss in proportion to the disposal.

Each associate's financial statements are prepared for the same reporting period as the Company's and adjusted to align their accounting policies with the Company's.

At the end of each reporting period, the Company confirms if there is objective evidence indicating any impairment of its investments in associates in accordance with IAS 39 "Investments in Associates and Joint Ventures". If it is the case, the Company calculates the impairment based on the difference between the recoverable amount and the carrying amount of the associate in accordance with IAS 36 "Impairment of Assets" and recognizes the amount in the profit or loss on the associate. If the value in use of the investment is adopted for the above recoverable amount, the Company determines the relevant values in use based on the estimates below:

- (1) The Company's share of the present value of the estimated future cash flows generated from an associate, including the cash flow generated by the associate due to its operations and the proceeds from the disposal of the investment; or
- (2) The present value of the estimated future cash flows from dividends from the investment that the Company expects to receive and the proceeds from the disposal of the investment.

As the components of goodwill that constitute the carrying amount of an investment in an affiliate are not separately recognized, it is not necessary to apply IAS 36 "Impairment of Assets" regarding the goodwill impairment test.

When the significant influence on an associate or joint control over a joint venture is lost, the Company measures and recognizes the retained investment at fair value. When the significant influence or joint control is lost, the difference between the carrying amount of the investment in an associate or a joint venture and the fair value of the retained investment, plus the proceeds from the disposal, is recognized in profit or loss. Also, when an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Company continues to adopt the equity method without re-measuring the retained equity.

11. Property, plant and equipment

Property, plant and equipment are accounted for on the basis of acquisition cost and recognized after accumulated depreciation and impairment are deducted. The above costs include the cost of dismantling or removing of property, plant and equipment and restoring the location, and necessary interest expenses arising from unfinished projects. Each component of property, plant and equipment is depreciated separately if it is significant. When a major component of property, plant and equipment needs to be replaced regularly, the Company regards it as an individual asset and recognizes it separately with a specific useful life and a depreciation methods. The carrying amount of the replaced part should be derecognized in accordance with the requirement for derecognition under IAS 16 "Property, Plant and Equipment". If a major examination or repair cost meets the criteria for recognition, it is regarded as a replacement cost and recognized as part of the carrying amount of plant and equipment, while other repair and maintenance expenses are recognized in profit or loss.

Assets below are depreciated on a straight-line basis over the estimated useful lives:

Buildings	1–50 years
Machinery and equipment	3–20 years
Transportation equipment	5–10 years
Office equipment	1–10 years
Leasehold improvements	2 years
Other equipment	3–20 years

After the initial recognition of property, plants and equipment or any important component, if it is disposed of or no economic effect arising from the use or disposal is expected, it will be derecognized and recognized in profit or loss.

The residual value, years of useful life, and depreciation method of property, plants and equipment are assessed at the end of each fiscal year. If the expected value is different from the previous estimate, the change is considered as a change in accounting estimates.

12. Investment property

The Company's self-owned investment property is initially measured at cost, including transaction cost of the property. The carrying amount of investment property includes the cost of repairing or adding to the existing investment property under the condition that the cost can be recognized; however, the repair or maintenance costs that usually occur on a daily basis are not included as part of the cost. After initial recognition, except for those meeting the criteria for being classified as those held for sale (or included in the disposal group classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"; As per IAS 16 "Property, Plant and Equipment" regarding such a situation, if such an asset is held by the lessee as a right-of-use asset and is not held for sale as per IFRS 5, it is handled in accordance with IFRS 16.

Assets below are depreciated on a straight-line basis over the estimated useful lives:

Buildings	5–30 years
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Investment property is derecognized and recognized in profit or loss when it is disposed of or will never be used again without future economic benefits expected to be generated from the disposal.

The Company decides to transfer an asset in or out of investment property depending on the actual use of the assets.

When a property meets or no longer meets the definition of investment property with evidence showing that the purpose has changed, the Company will reclassify the property as investment property or transfer it out of investment property.

13. Leasing

The Company assesses whether or not an arrangement is (or includes) a lease arrangement on the inception of the agreement. If an agreement transfers control over the use of an identified asset for a period of time in exchange for consideration, the agreement is (or includes) a lease arrangement. In order to assess whether the agreement transfers control over the use of the identified asset for a period of time, the Company assesses whether it meets both of the following conditions during the entire period of use:

- (1) Obtaining the right to almost all economic benefits from the use of the identified asset; and
- (2) The right to direct the use of the identified asset.

For the agreement that belongs to (or includes) a lease arrangement, the Company treats each lease component in the agreement as a separate lease and treats it separately from the non-lease component in the agreement. For the agreement that includes one lease component and one or more additional lease or non-lease components, the Company adopts the relative standalone price of each lease component and the aggregate standalone prices of the non-lease components as the basis to distribute the consideration in the agreement to the lease component. The relative standalone prices of lease and non-lease components are determined on the basis of the prices charged by the lessor (or similar suppliers) for the components (or similar components). If an observable standalone price is not readily available, the Company maximizes the use of observable information to estimate the standalone price.

The Company as a lessee

In addition to meeting and selecting short-term leases or leases of low-value underlying assets, when the Company is the lessee of a lease contract, all leases are recognized in right-of-use assets and lease liabilities.

The Company measures the lease liabilities on the inception date based on the present value of the lease payments not yet paid on that date. If the implied interest rate of the lease is easily determined, the lease payments will be discounted to their present value using that interest rate. If such interest rate is not easily determined, the incremental borrowing rate will be used. On the inception date, the lease payments included in the lease liabilities include the following payments related to the right to use the underlying assets during the lease period and not yet paid on that date:

- (1) Fixed payment (including substantive fixed payment) less any lease incentives that can be collected;
- (2) Lease payment that depends on changes in an index or rate (using the index or rate on the inception date for initial measurement);
- (3) The amount expected to be paid by the lessee under the residual value guarantee;
- (4) If the Company can reasonably determine the exercise price of call option, it will exercise the option; and
- (5) The penalty payable for the termination of a lease, if there is sign that the lessee, in the lease period, will exercise the option of terminating the lease.

After the inception date, the Company measures the lease liabilities at amortized cost, and increases the carrying amount of the lease liabilities using the effective interest method to reflect the interest on the lease liabilities; the lease payments reduce the carrying amount of the lease liabilities.

On the inception date, the Company measures the right-of-use assets at cost. The cost of the right-of-use assets includes:

- (1) The monetary amount of the lease liability initially measured;
- (2) Any lease payments made on or before the inception date less any lease incentives received;
- (3) Any initial direct costs incurred by the lessee; and
- (4) An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequent measurement of the right-of-use assets is presented after the cost less the accumulated depreciation and accumulated impairment loss, i.e. the cost model is applied to measure the right-of-use assets.

If the ownership of the underlying asset is transferred to the Company when the lease period expires, or if the cost of the right-of-use assets reflects that the Company will exercise the call option, the right-of-use assets will be depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use assets from the inception date to the end of the useful life of the right-of-use assets or to the expiration of the lease period, whichever is earlier.

The Company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to deal with any identified impairment losses.

In addition to meeting and selecting short-term leases or leases of low-value underlying assets, the Company presents right-of-use assets and lease liabilities in the balance sheet, and presents lease-related depreciation expenses and interest expenses separately in the statement of comprehensive income.

For short-term leases and leases of low-value underlying assets, the Company chooses to adopt the straight-line basis or another systematic basis to recognize the lease payments related to said leases in expenses over the lease term.

The Company as a lessor

The Company classifies each of its leases as operating leases or financial leases on the contract inception date. If a lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a financial lease; if it does not transfer said matters, it is classified as an operating lease. On the inception date, the Company recognizes the assets held under the finance leases in the balance sheet and presents them as financial lease receivables based on the net lease investment.

For agreements that include lease components and non-lease components, the Company applies IFRS 15 to distribute the consideration in the agreements.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. For operating leases, lease payments that are not dependent on change in some index or rate are recognized as rental income when they occur.

14. Impairment of non-financial assets

The Company at the end of each reporting period assesses whether all assets subject to IAS 36 “Impairment of Assets” are showing signs of impairment. If there is any indication of impairment or an impairment test is required for an asset on a regular basis each year, the Group tests the individual asset or the cash-generating unit to which the asset belongs. If the carrying amount of an asset or the cash-generating unit to which the asset belongs is greater than the recoverable amount in an impairment test, the impairment loss is recognized. The recoverable amount is the higher of the net fair value or value in use.

At the end of each reporting period, the Company assesses assets other than goodwill to see whether there are indications that the previously recognized impairment losses may no longer exist or may be decreased. In the event of such an indication, the Company estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount is increased due to the change in the estimated service potential of the asset, the impairment amount is reversed.

However, the reversed carrying amount shall not exceed that before recognizing impairment loss and after deducting depreciation or amortization.

The impairment loss and reversal amount of the continuing operations are recognized in profit or loss.

15. Recognition of revenue

The Company’s revenue from customer contracts mainly includes the sales of goods and provision of services. The accounting treatments are specified below:

Merchandise sales

The Company manufactures and sells merchandise and recognizes revenue when the promised merchandise are delivered to a client and the customer client the control over it (i.e., the client’s ability to guide the use of the merchandise and obtain almost all the remaining benefits of the merchandise). Its main products are precious metals, and the sales are recognized in revenue at the prices stated in the contracts.

The credit period of the Company's merchandise sold is T/T-120 days. Most contracts are recognized as accounts receivable when the control of the merchandise is transferred with an unconditional right to receive consideration. These accounts receivable are usually short-term and do not contain significant financial components. A small number of contracts, for which the merchandise has been transferred to a client but the Group has not had the right to unconditionally receive the consideration, are recognized as contract assets. Meanwhile, contract assets should be measured as an allowance for lifetime expected credit losses in accordance with IFRS 9.

Provision of services

The Company mainly provides cleaning and processing services. Such services are individually priced or negotiated and are provided on the basis of the contract period. As the Company provides cleaning and processing services during the contract period, a client will obtain the benefits from such services during the contract period, which is a performance obligation to be satisfied at a certain point in time. Thus, the provision of services is recognized as revenue at one go once it is completed.

Most of the Company's agreed payments per contract are collected in a lump sum during the contract period after the cleaning and processing services are provided. When the services has been transferred to a client but the Group has not had the right to unconditionally receive the consideration, it is recognized as a contract asset. However, regarding some contracts, as part of the consideration is collected from the clients at the time of signing contracts, the Company assumes the obligation to provide services in the future; thus, such contracts are recognized as contract liabilities.

The period during which the Company’s above contractual liabilities are transferred to revenue usually does not exceed one year and does not result in significant financial components.

16. Borrowing costs

Borrowing costs that can be directly attributable to the acquisition, construction, or production of qualified assets are capitalized as part of the costs of the assets. All other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred in relation to borrowings.

17. Government grants

The Company recognizes an amount in government grants when it is reasonably sure that it will meet the conditions set by the government for such grants and can receive the inflow of economic benefits from the government grants. When a grant is related to assets, the government grants are recognized in deferred income and recognized in income in installments over the estimated useful lives of the relevant assets. When a government grant is related to an expense, the grant is recognized in income in a reasonable and systematic manner for a period in which relevant costs are expected to be incurred.

When the Company receives a non-monetary government grant, the asset and grant received are recognized at the nominal amount, and the income is recognized in the statement of comprehensive income in equal installments over the estimated useful lives of the underlying assets based on the benefit consumption pattern. The loans with interest rates lower than the market level or similar supports obtained from the government or relevant institutions are regarded as additional government grants.

18. Post-employment benefit plan

The pension plan for the Company's employees applies to all full-time employees. The employee pension fund is fully contributed to the Labor Pension Reserves Committee and deposited in the pension fund account. The aforementioned pension is deposited in the name of the Labor Pension Reserves Committee, which is completely separated from the Company, so it is not included in the parent company only financial statements in the preceding paragraph.

For the defined contribution pension plan, the monthly pension payable rate of the Company shall not be less than 6% of the employees' monthly salary, and the amount of the provision shall be recognized in current expenses.

19. Share-Based Payment Transactions

The Company measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. Fair value is determined using an appropriate pricing model.

The cost of equity-settled share-based payment transactions is recognized, together with a corresponding increase in equity, over the period in which the service and performance conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The change in cumulative cost recognized between the beginning and end of each reporting period is recognized in profit or loss.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other service or performance conditions are satisfied. When the terms of an equity-settled transaction are modified, the minimum expense recognized is the expense as if the terms had not been modified.

An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee. Where an equity-settled award is canceled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes awards where non-vesting conditions within the control of either the entity or the employee are not met.

Where an equity-settled share-based payment award is canceled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes awards where non-vesting conditions within the control of either the entity or the employee are not met. If a canceled award is replaced by a new award and designated as a replacement award on the date of grant, the canceled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

When restricted employee shares are issued, the fair value of the equity instruments at the grant date serves as the basis for recognizing salary expense and the corresponding increase in equity over the vesting period. At the grant date, the Company recognizes unearned employee compensation, which is presented as a deduction from equity in the Parent Company Only balance sheet and is amortized to salary expense over time.

20. Income taxes

Income tax expenses (income) refer to the sum related to current income tax and deferred tax included in the current profit or loss.

Current income tax

The current income tax liabilities (assets) related to this and the prior periods are measured at the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The current income tax related to the items recognized in other comprehensive income or directly recognized in the equity is recognized in other comprehensive income or equity instead of being recognized in the profit or loss.

A surtax of the profit-seeking enterprise income tax levied on the undistributed earnings is recognized as income tax expense on the date when the distribution of earnings is resolved in the shareholders' meeting.

