

**TOPCO SCIENTIFIC CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

Address: 6F., No. 483, Sec. 2, Tiding Blvd., Neihu District, Taipei City
Telephone: 02-87978020

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~14
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	15
(6) Explanation of significant accounts	15~50
(7) Related-party transactions	51~53
(8) Pledged assets	54
(9) Commitments and contingencies	54
(10) Losses Due to Major Disasters	54
(11) Subsequent Events	54
(12) Other	55
(13) Other disclosures	
(a) Information on significant transactions	55、57~62
(b) Information on investees	56、63~64
(c) Information on investment in mainland China	56、65
(d) Major shareholders	56
(14) Segment information	56



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of Topco Scientific Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Topco Scientific Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023 (restated), and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$2,305,965 thousand and \$2,192,745 thousand, constituting 6.89% and 7.46% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities amounting to \$687,269 thousand and \$812,109 thousand, constituting 3.62% and 4.71% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and total comprehensive income amounting to \$124,647 thousand and \$55,628 thousand, constituting 11.80% and 8.02% of consolidated total comprehensive income respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of Topco Scientific Co., Ltd. and its subsidiaries in its investee companies of \$2,539,672 thousand and \$2,055,897 thousand as of March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$109,101 thousand and \$138,557 thousand respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Topco Scientific Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 (restated) in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

We draw attention to Note 6(a) of the consolidated financial statements, according to the IFRSs Q&A updated by the Financial Supervisory Commission, Securities and Futures Bureau, the repatriated offshore funds deposit account balance amounted to \$1,028,590 thousand and \$1,035,558 thousand on March 31, 2023 and January 1, 2023, respectively, was reclassified from other current financial assets to cash and cash equivalents, and the financial statements were restated retrospectively. Our opinion is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors’ reviewreport are Kuan-Ying Kuo and Keng-Chia Huang.

KPMG

Taipei, Taiwan (Republic of China)
May 2, 2024

Notes to Readers

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

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

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, March 31, 2023 and January 1, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2024		December 31, 2023		March 31, 2023 (Restated)		January 1, 2023 (Restated)			Liabilities and Equity	March 31, 2024		December 31, 2023		March 31, 2023 (Restated)		January 1, 2023 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%
Current assets:									Current liabilities:									
1100 Cash and cash equivalents (note 6(a))	\$ 3,913,307	12	6,484,853	21	4,721,118	16	5,335,081	18	2100 Short-term borrowings (note 6(m))	\$ 977,661	3	2,268,394	7	1,485,690	5	755,033	3	
1110 Current financial assets at fair value through profit or loss (note 6(b))	410,389	1	432,055	1	229,639	1	190,096	1	2123 Total current financial liabilities at fair value through profit or loss (note 6(b))	409	-	-	-	-	-	-	-	
1140 Current contract assets (note 6(x))	1,559,851	5	1,726,003	5	1,639,004	6	1,671,753	6	2130 Current contract liabilities	1,478,936	5	1,310,666	4	1,619,403	6	1,787,806	6	
1170 Notes and accounts receivable, net (note 6(d))	6,817,998	20	6,523,205	21	7,123,583	24	7,055,323	24	2170 Notes and accounts payable	5,445,936	16	5,440,711	17	4,979,889	17