Deferred tax

The deferred tax is calculated according to the temporary difference between the taxable amount of assets and liabilities and the carrying amount on the balance sheet at the end of the reporting period.

All taxable temporary differences are recognized as deferred tax liabilities except for the following two items:

- (1) The initial recognition of goodwill, or the initial recognition of an asset or liability that does not arise from a business combination and does not affect accounting profits and taxable income (loss) at the time of the transaction conducted; and it does not give rise to equivalent taxable and deductible temporary differences at the time of transaction conducted.
- (2) The taxable temporary difference arising from the investment in subsidiaries, associates, and joint ventures. Also, the timing of reversal is controllable, and it is not likely to be reversed in the foreseeable future;

Except for the following two items, deductible temporary difference and deferred tax assets arising from the taxable losses and income tax credit are recognized within the range of probable future taxable income:

- (1) For the deductible temporary differences arising from the initial recognition of an asset or liability that does not arise from a business combination and does not affect accounting profits and taxable income (loss) at the time of the transaction conducted; and it does not give rise to equivalent taxable and deductible temporary differences at the time of transaction conducted.
- (2) It is related to the deductible temporary differences arising from the investment in subsidiaries, associates, and interests in joint ventures. It is recognized within the range of probable reversal in the foreseeable future and there is sufficient taxable income at the time the temporary difference occurred.

Deferred tax assets and liabilities are measured at the tax rate of the expected asset realization or in the period in which the liability is settled. The tax rate is based on the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the asset is expected to be recovered or the book value of the liability is settled at the end of the reporting period. If the deferred tax is related to items that are not included in the profit or loss, it will not be recognized in profit or loss, but recognized in other comprehensive income according to the relevant transactions or directly recognized in equity. Deferred tax assets are reexamined and recognized at the end of each reporting period.

Deferred tax assets and liabilities can be legally offset against each other only in the current period, and the deferred tax is related to the same taxation entity and is related to the income tax levied by the same taxation authority.

In accordance with the temporary exception provisions of "International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)," deferred tax assets and liabilities related to Pillar Two income tax shall not be recognized, nor shall related information be disclosed.

V. Significant Accounting Assumptions and Judgment, And Major Sources of Estimation Uncertainty

When the parent company only financial statements are prepared by the Company, the management must make judgments, estimates, and assumptions at the end of the reporting period, which will affect the disclosures of income, expenses, assets, and liabilities, and contingent liabilities. However, the uncertainty of these significant assumptions and estimates may result in a significant adjustment to the book value of an asset or liability in the future period.

1. Estimation and assumption

The main source of information on the estimation and assumption with uncertainty at the end of the reporting period has significant risks that result in significant adjustments to the carrying amounts of assets and liabilities in the next fiscal year. The explanations are given as follows:

(1) Fair values of financial instruments

When the fair values of financial assets and financial liabilities recognized in the balance sheet cannot be obtained from the active market, the fair value will be determined using evaluation techniques, including the income approach (such as, cash flow discount model) or market approach. The changes in the assumptions of the said approaches will affect the fair value of the financial instruments reported. See Note 12 for details.

(2) Valuation of inventories

The estimation of inventory net realizable value considers circumstances such as damage, obsolescence (whole or partial), or price declines, using the most reliable evidence available at the time of estimation for the expected realizable amount of inventory. Please refer to Note 6.

(3) Income taxes

The uncertainty of income tax exists in the interpretation of complex tax regulations and the amount and timing of future taxable income. Due to a wide range of international business relationships and the long-term and complexity of contracts, the differences between actual results and assumptions made, or changes in such assumptions in the future, may cause the booked income tax income and expenses to be adjusted in the future. The recognition of income tax is a reasonable estimation made according to the possible audit results of the local tax authorities of the countries in which the Company operates. The amount recognized is based on different factors, such as previous tax audit experience and the difference in tax law interpretation between the tax entity and the tax authority. The difference in interpretation may result in a variety of issues due to the local situation of the country where an individual enterprise of the Company operates.

The carryforwards of the taxable loss and income tax credit and deductible temporary differences are recognized as deferred tax assets within the range of probable future taxable income or taxable temporary differences. The amount of the deferred income tax assets to be recognized is estimated according to the possible timing and level of the future taxable income and taxable temporary difference, as well as the future tax planning strategy. Please refer to Note for the Company's unrecognized deferred tax assets as of December 31, 2024.

VI. Description of significant account titles

1. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash and petty cash	\$50	\$50
Checking and demand deposits	51,311	36,359
Total	<u>\$51,361</u>	<u>\$36,409</u>

2. Financial assets at fair value through profit or loss

	December 31, 2024	December 31, 2023
Designated as Fair Value Through Profit or Loss: Private funds	<u>\$19,874</u>	<u>\$-</u>
Current	\$-	\$-
Non-current	19,874	-
Total	<u>\$19,874</u>	<u>\$-</u>

The Company's financial assets at fair value through profit or loss were not provided as collateral.

3. Financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Investments in equity instruments measured at fair value through other comprehensive income- non-current: Unlisted stocks	<u>\$9,333</u>	<u>\$9,333</u>

The Company's financial assets at fair value through other comprehensive income were not provided as collateral.

4. Financial assets at amortized cost

	December 31, 2024	December 31, 2023
Restricted cash in banks	\$88,068	\$72,566
Time deposits	32,785	-
Total	<u>\$120,853</u>	<u>\$72,566</u>
Current	<u>\$120,853</u>	<u>\$72,566</u>

Please refer to Note 8 for the details of collateral provided by the Company for financial assets at amortized cost.

5. Notes receivable

	December 31, 2024	December 31, 2023
Notes receivable arising from operations	\$-	\$47
Less: Allowance for losses	-	-
Total	<u>\$-</u>	<u>\$47</u>

The Company did not provide notes receivable as collateral.

The Company evaluated impairment losses in accordance with IFRS 9. See Note 6.21 for information on allowances for losses and Note 12 for information on credit risks.

6. Accounts receivable, net

(1) The details of accounts receivable, net, are as follows:

	December 31, 2024	December 31, 2023
Accounts receivable	\$31,601	\$28,954
Less: Allowance for losses	-	-
Total	<u>\$31,601</u>	<u>\$28,954</u>

The Company did not provide accounts receivable as collateral.

(2) The Company's credit period for clients is usually T/T to 120 days after the end of a month. As of December 31, 2024 and 2023, the total carrying amounts were NT\$31,601 thousand and NT\$28,954 thousand, respectively. For information regarding the allowance for losses in 2024 and 2023, please refer to Note 6.21; for credit risk information, please refer to Note 12.

7. Inventories

(1) The details of inventories are as follows:

	December 31, 2024	December 31, 2023
Raw materials	\$61,072	\$80,515
Work-in-progress	70,153	107,935
Finished goods	43,291	151,034
Total	<u>\$174,516</u>	<u>\$339,484</u>

(2) The cost of inventories recognized as expense by the Company for the years ended December 31, 2024 and 2023 amounted to NT\$1,178,846 thousand and NT\$1,082,466 thousand, respectively. These amounts included inventory write-downs (reversal of write-downs) of NT\$(42,074) thousand and NT\$(4,806) thousand, respectively.

The Company experienced inventory valuation reversal gains in 2024 and 2023 due to fluctuations in international precious metal prices and inventory sales, which led to increases in the net realizable value of inventory.

(3) The above inventories were not provided as collateral.

8. Investments using the equity method

Investee	December 31, 2024		December 31, 2023	
	Amount	Shareholding	Amount	Shareholding
Investment in subsidiaries:				
Chang Pwu Industrial Co., Ltd.	\$162,620	100.00%	\$167,541	100.00%
Ron Pwu Applied Materials Technology Co., Ltd.	10,308	100.00%	10,077	100.00%
Super Dragon International Co., Ltd.	97,266	100.00%	128,436	100.00%
Investment in associates:				
Forcera Materials Co., Ltd.	150,544	19.06%	148,391	19.06%
Pau Dragon Energy Corp.	-	-%	14,405	49.00%
Pau Energy Storage Corp.	16,303	14.57%	-	-%
Total	<u>\$437,041</u>		<u>\$468,850</u>	

(1) Investment in subsidiaries

The investment in subsidiaries is presented as "investments using the equity method" in the parent company only financial statements, with necessary valuation adjustments made.

(2) The information on affiliates important to the Company is as follows:

①Name of company: Forcera Materials Co., Ltd.

②Principal place of business (country of registration): Taiwan

③Fair Value with Public Market Quotation:

Forcera Materials Co., Ltd. is listed on the Taipei Exchange's Emerging Stock Board. The Company's investments in this entity, accounted for using the equity method, had fair values of NT\$269,341 thousand and NT\$299,280 thousand as of December 31, 2024 and 2023, respectively.

④In January 2023, the Company acquired 5,000,000 shares in Forcera Materials Co., Ltd. from non-related parties with an investment amount of NT\$150,000 thousand, and appointed experts to appraise the value of the shares and independent accountants to express their opinions on the reasonability of the price before making the transaction.

Forcera Materials Co., Ltd. processed for capitalization of earnings on July 18, 2023. After the allotment of shares for the Company, a total of 5,600,000 shares of Forcera Materials Co., Ltd. were held.

The Company had a total of 225,000 shares disposed of on December 18, 2023 for NT\$7,851 thousand.

The Company has significant influence on Forcera Materials Co., Ltd. by acquiring the seats on the board of directors and considers it as an affiliated company.

⑤The summarized financial information and the reconciliation to the book value of the investment are as follows:

	December 31, 2024	December 31, 2023
Current assets	\$397,393	\$349,775
Non-current assets	366,081	353,910
Current liabilities	(178,146)	(146,759)
Non-current liabilities	(131,950)	(114,846)
Equity	453,378	442,080
Shareholding ratio of the Company	19.06%	19.06%
Subtotal	86,395	84,242
Acquisition at a premium	66,236	66,236
Changes in shareholding ratio	(2,087)	(2,087)
Book value of investments	\$150,544	\$148,391
	2024	2023
Operating revenue	\$616,178	\$563,365
Net profit from continuing operations of the current period	28,223	22,176
Other comprehensive income	-	-
Comprehensive income of the current period	28,223	22,176

(3) The information on affiliates not important to the Company is as follows:

①On August 9, 2023, the Board of Directors decided to participate in the cash capital increase of Pau Dragon Energy Corp. with an investment amount of NT\$14,700 thousand and acquired 49% of the equity on October 27, 2023.

②Pau Dragon Energy Corp., Pau Hz Energy Corp., and Pau Energy Storage Corp. merged on July 17, 2024. Pau Energy Storage Corp. remained as the surviving company.

Our company exchanged 1,470,000 shares of Pau Dragon Energy Corp. common stock for 1,409,386 shares of Pau Energy Storage Corp. common stock, acquiring a 10.57% equity stake.

③On August 7, 2024, our Board of Directors resolved to participate in the cash capital increase of Pau Energy Storage Corp. with an investment amount of NT\$5,330 thousand, acquiring a 4% equity stake on September 25, 2024.

(4) None of the above investments using the equity method was provided as collateral or pledged.

Notes to Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. (continued)

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

9. Property, plant and equipment

(1) Property, plant and equipment for self-use

	Land	Buildings	Machinery and equipment	Office equipment	Transportatio n equipment	Other equipment	Leasehold improvements	Unfinished construction work and equipment to be accepted	Total
Costs:									
January 1, 2024	\$270,244	\$1,533,913	\$244,119	\$21,146	\$21,153	\$103,061	\$128	\$4,573	\$2,198,337
Additions	-	1,754	3,526	1,351	-	3,876	-	649	11,156
Disposal	-	-	(8,071)	-	-	(1,206)	-	-	(9,277)
Reclassification	-	313	3,622	830	-	1,322	-	(3,904)	2,183
December 31, 2024	<u>\$270,244</u>	<u>\$1,535,980</u>	<u>\$243,196</u>	<u>\$23,327</u>	<u>\$21,153</u>	<u>\$107,053</u>	<u>\$128</u>	<u>\$1,318</u>	<u>\$2,202,399</u>
January 1, 2023	\$270,244	\$1,511,473	\$243,582	\$20,319	\$21,153	\$102,936	\$-	\$13,677	\$2,183,384
Additions	-	1,556	237	827	-	3,474	128	3,465	9,687
Disposal	-	-	-	-	-	-	-	-	-
Reclassification	-	20,884	300	-	-	(3,349)	-	(12,569)	5,266
December 31, 2023	<u>\$270,244</u>	<u>\$1,533,913</u>	<u>\$244,119</u>	<u>\$21,146</u>	<u>\$21,153</u>	<u>\$103,061</u>	<u>\$128</u>	<u>\$4,573</u>	<u>\$2,198,337</u>
Depreciation and impairment:									
January 1, 2024	\$-	\$231,859	\$211,211	\$18,708	\$16,883	\$40,826	\$17	\$-	\$519,504
Depreciation	-	32,741	6,869	777	1,797	6,950	40	-	49,174
Disposal	-	-	(5,748)	-	-	(1,053)	-	-	(6,801)
December 31, 2024	<u>\$-</u>	<u>\$264,600</u>	<u>\$212,332</u>	<u>\$19,485</u>	<u>\$18,680</u>	<u>\$46,723</u>	<u>\$57</u>	<u>\$-</u>	<u>\$561,877</u>
January 1, 2023	\$-	\$199,462	\$204,392	\$17,741	\$15,086	\$33,788	\$-	\$-	\$470,469
Depreciation	-	32,397	6,819	967	1,797	7,038	17	-	49,035
Disposal	-	-	-	-	-	-	-	-	-
December 31, 2023	<u>\$-</u>	<u>\$231,859</u>	<u>\$211,211</u>	<u>\$18,708</u>	<u>\$16,883</u>	<u>\$40,826</u>	<u>\$17</u>	<u>\$-</u>	<u>\$519,504</u>
Net carrying amount:									
December 31, 2024	<u>\$270,244</u>	<u>\$1,271,380</u>	<u>\$30,864</u>	<u>\$3,842</u>	<u>\$2,473</u>	<u>\$60,330</u>	<u>\$71</u>	<u>\$1,318</u>	<u>\$1,640,522</u>
December 31, 2023	<u>\$270,244</u>	<u>\$1,302,054</u>	<u>\$32,908</u>	<u>\$2,438</u>	<u>\$4,270</u>	<u>\$62,235</u>	<u>\$111</u>	<u>\$4,573</u>	<u>\$1,678,833</u>

(2) The major components of the Company's buildings are main buildings and ancillary equipment and are depreciated over their useful lives of 3 to 50 years and 1 to 33 years, respectively.

(3) Please refer to Note 8 for the property, plant and equipment provided as collateral.

10. Investment Property

Investment property includes that owned by the Company. The Company signed a commercial property lease contract on its own investment property over a lease term of ten years. The lease contract includes a clause on the rent adjustment with the market situation per year.

	Land	Buildings	Total
Costs:			
January 1, 2024	\$38,245	\$73,738	\$111,983
Transfer-in from property, plant and equipment	-	-	-
December 31, 2024	<u>\$38,245</u>	<u>\$73,738</u>	<u>\$111,983</u>
January 1, 2023	\$38,245	\$73,738	\$111,983
Transfer-in from property, plant and equipment	-	-	-
December 31, 2023	<u>\$38,245</u>	<u>\$73,738</u>	<u>\$111,983</u>
Depreciation and impairment:			
January 1, 2024	\$-	\$54,911	\$54,911
Depreciation during this period	-	2,187	2,187
December 31, 2024	<u>\$-</u>	<u>\$57,098</u>	<u>\$57,098</u>
January 1, 2023	\$-	\$52,714	\$52,714
Depreciation during this period	-	2,197	2,197
December 31, 2023	<u>\$-</u>	<u>\$54,911</u>	<u>\$54,911</u>
Net carrying amount:			
December 31, 2024	<u>\$38,245</u>	<u>\$16,640</u>	<u>\$54,885</u>
December 31, 2023	<u>\$38,245</u>	<u>\$18,827</u>	<u>\$57,072</u>
	2024	2023	
Rental income from investment property	\$10,774	\$10,122	
Less: Direct operating expenses from investment property that generates rental income in this period	(2,187)	(2,197)	
Total	<u>\$8,587</u>	<u>\$7,925</u>	

Please refer to Note 8 for the investment property provided as collateral.

The investment property held by the Company is not measured at fair value with only the fair value information disclosed, and its fair value belongs to Level 3 fair value. The fair value of investment properties held by the Company as of December 31, 2024, and December 31, 2023, was NT\$56,776 thousand and NT\$65,136 thousand, respectively. The aforementioned fair values were self-assessed by the company using the income approach valuation method.

11. Other non-current assets

	December 31, 2024	December 31, 2023
Prepayments for business facilities	\$23,985	\$6,047
Guarantee deposits paid	26,902	10,341
Prepaid investments	-	31,255
Other deferred expenses	2,814	1,258
Total	<u>\$53,701</u>	<u>\$48,901</u>

12. Short-term borrowings

	Interest rate range (%)	December 31, 2024	December 31, 2023
Secured borrowings	2.18%~2.60%	<u>\$600,000</u>	<u>\$610,000</u>

As of December 31, 2024, and December 31, 2023, the Company's unused short-term credit facilities were approximately NT\$50,000 thousand and NT\$40,000 thousand, respectively.

Secured borrowings from banks are secured by property and factory buildings. Please refer to Note 8 for details of the collateral.

13. Other payables

	December 31, 2024	December 31, 2023
Expenses payable	\$26,690	\$19,607
Balance payable - machinery and equipment	28,505	26,796
Total	<u>\$55,195</u>	<u>\$46,403</u>

14. Other non-current liabilities

	December 31, 2024	December 31, 2023
Pension payable	\$12,419	\$12,419
Long-term unearned revenue	8,749	8,956
Guarantee deposits received	2,250	2,250
Total	<u>\$23,418</u>	<u>\$23,625</u>

15. Unearned revenue

Government grants

	2024	2023
Opening balance	\$8,956	\$9,163
Government grants received during this period	-	-
Recognized in profit or loss	(207)	(207)
Ending balance	<u>\$8,749</u>	<u>\$8,956</u>
	December 31, 2024	December 31, 2023
Unearned revenue related to assets - non-current	<u>\$8,749</u>	<u>\$8,956</u>

To facilitate the development of the environmental protection industry, the Taoyuan City Government has signed the Taoyuan Environmental Science and Technology Park Subsidy contract with the Company. After the Company has acquired the land, the entity will provide the Company with the first installments of the subsidy of NT\$10,354 thousand, to facilitate the industry development. The amounts were recognized as long-term unearned revenue, and after the construction of the plant is completed, the amounts will be recognized as government grants in installments over the useful life of the plant.

16. Long-term borrowings

The details of long-term borrowings are as follows:

Creditor	Nature of borrowings	Due year	Interest rate (%)	Amount of borrowings	Repayment method
				December 31, 2024	
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.01.31~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	\$31,731	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.04.08~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	33,846	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.04.24~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	21,154	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.06.24~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	20,307	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.04.23~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	25,173	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.09.01~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	49,077	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.09.17~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	21,154	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2024.06.06~ 2029.06.06	At Chunghwa Post floating interest rate +0.5%	35,000	Note 5
Bank of Taiwan - Longtan Branch	Secured borrowings	2024.07.03~ 2029.07.03	At Chunghwa Post floating interest rate +0.5%	10,539	Note 5
Taishin International Bank Co. Ltd. - Jianbei Branch	Secured borrowings	2023.11.30 ~ 2026.11.30	Fixed interest rate of 2.59%	235,000	Note 2
Bank SinoPac - Taoyuan Branch	Secured borrowings	2022.01.21~ 2029.01.21	Bank SinoPac's time deposit floating interest rate + 1.035%	16,191	Note 3
Sunny Bank Chung Hsing Branch	Secured borrowings	2023.03.31 ~ 2026.03.31	Sunny Bank's time deposit floating interest rate + 0.82%	230,000	Note 4
Chailease Finance Co., Ltd.	Financing Loans	2024.03.11~ 2026.03.11	Fixed interest rate of 2.694%	41,034	Note 6
Total				770,206	
Less: Due within one year				(125,873)	
Due beyond one year				\$644,333	

Notes to Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. (continued)

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

Creditor	Nature of borrowings	Due year	Interest rate (%)	Amount of borrowings December 31, 2023	Repayment method
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.01.31~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	\$43,269	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.04.08~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	46,154	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.04.24~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	28,846	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.06.24~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	27,692	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.04.23~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	34,327	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.09.01~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	66,923	Note 1
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.09.17~ 2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	28,846	Note 1
Taishin International Bank Co. Ltd. - Jianbei Branch	Secured borrowings	2023.11.30 ~ 2026.11.30	Fixed interest rate of 2.4%	247,000	Note 2
Bank SinoPac - Taoyuan Branch	Secured borrowings	2022.01.21~ 2029.01.21	Bank SinoPac's time deposit floating interest rate + 1.035%	17,532	Note 3
Sunny Bank - Chung Hsing Branch	Secured borrowings	2023.03.23~ 2026.03.23	Sunny Bank's time deposit floating interest rate + 0.82%	230,000	Note 4
Total				770,589	
Less: Due within one year				(86,955)	
Due beyond one year				\$683,634	

Note 1: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.

Note 2: After the contract is signed, the term is three years. The bank will check if the Company's financial ratios meet the standard per quarter as the basis for renewal of the contract. The interest is paid monthly, and the principal will be settled in one lump sum once the loan is due.

Note 3: After the contract is signed, the term is seven years, and the interest is paid monthly, and the principal is amortized in 180 installments.

Note 4: After the contract is signed, the term is three years, and the interest is paid monthly, and the principal is repaid in one lump sum upon maturity.

Note 5: The first year after contract signing is a grace period. Repayment method from the borrowing date: interest payable monthly, principal amortized in 48 equal installments.

Note 6: After contract signing, the term is two years. Repayment method from the borrowing date: interest and principal payable monthly.

The Company used partial land, buildings and other equipment as the first mortgage to secure the loans from the Bank of Taiwan, Taishin International Bank, Bank SinoPac. and Sunny Bank. See Note 8 for details of the collateral.

17. Post-employment benefit plan

Defined contribution plan

The Company's employee retirement plan stipulated in accordance with the Labor Pension Act is a defined contribution plan. According to the Act, the Company's monthly labor pension contribution rate shall not be less than 6% of employees' monthly salary. The Company makes a monthly contribution equivalent to 6% of the employees' monthly salary to the personal pension account with the Bureau of Labor Insurance.

The Company recognized expenses for defined contribution plans of NT\$2,239 thousand and NT\$1,905 thousand for fiscal years 2024 and 2023, respectively.

18. Equity

(1) Ordinary shares

As of December 31, 2024, and December 31, 2023, the Company's authorized capital was NT\$2,000,000 thousand for both years. The issued capital was NT\$1,045,137 thousand and NT\$1,032,082 thousand, respectively, with a par value of NT\$10 per share, representing 104,513,729 shares and 103,208,229 shares, respectively.

(2) Capital surplus

	December 31, 2024	December 31, 2023
Additional paid-in capital	\$948,152	\$948,152
Restricted Employee Stock Awards	34,857	-
Treasury shares traded	10,253	10,253
Total	<u>\$993,262</u>	<u>\$958,405</u>

As per law, paid-in capital shall not be used for any purpose except for making up for the Company's losses. When the Company has no loss, a certain percentage of the paid-in capital from the stock premium and the gift can be applied to replenish the capital per year. The aforementioned paid-in capital can be allocated in cash to shareholders in proportion to their shareholdings.

(3) Earnings distribution and dividend policy

A. Earnings distribution

According to the Articles of Incorporation, where the Company has net income after tax for a fiscal year, the income shall be first used for paying taxes, offsetting a cumulative deficit, providing 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital. The special reserve shall be appropriated or reversed in accordance with the provisions of the Act or the competent authority. The Board of Directors shall prepare a proposal for the surplus distribution of the remaining surplus, together with any undistributed surplus at the beginning of the period, and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

B. Dividend policy

The Company's dividend policy is to distribute dividends to shareholders in cash or in shares, with cash dividends being no less than 10% of the total dividends, in accordance with the Company's current and future development plans, taking into account the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders.

C. As the Company has cumulative losses for 2024 and 2023, there was no earnings distribution proposal made by the Board of Directors and resolved by the shareholders' meeting.

See Note 6.23 for details of the basis for estimation and recognized amounts of employee remuneration and director remuneration.

(4) Legal reserve

As per the Company Act, the Company shall provide a legal reserve unless its total amount has reached the amount of the total capital. The legal reserve may be used to offset a deficit. When the Company has no loss, the portion of the legal reserve that exceeds 25% of the paid-in capital may be used to distribute shares or cash to shareholders in proportion to their shareholdings.

(5) Special reserve

When distributing the distributable earnings, the Company retroactively sets aside a special reserve for the difference between the balance of the special reserve and the net deduction of other equity items as per law when the IFRS is adopted for the first time. If there is a subsequent reversal of the net deduction of other equity, the special reserve may be reversed for the portion of the net deduction of other equity reversed to distribute earnings.

In accordance with the Letter Jin-Guan-Zheng- Fa No. 1090150022 issued by the FSC dated March 31, 2021, a special reserve shall be set aside for the unrealized revaluation gains and cumulative translation adjustment (gains), which were reclassified to retained earnings on the conversion date due to the adoption of exemptions under IFRS 1 "First-time Adoption of International Financial Reporting Standards" when IFRS was first adopted. When the Company uses, disposes of, or reclassifies the relevant assets later, it may reverse the portion of the special reserve in the same percentage to distribute earnings.

19. Share-Based Payment Plans

Restricted Employee Stock Awards Plan

- (1) On June 18, 2024, the Company's shareholders approved the issuance of no more than 3,000 thousand shares of restricted employee stock awards on a compensatory basis. Eligible recipients are limited to employees of the Company who meet specific conditions. This plan has been declared effective by the Securities and Futures Bureau of the Financial Supervisory Commission. On August 7, 2024, the Board of Directors resolved to issue 1,500,000 shares and set September 4, 2024, as the record date for the capital increase. The actual number of new shares issued was 1,305,500, with a grant date fair value of NT\$36.7 per share.

Employees who are allocated the above restricted employee stock awards will be subject to the following vesting conditions from the subscription date:

Vesting conditions	Percentage of Shares Vested
Upon completion of 1 year from grant date	30%
Upon completion of 2 year from grant date	30%
Upon completion of 3 year from grant date	40%

Restrictions on employee rights before meeting vesting conditions after receiving new shares:

- A. After receiving the new shares and before meeting the vesting conditions, other than inheritance, such employees shall not sell, pledge, transfer, give to others, set up or dispose of such restricted employee shares in any other means.
- B. After receiving the new shares and before meeting the vesting conditions, the rights to attend the shareholders' meeting, to make proposals, to speak, to cast vote and to vote, are the same as the common shares already issued by the Company, and shall be exercised in accordance with the agreement agreed by the trust custodian.

C. Before the vesting conditions are met, the other rights of the new restricted employee shares allocated to employees in accordance with the Regulations include but are not limited to: dividends, share dividends, rights of distribution from legal reserves and capital reserves, right of share subscription for cash capital increase, among other things, are identical to the common shares issued by the Company, and the relevant procedures are implemented in accordance with the agreement of the trust custodian.

D. During the period of the date of book closure for the Company's share dividends, date of book closure for cash dividends, date of book closure of share subscription for cash capital increase, date of book closure for the shareholders' meeting under Paragraph 3, Article 165 of the Company Act, or any other statutory dates of book closure due to occurrence, until the base date of right distribution, if any employee meets the vesting conditions, the the time and procedure for releasing the restrictions on their vested shares shall comply with the agreement of the trust custodian or relevant laws and regulations.

The issuance of 1,305,500 restricted employee stock awards on September 4, 2024, generated capital surplus - restricted employee rights of NT\$34,857 thousand. As of December 31, 2024, the balance of unearned employee compensation was NT\$30,696 thousand.

(2) The Company recognized expenses for employee share-based payment plans as follows:

	2024	2023
Expenses recognized due to share-based payment transactions		
(all equity-settled share-based payments)	\$4,161	\$-

(3) The Company did not cancel or modify any share-based payment plans from January 1 to December 31, 2024.

20. Operating revenue

	2024	2023
Revenue from contracts with customers		
Revenue from product sales	\$1,173,074	\$1,110,583
Revenue from provision of services	10,972	8,103
Total	\$1,184,046	\$1,118,686

The information on the Company's revenue from customer contracts during the years ended December 31, 2024 and 2023 is as follows:

(1) Breakdown of revenue

	2024	2023
Sales - precious metals	\$568,518	\$623,602
Sales - precious metals		
Materials - potassium gold cyanide	483,636	444,292
Sales - others	117,044	38,971
Revenue from provision of services	10,972	8,103
Revenue from solar power generated	3,876	3,718
Total	\$1,184,046	\$1,118,686
Timing of revenue recognition:		
At a certain point in time	\$1,184,046	\$1,118,686

- (2) Transaction price apportioned to outstanding performance obligations: None.
- (3) Assets recognized from costs of obtaining or fulfilling contracts with customers: None.
- (4) Contract balance

A. Contract liabilities - current

	December 31, 2024	December 31, 2023	January 1, 2023
Merchandise sales	\$15	\$1,436	\$-

2024 and 2023 changes in the balance of contract liabilities are as follows:

	2024	2023
Opening balance reclassified to income in the current period	\$(1,436)	\$-
Increase in expected receipts in the current period (less the occurred and transferred to income in the current period)	15	\$1,436

21. Expected credit impairment (gain) loss

	2024	2023
Operating expenses - expected credit impairment loss (gain on value recovery)		
Accounts receivable	\$-	\$-

Please refer to Note 12 for relevant credit risk information.

The Company's allowance for losses on receivables (including notes and accounts receivable) are measured at the lifetime expected credit losses. The information on the amounts of the allowance for losses estimated as of December 31, 2024 and 2023 is as follows:

Regarding accounts receivable, counterparties' credit ratings, regions, industries, and other factors are considered for classification, and a provision matrix is adopted to measure the allowances for losses; the relevant information is as follows:

December 31, 2024

	Not past due (Note)	Number of days past due					Total
		Less than 30 days	31-60 days	61-90 days	91-365 days	Over 365 days	
Total carrying amount	\$25,692	\$5,333	\$518	\$58	\$-	\$-	\$31,601
Loss ratio	-%	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	-	-	-
Carrying amount	\$25,692	\$5,333	\$518	\$58	\$-	\$-	\$31,601

December 31, 2023

	Not past due (Note)	Number of days past due				Over 365 days	Total
		Less than 30 days	31-60 days	61-90 days	91-365 days		
Total carrying amount	\$16,866	\$12,135	\$-	\$-	\$-	\$-	\$29,001
Loss ratio	-%	-%	100%	100%	100%	100%	
Lifetime expected credit losses	-	-	-	-	-	-	-
Carrying amount	\$16,866	\$12,135	\$-	\$-	\$-	\$-	\$29,001

Note: None of the Company's notes receivable was past due.

The changes in the allowances for losses on the Company's notes and accounts receivable for 2024 and 2023 are as follows:

	Notes receivable	Accounts receivable
January 1, 2024	\$-	\$-
Amount of additions (reversals) during this period	-	-
Write-off due to irrecoverability	-	-
December 31, 2024	<u>\$-</u>	<u>\$-</u>
January 1, 2023	\$-	\$-
Amount of additions (reversals) during this period	-	-
Write-off due to irrecoverability	-	-
December 31, 2023	<u>\$-</u>	<u>\$-</u>

22. Leasing

(1) The Company as a lessee

The Company has leased in a number of different assets, including buildings and machinery and equipment. The lease term of each contract is three years. Some of the contracts stipulate that the lessee, without the lessor's consent, shall not lend, sublease, transfer, or use in other disguised methods all or part of the leased property, or transfer the right to lease to another party.

The impact of leasing on the Company's financial position, financial performance, and cash flows is specified below:

A. Amounts recognized in the balance sheet

(a) Carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Buildings	\$6,039	\$8,498
Machinery and equipment	5,824	8,234
Total	<u>\$11,863</u>	<u>\$16,732</u>

(b) Lease liabilities

	December 31, 2024	December 31, 2023
Lease liabilities	\$5,049	\$13,076
Current	\$5,049	\$8,155
Non-current	-	4,921
Total	\$5,049	\$13,076

B. Amounts recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2024	2023
Buildings	\$3,094	\$2,043
Machinery and equipment	2,410	2,410
Total	\$5,504	\$4,453

C. Lessee's income and expenses related to leasing activities

	2024	2023
Expenses relating to short-term leases	\$1,375	\$1,314

D. Lessee's cash outflows from leasing activities

The Company's total cash outflow for leases in fiscal years 2024 and 2023 was NT\$10,327 thousand and NT\$9,054 thousand, respectively.

(2) The Company as a lessor

Please refer to Note 6.10 for details of the disclosures of the investment property owned by the Company. The investment property owned by the Group is classified as an operating lease as almost all the risks and rewards attached to the ownership of the underlying asset are not transferred.

	2024	2023
Lease income recognized under operating leases		
Income related to fixed lease payments	\$13,103	\$12,531

The undiscounted lease payments of the operating lease contracts signed by the Company to be received and the total amount for the remaining years as of December 30, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Less than one year	\$9,734	\$9,734
More than one year but less than two years	9,734	9,734
More than two years but less than three years	10,124	9,734
More than three years but less than four years	10,124	10,124
More than four years but less than five years	844	10,124
More than five years	-	845
Total	\$40,560	\$50,295

23. Employee benefits, depreciation, depletion, and amortization expenses by function is as follows:

By nature \ By function	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	\$17,759	\$40,258	\$58,017	\$16,041	\$31,235	\$47,276
Labor and health insurance costs	2,164	3,173	5,337	2,045	2,750	4,795
Pension costs	775	1,464	2,239	712	1,193	1,905
Remuneration of directors	-	2,916	2,916	-	2,624	2,624
Other employee benefit expenses	2,024	6,517	8,541	2,100	5,908	8,008
Depreciation expenses	31,894	24,971	56,865	32,182	23,503	55,685

Note: 1. As of December 31, 2024 and 2023, the Company has 77 and 76 employees, respectively, of which the number of directors who did not concurrently serve as employees was six and six persons, respectively.

2. Companies whose stocks are listed on Taiwan Stock Exchange or Taipei Exchange shall disclose the following information additionally:

- (1) The average employee benefit expenses for this year and the prior year were NT\$1,044 thousand and NT\$885 thousand, respectively.
- (2) The average employee salaries for this year and the prior year were NT\$817 thousand and NT\$675 thousand, respectively.
- (3) The average employee salary increase is 21.04%.
- (4) The Company has set up an Audit Committee to replace supervisors in accordance with the regulations, so the remuneration to the supervisors was not recognized.
- (5) The Company's remuneration policy: In accordance with the Articles of Incorporation, the Company shall provide 3.6%–8.6% of a profit, if any, as employee remuneration and no greater than 3.6% as directors' remuneration, while the Company shall reserve an amount in advance to offset a cumulative deficit, if any. Regarding employee remuneration, in addition to the base salary, the Company pays out bonuses based on operating performance. For the annual salary increase, the salary adjustment increase items and amounts are determined based on each employee's job level and performance. In addition, as per Article 4 of the Articles of Incorporation, when the directors of the Company perform their duties, it may pay monthly remuneration to them regardless of the company's profitability. The remuneration shall be determined by the resolution of the Board of Directors depending on their duties and the level of their participation in the Company's daily operations and management. The Remuneration Committee's suggestions about the remuneration to directors and managers shall be submitted to the Board of Directors for a resolution in accordance with regulations.

In accordance with the Articles of Incorporation, the Company shall provide 3.6%–8.6% of a profit, if any, as employee remuneration and no greater than 3.6% as directors' remuneration. while the Company shall reserve an amount in advance to offset a cumulative deficit, if any. The above employee remuneration may be distributed in stock or cash, which shall be approved by half of all directors present at a board meeting attended by more than two-thirds of all directors and then reported to the shareholders' meeting. Please visit the Market Observation Post System (MOPS) for information on employee remuneration and directors' remuneration approved by the Board of Directors.

As of December 31, 2024 and 2023, the Company still has a deficit to be compensated, so no employee remuneration and director remuneration were estimated.

24. Non-operating income and expenses

(1) Other income

	2024	2023
Interest income	\$7,193	\$3,304
Rental income	13,103	12,531
Government grants	207	207
Other income - others	399	215
Total	<u>\$20,902</u>	<u>\$16,257</u>

(2) Other gains and losses

	2024	2023
Loss on Disposal of Property, Plant and Equipment	\$(1,951)	\$-
Net foreign currency exchange gain or loss	9,700	30
Depreciation of investment property	(2,187)	(2,198)
Disposal of investment gains	-	1,641
Loss on Valuation of Financial Assets at Fair Value through Profit or Loss	(11,694)	-
Other expenses	(1)	(4)
Total	<u>\$(6,133)</u>	<u>\$(531)</u>

(3) Financial costs

	2024	2023
Interest on bank borrowings	<u>\$33,265</u>	<u>\$30,612</u>

25. Components of other comprehensive income

The components of 2024 other comprehensive income are as follows:

	Arising during this period	Reclassification adjustments during this period	Subtotal	Tax benefit (expense)	Amount after tax
Items not reclassified to profit or loss:					
Unrealized Valuation Gain (Loss) on Equity Instrument Investments at Fair Value through Other Comprehensive Income of Subsidiaries, Associates, and Joint Ventures	\$65	-	\$65	\$-	\$65
Items that may be subsequently reclassified to profit or loss:					
Exchange differences arising from the translation of the financial statements of foreign operations of subsidiaries, associates, and joint ventures	4,419	-	4,419	(884)	3,535
Total	<u>\$4,484</u>	<u>\$-</u>	<u>\$4,484</u>	<u>\$(884)</u>	<u>\$3,600</u>

The components of 2023 other comprehensive income are as follows:

	Arising during this period	Current Period Reclassification adjustments	Subtotal	Tax benefit (expense)	Amount after tax
Items that may be subsequently reclassified to profit or loss:					
Exchange differences arising from the translation of the financial statements of foreign operations of subsidiaries, associates, and joint ventures	<u>\$(2,385)</u>	<u>\$-</u>	<u>\$(2,385)</u>	<u>\$477</u>	<u>\$(1,908)</u>

26. Income taxes

(1) The main components of income tax expenses (income) are as follows:

Income tax recognized in profit or loss

	2024	2023
Current income tax expenses (income):		
Income tax payable for this period	\$-	\$-
Deferred tax expenses (income):		
Deferred tax expenses related to the initial temporary differences and reversal of temporary differences	-	-
Income tax expenses (income)	<u>\$-</u>	<u>\$-</u>

Income tax recognized in other comprehensive income

	2024	2023
Deferred tax expenses (income):		
Exchange differences arising from the translation of the financial statements of foreign operations	\$884	\$(477)

(2) The amount of income tax expense and accounting profit multiplied by the applicable income tax rate is adjusted as follows:

	2024	2023
Net income (loss) before tax of the continuing operations	\$(163,225)	\$(81,739)
Amounts of taxes calculated at relevant countries' domestic tax rates applicable to income	\$(32,645)	\$(16,348)
Income tax effect of non-deductible expenses on tax returns	682	184
Income tax effect of the tax-free income	-	(1,025)
Income tax effect of deferred tax assets/liabilities	31,963	17,189
Total income tax expense (income) recognized in profit or loss	\$-	\$-

(3) Balances of deferred tax assets (liabilities) related to the following items:

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary difference				
Overdue payables reclassified to income	\$51	\$-	\$-	\$51
Unrealized exchange (gain) loss	44	(330)	-	(286)
Unrealized gain or loss on financial assets	175	-	-	175
Investment income or loss	20,320	330	-	20,650
Pension	709	-	-	709
Unused paid leave liability	639	-	-	639
Exchange differences arising from the translation of the financial statements of foreign operations	(5,276)	-	(884)	(6,160)
Deferred tax income (expenses)		\$-	\$(884)	
Deferred tax assets/liabilities, net	\$16,662			\$15,778
Deferred tax assets	\$21,938			\$22,224
Deferred tax liabilities	\$(5,276)			\$(6,446)

Notes to Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. (continued)

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

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary difference				
Overdue payables reclassified to income	\$51	\$-	\$-	\$51
Unrealized exchange (gain) loss	28	16	-	44
Unrealized gain or loss on financial assets	175	-	-	175
Investment income or loss	20,336	(16)	-	20,320
Pension	709	-	-	709
Unused paid leave liability	639	-	-	639
Exchange differences arising from the translation of the financial statements of foreign operations	(5,753)	-	477	(5,276)
Deferred tax income (expenses)		\$-	\$477	
Deferred tax assets/liabilities, net	\$16,185			\$16,662
Deferred tax assets	\$21,938			\$21,938
Deferred tax liabilities	\$(5,753)			\$(5,276)

(4) Unrecognized deferred tax assets

As of December 31, 2024, and December 31, 2023, the Company's unrecognized deferred tax assets amounted to NT\$223,499 thousand and NT\$191,570 thousand, respectively.

(5) As of December 31, 2024, the amounts of the Company's unused loss credits and deadlines are as follows:

Year	Amount of unused loss credit	Last valid year
2015	\$69,315	2025
2016	55,362	2026
2017	58,237	2027
2018	134,259	2028
2019	170,869	2029
2020	101,751	2030
2021	93,554	2031
2022	81,401	2032
2023	76,741	2033
2024	157,291	2034
Total	\$998,780	

(6) Income tax return filings and approval

As of December 31, 2024, the income tax turns filed by the Company are as follows:

	Income tax return filings and approval
The Company	Approved up to 2022

27. Earnings per share

The basic earnings per share is calculated with the net income attributable to the holders of the ordinary shares of the parent company divided by the weighted average number of ordinary share outstanding in the current period.

The diluted earnings per share is calculated by with the net income attributable to the holders of the ordinary shares of the parent company (after being adjusted for the effect of dilution) divided by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares to be issued when all dilutive potential ordinary shares were converted into ordinary shares.

	2024	2023
(1) Basic earnings per share		
Net income (loss) for this period (in thousands of NTD)	\$(163,225)	\$(81,739)
Weighted average number of ordinary shares for the basis earnings per share (in thousand shares)	103,208	103,208
Basic earnings (losses) per share (NTD)	\$(1.58)	\$(0.79)
(2) Diluted earnings per share		
Net income (loss) after being adjusted and diluted attributable to the holders of ordinary shares of the parent company (NT\$ thousand)	\$(163,225)	\$(81,739)
Weighted average number of ordinary shares for the basis earnings per share (in thousand shares)	103,208	103,208
Dilution effect:		
Employee remuneration - stock (in thousand shares)	-	-
Restricted Employee Stock Awards	Note	-
Weighted average number of ordinary shares with the dilution effect adjusted (in thousand shares)	103,208	103,208
Diluted earnings (losses) per share (NTD)	\$(1.58)	\$(0.79)

Note: The restricted employee stock awards for fiscal year 2024 have an anti-dilutive effect and therefore are not included in the calculation of diluted earnings per share.

There was no other transaction made to cause significant changes to the outstanding ordinary shares or the potential ordinary shares after the reporting period and before the financial statements approved for release.

VII. Related Party Transactions

The related parties with transactions with the Company during the financial reporting period are as follows:

Name of related party and relations

Name of related party	Relations with the Company
Chang Pwu Industrial Co., Ltd.	A subsidiary of the Company
Ron Pwu Applied Materials Technology Co., Ltd.	A subsidiary of the Company
Super Dragon Environmental Protection Technology (Suzhou) Limited Company	A sub-subsidiary of the Company
Enormous Vastness Investment Company Limited	Other related parties of the Company
Fukang Investment Co., Ltd.	Other related parties of the Company
Rising Dragon Investment Development Co., Ltd.	Other related parties of the Company

Major transactions with related parties

1. Remuneration to the Company's key management personnel

	2024	2023
Short-term employee benefits	\$18,156	\$11,938
Post-employment benefits	-	-
Total	\$18,156	\$11,938

2. The Company's financing with related parties in 2024 and 2023 is as follows:

Other receivables - related parties

Related party	Highest balance	Ending balance	Amount drawn	Interest rate range	Total interest
<u>2024</u>					
Chang Pwu Industrial Co., Ltd.	\$5,000	\$5,000	\$1,000	Annual interest rate 2.35%	\$2
<u>2023</u>					
Chang Pwu Industrial Co., Ltd.	\$10,000	\$10,000	\$-	Annual interest rate 2%	\$2

3. The Company's income from leasing plants and equipment to related parties during 2024 and 2023 is listed as follows:

	Account	2024	2023
Chang Pwu Industrial Co., Ltd.	Rental income	\$24	\$24
Ron Pwu Applied Materials Technology Co., Ltd.	Rental income	24	24
Other related parties	Rental income	72	72
Total		\$120	\$120

As of December 31, 2024, the major assets leased by related parties from the Company under operating leases are as follows:

Lessee	Property leased	Lease term	Monthly rent and payment method
Chang Pwu Industrial Co., Ltd.	No.323, Huanke Rd., Guanyin Dist., Taoyuan City	2020.01.01~2026.12.31	Monthly rent of NT\$2 thousand
Ron Pwu Applied Materials Technology Co., Ltd.	No.323, Huanke Rd., Guanyin Dist., Taoyuan City	2020.01.01~2026.12.31	Monthly rent of NT\$2 thousand
Enormous Vastness Investment Company Limited	No.323, Huanke Rd., Guanyin Dist., Taoyuan City	2020.01.01~2026.12.31	Monthly rent of NT\$2 thousand
Fukang Investment Co., Ltd.	No.323, Huanke Rd., Guanyin Dist., Taoyuan City	2020.01.01~2026.12.31	Monthly rent of NT\$2 thousand
Rising Dragon Investment Development Co., Ltd.	No.323, Huanke Rd., Guanyin Dist., Taoyuan City	2020.01.01~2026.12.31	Monthly rent of NT\$2 thousand

4. As of December 31, 2024 and 2023, the Company had provided a loan guarantee facility of NT\$26,500 thousand to Chang Pwu Industrial Co., Ltd. while Chang Pwu Industrial Co., Ltd. had provided a loan guarantee facility of NT\$360,000 thousand to the Company.

VIII. Assets Pledged

The Company provides the following assets as collateral:

Item	Carrying amount		Details of guarantee
	December 31, 2024	December 31, 2023	
Guarantee deposits paid	\$26,902	\$10,341	Performance bond and security deposit for buildings
Property, plant and equipment - land	270,244	270,244	Secured borrowing facility
Property, plant and equipment - plant	1,271,380	1,302,054	Secured borrowing facility
Property, plant and equipment - other equipment	19,531	21,033	Secured borrowing facility
Investment property - land	38,245	38,245	Secured borrowing facility
Investment property - plant	16,640	18,827	Secured borrowing facility
Financial assets at amortized cost	88,068	72,566	Deposit to the National Taxation Bureau, performance bond, performance bond account, and borrowing reserve account
Total	<u>\$1,731,010</u>	<u>\$1,733,310</u>	

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

As of December 31, 2024, please refer to Note 7.6 for the secured borrowing facilities provided by the Company to the subsidiaries or the subsidiaries to the Company.

X. Losses Due to Major Disasters

None.

XI. Material Events After the Balance Sheet Date

On November 7, 2024, the Company's Board of Directors resolved to apply for a seven-year secured loan facility of NT\$1.1 billion from Bank of Taiwan, using the real estate at the Environmental Science Plant as collateral. Bank of Taiwan formally approved the Company's medium-term financing facility in late February 2025, with the total credit line adjusted to NT\$1.2 billion. On March 11, 2025, the Company's Board of Directors resolved to authorize the Chairman with full discretion within the NT\$1.2 billion credit limit.

XII. Others

1. Types of financial instruments

Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss	\$19,874	\$-
Financial assets at fair value through other comprehensive income	9,333	9,333
Financial assets at amortized cost (Note)	206,316	138,504
Total	<u>\$235,523</u>	<u>\$147,837</u>

Financial liability

	December 31, 2024	December 31, 2023
Financial liabilities at amortized cost:		
Short-term borrowings	\$600,000	\$610,000
Payables	64,565	50,358
Lease liabilities (current and non-current)	5,049	13,076
Long-term borrowings (including those due within one year)	770,206	770,589
Total	<u>\$1,439,820</u>	<u>\$1,444,023</u>

Note: Including cash and cash equivalents, financial assets at amortized cost, notes receivable, as well as accounts receivable and other receivables.

2. Financial risk management objectives and policies

The Company's financial risk management objectives are mainly to manage market, credit, and liquidity risks related to operating activities. The Company identifies, measures, and manages the above risks as per its policies and risk preferences.

The Company has established appropriate policies, procedures, and internal control system in accordance with applicable regulations on the above financial risk management; important financial activities should be reviewed by the Board of Directors and the Audit Committee in accordance with applicable regulations and the internal control system. During the implementation of the financial management activities, the Company should comply with the applicable regulations on financial risk management.

3. Market risk

The Company's market risk refers to the risk arising from the fluctuations in the fair values or cash flows of financial instruments due to changes in market prices. Market risk mainly includes exchange rate risk and interest rate risk.

In practice, one movement by a single change in risk variables is rare, and changes in risk variables are always interrelated; however, the sensitivity analysis of the following risks did not consider the interaction between relevant risks and variables.

Exchange rate risk

The Company's exchange rate risk is mainly related to operating activities (when a currency used for income or expenses is different from the Company's functional currency) and net investment in foreign operations.

The Company's foreign currency receivables and foreign currency payables are partially in the same currency. Thus, there will be a natural hedging effect for a part of the foreign currency position; also, the net investment in foreign operations is a strategic investment, so the Company has not adopted a hedging approach thereto.

The sensitivity analysis of the Company's exchange rate risk is mainly focused on the main foreign currency monetary items on the end date of the financial reporting period and the impact of relevant foreign currency appreciation/depreciation on the Company's profit and loss and equity. The Company's exchange rate risk is mainly affected by fluctuations in the exchange rates of USD. The sensitivity analysis information is as follows:

A 1% appreciation/depreciation in the New Taiwan Dollar against the US Dollar would result in an increase/decrease in the Company's profit or loss for 2024 and 2023 by NT\$1,212 thousand and NT\$936 thousand, respectively.

Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to the changes in market interest rates. The Company's interest rate risk is mainly from investments at floating rates as well as borrowings at fixed and floating rates, which are classified as loans and receivables.

The sensitivity analysis of the Company's interest rate risk was mainly focused on investments and borrowings at floating rates at the end date of the financial reporting period. With an assumption that such investments and borrowings are held for one fiscal year, when the interest rate increased/decreased by 0.1%, the Company's profit or loss for 2024 and 2023 would have decreased/increased by NT\$1,278 thousand and NT\$1,344 thousand, respectively.

Equity price risk

The fair values of unlisted equity securities held by the Company will be affected by the uncertainty about their future values. The unlisted equity securities held by the Company are included in the category measured at fair value through other comprehensive income. The Company manages the price risk of equity securities by diversifying investments and setting limits for investments in single and overall equity securities. The information on the investment portfolio of equity securities should be regularly provided to the Company's senior management, and the Board of Directors should review and approve all decisions about investments in equity securities.

The fair values of other equity instruments belong to Level 3. Please refer to Note 12.8 for the sensitivity analysis information.

4. Credit risk management

Credit risk refers to the risk of financial loss arising from the default by counterparties on contract obligations. The Company's credit risk is derived from its operating activities (mainly from accounts and notes receivables) and financial activities (mainly from bank deposits and various financial instruments).

Each unit of the Company follows the credit risk policy, procedures, and control mechanism to manage credit risk. The credit risk assessment of all transaction counterparties is based on factors, such as each counterparty's financial position, ratings by credit rating agencies, historical trading experience from the past, the current economic environment, and the Company's internal rating criteria. The Company also uses certain credit enhancement tools (such as advance sales receipts and insurance) at appropriate times to reduce specific counterparties' credit risk.

As of December 31, 2024 and 2023, the Company's accounts receivable from the top ten clients accounted for 87.10% and 85.39% of the balances of the Company's accounts receivable, respectively. The credit concentration risk for the remaining receivables is relatively insignificant.

The Company's finance department manages the credit risk of bank deposits, fixed-income securities, and other financial instruments in accordance with the Company's policies. The Company's counterparties are determined based on internal control procedures, such as banks with good credit ratings, financial institutions with investment-grade ratings, corporate organizations, and government agencies, and there is no major concern about their contract performance, so there is no significant credit risk.

The Company adopts the IFRS 9 standard to assess expected credit losses. Except for an allowance for losses on receivables that is estimated at lifetime expected credit losses, for investments in debt instruments that are not measured at fair value through profit or loss and purchased due to a low credit risk, the Group assesses if the credit risk arising from such investments has increased significantly since the initial recognition on each balance sheet date, to determine the method of estimating an allowance for losses and an loss ratio.

Also, when the Company believes that a financial asset cannot be reasonably expected to be recovered as per the assessment (e.g., the issuer or the debtor has significant financial difficulties or has gone bankrupt), it will be written off.

5. Liquidity risk management

The Company maintains financial flexibility through cash and cash equivalents, bank borrowings, and other relevant contracts. The table below summarizes the maturity of the payments contained in the contracts of the Company's financial liabilities. It is compiled based on the earliest possible date for repayment and its undiscounted cash flow. The amounts listed also include the agreed interest. For the interest cash flow paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	1–3 years	3–5 years	5 years or more	Total
December 31, 2024					
Borrowings	\$729,253	\$618,523	\$19,842	\$10,121	\$1,377,739
Payables	64,565	-	-	-	64,565
Lease liabilities	5,102	-	-	-	5,102
December 31, 2023					
Borrowings	\$688,522	\$631,004	\$57,099	\$13,204	\$1,389,829
Payables	50,358	-	-	-	50,358
Lease liabilities	8,439	4,974	-	-	13,413

6. Reconciliation of liabilities from financing activities

Information on reconciliation of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	Total liabilities from financing activities
January 1, 2024	\$610,000	\$770,589	\$2,250	\$13,076	\$1,395,915
Cash flows	(10,000)	(383)	-	(8,952)	(19,335)
Non-cash changes	-	-	-	925	925
December 31, 2024	\$600,000	\$770,206	\$2,250	\$5,049	\$1,377,505

Information on reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	Total liabilities from financing activities
January 1, 2023	\$720,000	\$578,544	\$2,250	\$15,203	\$1,315,997
Cash flows	(110,000)	192,045	-	(7,740)	74,305
Non-cash changes	-	-	-	5,613	5,613
December 31, 2023	\$610,000	\$770,589	\$2,250	\$13,076	\$1,395,915

7. Fair values of financial instruments

(1) Valuation techniques and assumptions adopted to measure the fair values

Fair value is the price that can be received from a sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The methods and assumptions adopted by the Company to measure or disclose the fair values of its 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 their carrying amounts, mainly due to the short durations of such instruments.
- B. The fair values of equity instruments not traded in an active market (unlisted companies' stocks) are estimated with a market approach. The fair values are estimated at the prices of the transactions of the same or comparable companies' equity instruments in the market and other relevant information (such as discount for lack of marketability, price-earnings ratios of similar companies' stocks, or price-to-book ratios of similar companies' stocks).
- C. Regarding debt instrument investments without quoted prices in an active market, bank borrowings, and other non-current liabilities, the fair values are determined based on the counterparties' quotes or valuation techniques. The valuation techniques are determined on the basis of discounted cash flow analysis; the assumptions about interest rates and discount rates are made with reference to on similar instruments (such as the Taipei Exchange's yield curves for reference, the average quotes of Reuters commercial paper interest rates, and credit risks).
- D. As for derivative financial instruments without quoted prices in an active market, if they are non-option derivatives, their fair values are determined based on the counterparties' quotes or the yield curves that apply during the duration of the discounted cash flow analysis; if they are option derivatives, the fair values are determined based on counterparties' quotes, appropriate option pricing models (such as Black-Scholes) or other valuation approaches (such as Monte Carlo Simulation).

(2) Fair values of financial instruments at amortized cost

Except as stated in the table below, the carrying amounts of the Company's financial assets and financial liabilities at amortized cost are reasonable approximations of the fair values thereof.

(3) Information on the financial instrument fair value hierarchy

See Note 12.8 for information on the Company's financial instrument fair value hierarchy.

8. Fair value hierarchy

(1) Definitions of fair value levels

All assets and liabilities measured or disclosed at fair value are the lowest level inputs, which are important to the overall fair value measurement, classified to the fair value levels to which they belong. The input at each level is as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.

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

Level 3: The unobservable input value of an asset or liability.

For assets and liabilities that are recognized in the financial statements on a repetitive basis, the classification is reevaluated at the end of each reporting period to determine whether there is a transfer between the fair value levels.

(2) Information on hierarchy of fair value measurement

The Company does not have assets measured at fair value on a non-recurring basis. The information on the fair value levels of assets and liabilities on a recurring basis is shown below:

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Financial assets at fair value through profit or loss				
Private funds	\$-	\$-	\$19,874	\$19,874
Financial assets at fair value through other comprehensive income				
Stocks	\$-	\$-	\$9,333	\$9,333

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Financial assets at fair value through other comprehensive income				
Stocks	\$-	\$-	\$9,333	\$9,333

Transfer between Level 1 and Level 2 fair values

The Company's assets and liabilities measured at fair value on a recurring basis during 2024 and 2023 were not transferred between Level 1 and Level 2.

Details of movements at Level 3 fair value on a recurring basis

If the Company's assets and liabilities measured at fair value on a recurring basis that belong to Level 3 fair value during the years ended December 31, 2024 and 2023, the reconciliation of the opening and ending balances is listed as follows:

	Assets	
	At Fair Value through Profit or Loss	Measured at fair value through other comprehensive income
	Private funds	Stocks
January 1, 2024	\$-	\$9,333
Acquired during 2024	31,568	-
Total loss recognized in profit or loss for fiscal year 2024	(11,694)	-
December 31, 2024	\$19,874	\$9,333
	Assets	
	Financial assets at fair value through other comprehensive income	
	Stocks	
January 1, 2023	\$9,333	
Acquired during 2023	-	
December 31, 2023	\$9,333	

Significant unobservable Level 3 fair value inputs

Regarding the Company's assets at Level 3 fair value on a recurring basis, the significant unobservable inputs at fair value are as follows:

December 31, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relations between input and fair value	Input value and fair value Sensitivity analysis of relationship - value relationship
Financial assets:					
<u>Financial assets at fair value through profit or loss</u>					
Private funds	Market approach	Discount for lack of marketability	-%	The higher the degree of illiquidity, the lower the estimated fair value.	A 10% increase (decrease) in the percentage of illiquidity would decrease/increase the Company's profit or loss by NT\$1,987 thousand.

Financial assets at fair value through other comprehensive income

Stocks	Market approach	Discount for lack of marketability	-%	The higher the illiquidity, the lower the estimated fair value	When the percentage of lack of marketability increased (decreased) by 10%, the Company's equity would have decreased/increased by NT\$933 thousand.
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December 31, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between input and Fair value	Input value and fair value Sensitivity analysis of relationship - value relationship
Financial assets:					
<u>Financial assets at fair value through other comprehensive income</u>					
Stocks	Market approach	Discount for lack of marketability	-%	The higher the illiquidity, the lower the estimated fair value	When the percentage of lack of marketability increased (decreased) by 10%, the Company's equity would have decreased/increased by NT\$933 thousand.

Valuation process for Level 3 fair value

The Company's finance department is responsible for fair value verification, using data from independent sources to bring the valuation results closer to the market, confirming that the sources of the data are independent, reliable, consistent with other resources and represent executable prices, while analyzing the changes in the value of assets and liabilities that must be remeasured or re-valuated in accordance with the Company's accounting policies at each balance date, to ensure that the valuation results are reasonable.

(3) Information on those not measured at fair value but need to be disclosed

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets with only fair value disclosed:				
Investment property (see Note 6.10)	\$-	\$-	\$54,885	\$54,885

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets with only fair value disclosed:				
Investment property (see Note 6.10)	\$-	\$-	\$57,072	\$57,072

9. Information on the foreign currency financial assets and liabilities with significant impact is as follows:

The Company's foreign currency financial assets and liabilities with significant impact are as follows:

December 31, 2024			
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$3,736	32.61	\$121,835
Financial liability			
Monetary items:			
USD	\$-	-	\$-

December 31, 2023			
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$3,073	30.62	\$94,100
Financial liability			
Monetary items:			
USD	\$-	-	\$-

The exchange gains or losses on monetary items (financial assets and financial liabilities) are as follows:

	2024	2023
USD	\$9,719	\$30
Others	(19)	-
Total	\$9,700	\$30

The above information is disclosed in the foreign currency book value (already converted to the functional currency).

10. Capital management

The Company's capital management aims to confirm and maintain appropriate credit ratings and suitable capital ratios to facilitate business operations and maximize shareholders' equity. The Company manages and adjusts the capital structure based on the economic conditions and may maintain and adjust the capital structure by adjusting dividend payments, returning capital, or new shares.

XIII. Other Disclosures

(I) Information on Significant Transactions

1. Loans to others: Table 1.
2. Endorsements/guarantees provided to others: Table 2.
3. Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Table 3.
4. Securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital by the Company during this period: None.
5. Acquisition of real estate by the Company amounting to at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate by the Company amounting to at least NT\$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties by the Company amounting to at least NT\$100 million or 20% of the paid-in capital: None.
8. The Company's receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9 Trading in derivative instruments: None.

(II) Information on Investees

1. Names of investee companies, regions, etc. (excluding investee companies in Mainland China): See Table 4.
2. When the Group has the ability to control an investee, it shall disclose the information on the investee as in Note 13. (1):
 - 2.1. Loans to others: None.
 - 2.2. Endorsements/guarantees provided to others by the Company: Table 5.
 - 2.3. Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): None.
 - 2.4. Securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital by the Company during this period: None.
 - 2.5. Acquisition of real estate by the Company amounting to at least NT\$300 million or 20% of the paid-in capital: None.
 - 2.6. Disposal of real estate by the Company amounting to at least NT\$300 million or 20% of the paid-in capital: None.

- 2.7. Total purchases from or sales to related parties by the Company amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 2.8. The Company's receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 2.9 Trading in derivative instruments: None.

Notes to Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. (continued)

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

(III) Information on Investment in China:

1. Names of investees in China, main business scope, paid-in capital, investment methods, outward and inward capital remittance, shareholdings, investment income and loss, book values of investments at the end of the period, investment income and loss repatriated, and maximum investments in China:

Unit: NT\$ thousand

Name of Investee in China	Main business and effect on the Company's business	Paid-in capital	Investment method	Opening balance of cumulative investment remitted from Taiwan during this period	Investment amount remitted from Taiwan or recovered during this period		Ending balance of cumulative investment remitted from Taiwan for this period	Investment income or loss on investees	Shareholdings of direct or indirect investments	Investment income or loss recognized for this period	Book value of investments at the end of this period	Cumulative investment income repatriated as of the end of this period	Ending balance of cumulative outward remittances for investment in mainland China	Investment amount approved by Investment Commission, MOEA	Maximum investment amount stipulated the Investment Commission, MOEA
					Outward remittance	Repatriation									
Super Dragon Environmental Protection Technology (Suzhou) Limited Company	Recycling, production, and sales of various business waste	\$327,850 (Note 2)	(Note 1)	\$334,407 (Note 2)	\$-	\$-	\$334,407	\$(35,589) (Notes 2 and 3)	100%	\$(35,589) (Notes 2 and 3)	\$95,675 (Notes 2 and 3)	\$-	\$334,407 (Note 2)	\$344,243 (Note 2)	\$702,227

Note 1: A company was established through an investment in a third region to invest in companies in China.

Note 2: The foreign currency amounts are translated into NTD at the exchange rates prevailing on the balance sheet date.

Note 3: Investment income or losses is recognized in the financial statements audited and certified by CPAs.

2. Amount of purchases and percentage and ending balance of payables: None.
3. Amount of sales amount and percentage and ending balance of receivables: None.
4. Amount of property transactions and the resulting gains and losses: None.
5. Note endorsement and guarantee or ending balance and purpose of guarantees: None.
6. Highest balance of loans, ending balance, interest rate range, and total interest for this period: None.
7. Other transactions with a significant impact on the current profit or loss or financial position, such as the provision or receipt of services: None.

(IV) Information on Major Shareholders:

Shares		
Name of major shareholder	Number of shares held	Shareholding
Yao-Hsun Wu	29,856,515	28.56%
Chun-Yao Lin	5,485,000	5.24%

XIV. Segment Information

The Company has disclosed the information on the operating segment in the consolidated financial statements.

Super Dragon Technology Co., Ltd.

Loans to others

January 1 to December 31, 2024

Table 1

Unit: NT\$ thousand

No. (Note 1)	Lender	Borrower	Transaction Items (Note 2)	Related party status	Highest balance during this period (Notes 4 and 6)	Ending balance (Note 6)	Amount drawn	Interest rate range	Nature of loan (Note 3)	Transactio n amount	Reason for the need for short- term loan	Amount of allowance for losses	Collateral		Maximum loan to each entity (Note 5)	Total maximum amount of loans (Note 5)
													Name	Value		
0	Super Dragon Technology Co., Ltd.	Chang Pwu Industrial Co., Ltd.	Other receivables - related parties	Yes	\$5,000	\$5,000	\$1,000	2.35%	2	\$-	Business turnover	\$-	-	\$-	\$39,013	\$117,038

Note 1: No. column is filled out in a way as follows:

1. The issuer should be coded “0”.
2. The investees are coded sequentially beginning from “1” one by one.

Note 2: Accounts receivable from affiliates, accounts receivable from related parties, transactions with shareholders, prepayments, and temporary debits, shall be entered if they belong to loans to others.

Note 3: The nature of loans to others is filled out in a way as follows:

1. Where there are business dealings, please enter 1.
2. Where there is a need for a short-term loan, please enter 2.

Note 4: The maximum balance of loans to others throughout the year.

Note 5: The maximum loan to each entity and the total maximum loans as stipulated in the operating procedures for loans others shall be entered; the method of calculating loans to individual entities and the total maximum loans shall be indicated in the Remarks column.

Note 6: If the publicly listed company puts each loan to others to the Board of Directors for resolution as per Article 14, paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, even if the loan is not yet disbursed, the company shall include the amount as resolved in the balance to be announced, to disclose the risks it bears; however, if the loan is repaid later, the balance after repayment shall be disclosed to reflect the adjustment to the risks assumed. If the publicly listed company delegates its chairman to disburse a loan in installments within a certain amount or use them in a revolving manner over a period of one year by the resolution of the board of directors in accordance with Article 14, paragraph 2 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount of the loan approved by the board of directors shall still be included the balance to be announced and reported. Although repayments will be made later, as funds may be disbursed again, the amount of the loan approved by the board of directors shall still be adopted as the balance to be announced and reported.

Super Dragon Technology Co., Ltd.

Endorsements/guarantees provided to others

January 1 to December 31, 2024

Unit: NT\$ thousand

Endorsements/guarantees provided to others		Party endorsed/guaranteed		Limits on endorsement/guarantee to each enterprise (Note 3)	Maximum balance of endorsement/guarantee for this period	Ending Balance of Endorsements/Guarantees	Amount drawn	Amount of endorsement/guarantee secured by property	Ratio of cumulative endorsement/guarantee to the net worth as stated in the latest financial statements	Maximum endorsement/guarantee to be provided (Note 3)	Endorsement/guarantee provided by parent company to subsidiary	Endorsement/guarantee provided by subsidiary to parent company	Endorsement/guarantee to entity in China
No. (Note 1)	Name	Name of company	Relationship (Note 2)										
0	Super Dragon Technology Co., Ltd.	Chang Pwu Industrial Co., Ltd.	A subsidiary 100% directly (indirectly) owned by the Company	\$234,076	\$26,500	\$26,500	\$20,944	\$-	2.26%	\$468,152	Y	N	N

Note 1: No. column is filled out in a way as follows:

1. The issuer should be coded “0”.
2. The investees are coded sequentially beginning from “1” one by one.

Note 2: There are seven types of relations between the endorser/guarantor and the endorsed/guaranteed party as follows; just indicate the code:

1. Companies with business dealings.
2. A company in which the Company directly or indirectly holds more than 50% of the voting shares.
3. The company directly or indirectly holds more than 50% of the voting shares of the company.
4. A company in which the Company directly or indirectly holds 90% or more of the voting shares.
5. Companies that need to purchase insurance for each other in the same industry or as co-builders in accordance with contractual provisions based on the needs for contracting construction projects.
6. A company that is endorsed and guaranteed by all shareholders of the Company in proportion to their shareholdings due to a joint investment relationship.
7. The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 3: As per the Operating Procedures for Endorsements and Guarantees for Others of Super Dragon Technology Co., Ltd., the total amount of the endorsements/guarantees provided to external entities shall not exceed 40% of the Company's net worth for the period. The amount of endorsements/guarantees for a single enterprise shall not exceed 20% of the Company's net worth as stated in the latest financial statements, while that for a single overseas affiliate shall be limited to 10% of the Company's net worth as stated in the latest financial statements.

Super Dragon Technology Co., Ltd.

Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures)

December 31, 2024

Table 3

Unit: NT\$ thousand

Holder	Types and names of securities	Relations between the issuer and the Company	Presentation account	Holdings at the end of the period				Collateral, pledge, or other restrictions		
				Number of shares	Carrying amount	Percentage %	Fair value	Number of shares	Carrying amount	Remarks
Super Dragon Technology Co., Ltd.	Stocks: Big Data Co., Ltd.	None	Investments in equity instruments measured at fair value through other comprehensive income - Non-current	687,915	<u>\$3,333</u>	8.08%	<u>\$3,333</u>	-	<u>\$-</u>	
Super Dragon Technology Co., Ltd.	Rainter Water Resource Technology Corp.	The Company is the corporate director	Investments in equity instruments measured at fair value through other comprehensive income - Non-current	480,000	<u>\$6,000</u>	6.19%	<u>\$6,000</u>	-	<u>\$-</u>	
Super Dragon Technology Co., Ltd.	Private funds: SMARTOPIA	None	Financial Assets at Fair Value through Profit or Loss - Non-current	750,000	<u>\$19,874</u>	2.33%	<u>\$19,874</u>	-	<u>\$-</u>	

Super Dragon Technology Co., Ltd.
Information on Investee Companies, Regions, etc. (excluding investee companies in Mainland China)
December 31, 2024

Table 4

Unit: NT\$ thousand

Name of investor	Investee	Location	Main business	Initial investment amount		Held at end of period			Investment income or loss on investees	income or loss recognized for this	Remarks
				End of this period	End of last year	Number of shares	Shareholding %	Carrying amount			
Super Dragon Technology Co., Ltd.	Chang Pwu Industrial Co., Ltd.	No.323, Huanke Rd., Neighborhood 1, Datan Vil., Guanyin Dist., Taoyuan City	Industrial waste disposal and treatment	\$179,988	\$179,988	18,000,000	100.00%	\$162,620	\$(4,948)	\$(4,948)	
Super Dragon Technology Co., Ltd.	Ron Pwu Applied Materials Technology Co., Ltd.	No. 1, Yuanyuan St., Guanyin Dist., Taoyuan City	Manufacturing, wholesale, and retail of chemicals and wholesale of recycled materials	\$9,400	\$9,400	1,000,000	100.00%	\$10,308	\$231	\$231	
Super Dragon Technology Co., Ltd.	Super Dragon International Co., Ltd.	Rm 51, 5th Britannia House, Jalan Cator, Bandar Seri Begawan BS 8811, Brunei Darussalam	Investment Holding	\$271,127	\$271,127	7,005,365	100.00%	\$97,266	\$(35,589)	\$(35,589)	
Super Dragon Technology Co., Ltd.	Forcera Materials Co., Ltd.	No. 56, Changchun Rd., Chang'an Vil., Hukou Township, Hsinchu County	Wholesale of electronic materials, wholesale of telecommunication apparatus, and automatic control equipment engineering case	\$143,250	\$143,250	5,375,000	19.06%	\$150,544	\$28,223	\$5,378	
Super Dragon Technology Co., Ltd.	Pau Dragon Energy Corp.	8F, No. 463, Xingshan Rd., Neihu Dist., Taipei City	Power Generation and Distribution Machinery Manufacturing Industry, Electronic Components Manufacturing Industry	\$-	\$14,700	-	-	\$-	\$(1,239)	\$(607)	
Super Dragon Technology Co., Ltd.	Pau Energy Storage Corp.	8F, No. 463, Xingshan Rd., Neihu Dist., Taipei City	Energy technology services and power generation and distribution machinery manufacturing	\$19,127	\$-	1,942,361	14.57%	\$16,303	\$(38,028)	\$(2,863)	
Chang Pwu Industrial Co., Ltd.	Pau Hz Energy Corp.	8F, No. 463, Xingshan Rd., Neihu Dist., Taipei City	Energy technology services and power generation and distribution machinery manufacturing	\$-	\$15,000	-	-	\$-	\$(1,946)	\$(583)	
Chang Pwu Industrial Co., Ltd.	Forcera Materials Co., Ltd.	No. 56, Changchun Rd., Chang'an Vil., Hukou Township, Hsinchu County	Wholesale of electronic materials, wholesale of telecommunication apparatus, and automatic control equipment engineering case	\$15,000	\$15,000	572,000	2.03%	\$15,717	\$28,223	\$572	
Chang Pwu Industrial Co., Ltd.	Pau Energy Storage Corp.	8F, No. 463, Xingshan Rd., Neihu Dist., Taipei City	Power Generation and Distribution Machinery Manufacturing Industry, Electronic Components Manufacturing Industry	\$13,567	\$-	1,942,361	10.43%	\$11,544	\$(38,028)	\$(2,050)	
Ron Pwu Applied Materials Technology Co., Ltd.	Forcera Materials Co., Ltd.	No. 56, Changchun Rd., Chang'an Vil., Hukou Township, Hsinchu County	Wholesale of electronic materials, wholesale of telecommunication apparatus, and automatic control equipment engineering case	\$9,000	\$9,000	336,000	1.19%	\$9,232	\$28,223	\$336	

Super Dragon Technology Co., Ltd.

Endorsements/guarantees provided to others

January 1 to December 31, 2024

Unit: NT\$ thousand

Endorsements/guarantees provided to others		Party endorsed/guaranteed		Limits on endorsement/guarantee to each enterprise (Note 3)	Maximum balance of endorsement/guarantee for this period	Ending Balance of Endorsements/Guarantees	Amount drawn	Amount of endorsement/guarantee secured by property	Ratio of cumulative endorsement/guarantee to the net worth as stated in the latest financial statements	Maximum endorsement/guarantee to be provided (Note 3)	Endorsement/guarantee provided by parent company to subsidiary	Endorsement/guarantee provided by subsidiary to parent company	Endorsement/guarantee to entity in China
No. (Note 1)	Name	Name of company	Relationship (Note 2)										
1	Chang Pwu Industrial Co., Ltd.	Super Dragon Technology Co., Ltd.	3	\$487,860	\$360,000	\$360,000	\$315,000	\$360,000	221.37%	\$487,860	N	Y	N

Note 1: No. column is filled out in a way as follows:

1. The issuer should be coded "0".
2. The investees are coded sequentially beginning from "1" one by one.

Note 2: There are seven types of relations between the endorser/guarantor and the endorsed/guaranteed party as follows; just indicate the code:

1. Companies with business dealings.
2. A company in which the Company directly or indirectly holds more than 50% of the voting shares.
3. The company directly or indirectly holds more than 50% of the voting shares of the company.
4. A company in which the Company directly or indirectly holds 90% or more of the voting shares.
5. Companies that need to purchase insurance for each other in the same industry or as co-builders in accordance with contractual provisions based on the needs for contracting construction projects.
6. A company that is endorsed and guaranteed by all shareholders of the Company in proportion to their shareholdings due to a joint investment relationship.
7. The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 3: As per the Operating Procedures for Endorsements and Guarantees for Others of the subsidiary, Chang Pwu Industrial Co., Ltd., the limit of endorsement/guarantee for the parent company (Super Dragon Technology Co., Ltd.) is 300% of the company's net worth as stated in its latest financial statements.

The amount of endorsements/guarantees for a single enterprise other than the parent company shall not exceed 20% of the Company's net worth as stated in the latest financial statements.

Super Dragon Technology Co., Ltd.

1. Statement of cash and cash equivalents

December 31, 2024

Unit: NTD thousand/Thousand in foreign currency

Item	Summary	Amount	Remarks
Cash		\$50	1.December 31, 2024
Checking and demand deposits:			Foreign exchange rate:
			USD:NTD=32.785: 1
			JPY:NTD=0.2099 : 1
			EUR:NTD=34.14 : 1
Longtan Branch, Bank of Taiwan	Demand Deposits # 05008	25,973	
Taiwan Business Bank - ChungLi Branch	Demand Deposits # 15555	11,935	
Shin Kong Bank Co., Ltd. - Taoyuan Branch	Demand Deposits # 20399	8,489	
Others (less than NTD 2 million in bank)		4,914	
Subtotal		51,311	
Total		\$51,361	

Super Dragon Technology Co., Ltd.

2. Financial assets measured at amortized cost - current

December 31, 2024

Unit: NT\$ thousand

Name	Summary	Carrying amount	Remarks
Longtan Branch, Bank of Taiwan	Time deposits	\$81,962	Guarantee for purchase of materials
Longtan Branch, Bank of Taiwan	Time deposits	32,785	
Taishin Bank - Jianbei Branch	Restricted demand deposits	5,000	Accounts for repayment Accounts for repayment
Bank SinoPac - Taoyuan Branch	Restricted demand deposits	1,106	
Total		<u>\$120,853</u>	

Super Dragon Technology Co., Ltd.

3. Statement of accounts receivable

December 31, 2024

Unit: NT\$ thousand

Customers account Name	Amount	Remarks
XIN JIN JIA TECHNOLOGY CO., LTD.	\$8,820	1. The balance of other customer accounts did not exceed 5% of the balance of this account title. 2. None of the accounts receivable is accounts receivable from related parties.
QUALIBOND TECHNOLOGY CO., LTD	7,950	
HSUHUNG ENVIRO. TECH. CO., LTD.	5,517	
TIEN-CHEN ECO FRIENDLY CO., LTD.	4,009	
Others	5,305	
Total	31,601	
Less: Allowance for losses	-	
Net Amount	\$31,601	

4. Statement of other receivables

Unit: NT\$ thousand

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Super Dragon Technology Co., Ltd.

5. Schedule of Other Receivables - Related Parties

December 31, 2024

Unit: NT\$ thousand

Item	Amount	Remarks
Chang Pwu Industrial Co., Ltd.	<u>\$1,002</u>	

Super Dragon Technology Co., Ltd.

6. Statement of net inventory

December 31, 2024

Unit: NT\$ thousand

Item	Amount		Remarks
	Cost	Net realizable value	
Raw materials	\$61,072	\$61,072	1. The lower of cost or net realizable value adopts item-by-item comparison method.
Work in progress	71,656	71,656	
Finished goods	47,236	45,869	2. As of December 31, 2024, the insured amount of inventories was NTD 250,150 thousand.
Total	179,964	\$178,597	
Less: Allowance for inventory obsolescence and valuation losses	(5,448)		
Net Amount	\$174,516		

Super Dragon Technology Co., Ltd.

7. Statement of prepayments

December 31, 2024

Unit: NT\$ thousand

Item	Amount	Remarks
Prepaid natural gas pipeline expenses	\$2,554	
Prepayment for purchase		
Yin Xiang Co., Ltd.	5,552	
Pre-paid environmental permit	449	
Other prepaid expenses	3,597	
Total	<u>\$12,152</u>	

Super Dragon Technology Co., Ltd.

8. Schedule of Changes in Financial Assets at Fair Value through Profit or Loss - Non-current

January 1 to December 31, 2024

Unit: NT\$ thousand

Name	Opening balance		Increase in the current period		Decrease in current period		Ending balance		Guarantee or pledge	Remarks
	Number of Units	Carrying amount	Number of Units	Amount	Number of Units	Amount	Number of Units	Carrying amount		
Private funds:										
Smartopia Capital LLC	-	\$ -	750,000	\$31,568	-	\$ -	750,000	\$31,568		
Add: Valuation Adjustment		-		-		(11,694)		(11,694)		
Net Amount		<u>\$ -</u>		<u>\$31,568</u>		<u>\$(11,694)</u>		<u>\$19,874</u>		

Super Dragon Technology Co., Ltd.

9. Statement of changes in financial assets measured at fair value through other comprehensive income

January 1 to December 31, 2024

Unit: NT\$ thousand

Name	Opening balance		Increase in the current period		Decrease in current period		Ending balance		Accumulated impairment	Guarantee or pledge	Remarks
	Number of shares	Fair value	Number of shares	amount	Number of shares	amount	Number of shares	Fair value			
Big Data Co., Ltd.	371,645	\$3,333	316,270	\$-	-	\$-	687,915	\$3,333	\$-	None	
Rainter Water Resource Technology Co	480,000	6,000	-	-	-	-	480,000	6,000	-	None	
Total		<u>\$9,333</u>		<u>\$-</u>		<u>\$-</u>		<u>\$9,333</u>	<u>\$-</u>		

Super Dragon Technology Co., Ltd.

10. Statement of Changes in Investment under Equity Method

January 1 to December 31, 2024

Unit: NT\$ thousand

Name	Opening balance		Increase in the current period		Decrease in current period		Ending balance			Net value of equity		Valuation	Guarantee or pledge	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding	Amount	Unit price (NTD)	Total price			
Chang Pwu Industrial Co., Ltd.	18,000,000	\$167,541	-	\$27 (Note 1)	-	\$(4,948) (Note 1)	18,000,000	100.00%	\$162,620	\$9.03	\$162,620	Equity method	None	
Ron Pwu Applied Materials Technology Co., Ltd.	1,000,000	10,077	-	231 (Note 2)	-	-	1,000,000	100.00%	10,308	10.31	10,308	Equity method	None	
Super Dragon International Co., Ltd.	7,005,365	128,436	-	4,419 (Note 3)	-	\$(35,589) (Note 3)	7,005,365	100.00%	97,266	13.88	97,266	Equity method	None	
Forcera Materials Co., Ltd.	5,375,000	148,391	-	5,378 (Note 4)	-	\$(3,225) (Note 5)	5,375,000	19.06%	150,544	16.07	86,395	Equity method	None	
Pau Dragon Energy Corp.	1,470,000	14,405	-	-	(1,470,000)	(14,405) (Note 6)	-	-	-	-	-	Equity method	None	
Pau Energy Storage Corp.	-	-	1,942,361	19,166 (Note 7)	-	\$(2,863) (Note 8)	1,942,361	14.57%	16,303	7.29	14,165	Equity method	None	
Total		<u>\$468,850</u>		<u>\$29,221</u>		<u>\$(61,030)</u>			<u>\$437,041</u>		<u>\$370,754</u>			

Note 1: Represents investment loss recognized under equity method of NT\$(4,948) thousand and unrealized valuation gain (loss) on equity instrument investments at fair value through other comprehensive income of NT\$27 thousand.

Note 2: Investment income of NT\$231 thousand recognized under the equity method.

Note 3: Investment losses of NT\$(35,589) thousand and foreign currency translation adjustments of NT\$4,419 thousand are recognized under the equity method.

Note 4: Investment income of NT\$5,378 thousand recognized under the equity method.

Note 5: Represents cash dividends received of NT\$(3,225) thousand.

Note 6: Recognized investment loss of (607) thousand and shareholding conversion amount of (13,798) thousand from Pau Energy's merger with Pau Dragon under equity method.

Note 7: Represents share conversion amount of NT\$13,798 thousand from Pau Dragon merger into Pau Energy, capital increase of NT\$5,330 thousand, and unrealized valuation gain (loss) on equity instrument investments at fair value through other comprehensive income of NT\$38 thousand.

Note 8: Investment losses of NT\$(2,863) thousand were recognized under the equity method.

Super Dragon Technology Co., Ltd.

11. Statement of other non-current assets

December 31, 2024

Unit: NT\$ thousand

Item	Amount	Remarks
Guarantee deposits paid		
Performance bond	\$25,605	
Lease Deposits	1,297	
Prepayments for business facilities	23,985	
Other deferred expenses	2,814	
Total	<u>\$53,701</u>	

Super Dragon Technology Co., Ltd.

12. Statement of short-term loans

December 31, 2024

Unit: NT\$ thousand

Item	Nature of borrowings	Ending balance	Contract period	Interest rate range	Financing limit	Pledge or guarantee	Remarks
Land Bank - Taoyuan Branch	Secured borrowings	\$120,000	December 27, 2024 ~ March 27, 2025	2.60%	NTD 150,000	Land and plant	Please refer to Note 8 to the financial statements for details on pledged assets.
Taishin Bank - Jianbei Branch	Secured borrowings	80,000	December 27, 2024 ~ February 7, 2025	2.53%	NTD 100,000	Land and plant	
Longtan Branch, Bank of Taiwan	Secured borrowings	400,000	December 11, 2024 ~ June 9, 2025	2.36%	NTD 400,000	Land and plant	
Total		<u>\$600,000</u>					

Super Dragon Technology Co., Ltd.

13. Statement of contractual liabilities

December 31, 2024

Unit: NT\$ thousand

Customer Name	Amount	Remarks
GIGA-BYTE Technology Co., Ltd.	<u>\$15</u>	

Super Dragon Technology Co., Ltd.

14. Statement of Accounts Payable

December 31, 2024

Unit: NT\$ thousand

Vendor Name	Amount	Remarks
Yin Xiang International Co., Limited	\$3,253	1. The balance of other customer accounts did not exceed 5% of the balance of this account title.
Hsuhung Enviro. Tech. Co., Ltd.	2,167	
Taiwan FamilyMart Co., Ltd.	1,459	
Advanced Wireless Semiconductor Company	1,291	2. None of the accounts payable were accounts payable to related
Vishay General Semiconductor Taiwan Ltd.	1,002	
Others	198	
Total	<u>\$9,370</u>	

Super Dragon Technology Co., Ltd.

15. Statement of other payables

December 31, 2024

Unit: NT\$ thousand

Item	Amount	Remarks
Balance payable - machinery and equipment		
Easylines System Co.Ltd.	\$9,750	
Nsguard Technology Inc.	5,059	
Others	13,696	
Subtotal	28,505	
Salary payable	4,204	
Business tax payable	4,312	
Annual bonus payable	4,372	
Labor service payable	4,791	
Tax payable	1,425	
Labor and national health insurance premium payable	1,113	
Payable bonus for unused vacation	687	
Others	5,786	
Total	\$55,195	

Super Dragon Technology Co., Ltd.

16. Statement of Other Current Liabilities

December 31, 2024

Unit: NT\$ thousand

Item	Amount	Remarks
Temporary credit	\$1,675	
Payments on behalf of others	583	
Rent collected in advance	91	
Total	<u>\$2,349</u>	

Super Dragon Technology Co., Ltd.
17. Statement of long-term borrowings
December 31, 2024

Unit: NT\$ thousand

Creditor	Nature of borrowings	Duration of contract	Profit Yield (%)	Amount of borrowings	Compensation measures	Collaterals
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.01.31~2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	\$31,731	Bank of Taiwan Long-term Loan: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.	Please refer to Note 8 to the Financial Statements.
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.04.08~2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	33,846	Bank of Taiwan Long-term Loan: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.	
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.04.24~2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	21,154	Bank of Taiwan Long-term Loan: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.	
Bank of Taiwan - Longtan Branch	Secured borrowings	2013.06.24~2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	20,307	Bank of Taiwan Long-term Loan: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.	
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.04.23~2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	25,173	Bank of Taiwan Long-term Loan: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.	
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.09.01~2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	49,077	Bank of Taiwan Long-term Loan: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.	

Creditor	Nature of borrowings	Duration of contract	Profit Yield (%)	Amount of borrowings	Compensation measures	Collaterals
Bank of Taiwan - Longtan Branch	Secured borrowings	2014.09.17~2027.09.18	Bank of Taiwan's time deposit floating interest rate + 0.105%	21,154	Bank of Taiwan Long-term Loan: The loan will be disbursed in installments within one year after the borrowing date with a grace period of two years. During the grace period, the interest will be accrued and collected on a monthly basis. After the end of the grace period, the principal will be amortized per month in 156 installments, and the interest will still be accrued and collected per month.	
Bank of Taiwan - Longtan Branch	Secured borrowings	2024.06.06~2029.06.06	At Chunghwa Post floating interest rate +0.5%	35,000	Bank of Taiwan Long-term Loan: Repayment terms include a one-year grace period from loan date, with interest paid monthly and principal amortized over 48 equal installments.	
Bank of Taiwan - Longtan Branch	Secured borrowings	2024.07.03~2029.07.03	At Chunghwa Post floating interest rate +0.5%	10,539	Bank of Taiwan Long-term Loan: Repayment terms include a one-year grace period from loan date, with interest paid monthly and principal amortized over 48 equal installments.	
Taishin Bank - Jianbei Branch	Secured borrowings	2023.11.30~2026.11.30	Fixed rate 2.59%	235,000	Long-term loan of Taishin Bank: After the contract is signed, the term is three years. The bank will check if the Company's financial ratios meet the standard per quarter as the basis for renewal of the contract. The interest is paid monthly, and the principal will be settled in one lump sum once the loan is due.	
Bank SinoPac - Taoyuan Branch	Secured borrowings	2022.01.21~2029.01.21	At Bank SinoPac's time deposit floating interest rate + 1.035%	16,191	Long-term borrowings from Bank SinoPac: Repayment method from loan date: interest paid monthly with principal repaid in full at maturity.	
Sunny Bank - Chung Hsing Branch	Secured borrowings	2023.03.31~2026.03.31	Sunny Bank's time deposit floating interest rate + 0.82%	230,000	Long-term borrowings from Sunny Bank: Repayment method from loan date: interest paid monthly with principal repaid in full at maturity.	
Chailease Finance Co., Ltd.	Financing Loans	2024.04.09~2026.04.09	Fixed rate 2.694%	41,034	Chailease long-term loan: After contract signing, two-year term with monthly payments of both interest and principal from loan date.	
Total				770,206		
Less: Long-term borrowings due within one year				(125,873)		
Long-term borrowings with maturity over one year				\$644,333		

Super Dragon Technology Co., Ltd.

18. Statement of other non-current liabilities

December 31, 2024

Unit: NT\$ thousand

Item	Amount	Remarks
Pension payable	\$12,419	
Long-term deferred revenue (refer to statement 19)	8,749	
Guarantee deposits received	2,250	
Total	<u>\$23,418</u>	

January 1 to December 31, 2024

[illegible]

Super Dragon Technology Co., Ltd.

20. Statement of net operating revenue

January 1 to December 31, 2024

Unit: NT\$ thousand

Item	Quantity	Amount	Remarks
Operating revenue			
Sales revenue - precious metal	314 KG	\$568,518	
Sales revenue - precious metal materials - gold salt	289 KG	483,636	
Other income - others		117,044	
Revenue from provision of services		10,972	
Revenue from solar power generated		3,876	
Net operating revenue		<u>\$1,184,046</u>	

Super Dragon Technology Co., Ltd.

21. Statement of operating costs

January 1 to December 31, 2024

Unit: NT\$ thousand

Item	Amount	Remarks
Direct raw materials:		
Raw materials, beginning of period	\$80,515	
Add: Materials purchased in current period (net amount)	922,826	
Less: Ending raw materials	(61,072)	
Consumption of raw materials in current period	942,269	
Direct labor	13,563	
Manufacturing overhead (see Table 22 for details)	78,065	
Manufacturing cost	1,033,897	
Add: Work in process at beginning of period	106,886	
Transferred in from others	(508)	
Less: Work-in-progress at end of period	(71,656)	
Cost of finished goods	1,068,619	
Add: Finished goods at beginning of period	199,605	
Less: Other transferred out	(68)	
Finished goods, end of period	(47,236)	
Cost of sales of self-made finished products	1,220,920	
Loss on inventory valuation and obsolescence (gain on recovery)	(42,074)	
Operating cost	\$1,178,846	

Super Dragon Technology Co., Ltd.
22. Statement of manufacturing overheads
January 1 to December 31, 2024

Unit: NT\$ thousand

Item	amount	Remarks
Indirect labor	\$7,788	
Repair and Maintenance Utilities	1,390	
Utility Expenses	6,782	
Insurance Expenses	2,402	
Tax Expenses	1,151	
Depreciation	31,894	
Meal Expenses	560	
Employee Benefits	295	
Consumables	2,081	
Miscellaneous Expenses	2,903	
Security Expenses	4,126	
Other Expenses	16,693	
Total	<u>\$78,065</u>	

Super Dragon Technology Co., Ltd.

23. Statement of sales and marketing expenses

January 1 to December 31, 2024

Unit: NT\$ thousand

Item	amount	Remarks
Remuneration Expenses	\$2,389	
Shipping Expenses	388	
Repair and Maintenance Expenses	47	
Utility Expenses	406	
Insurance Expenses	298	
Tax Expenses	27	
Depreciation	220	
Meal Expenses	40	
Employee Benefits	29	
Import and Export Expenses	178	
Security Expenses	285	
Other Expenses	190	
Total	<u>\$4,497</u>	

Super Dragon Technology Co., Ltd.

24. Statement of management and general affairs expenses

January 1 to December 31, 2024

Unit: NT\$ thousand

Item	amount	Remarks
Remuneration Expenses	\$38,785	
Rent expense	1,340	
Miscellaneous Expenses	4,105	
Utility Expenses	1,421	
Insurance Expenses	4,138	
Entertainment Expenses	1,841	
Tax Expenses	2,483	
Depreciation	21,641	
Meal Expenses	417	
Employee Benefits	257	
Professional Expenses	11,679	
Security Expenses	2,358	
Other Expenses	6,797	
Total	<u>\$97,262</u>	

Super Dragon Technology Co., Ltd.

25. Statement of R&D expenses

January 1 to December 31, 2024

Unit: NT\$ thousand

Item	amount	Remarks
Remuneration Expenses	\$3,527	
Utility Expenses	406	
Insurance Expenses	274	
Depreciation	923	
Meal Expenses	43	
Employee Benefits	24	
Security Expenses	214	
Consumable Expenses	399	
Other Expenses	3,962	
Total	<u>\$9,772</u>	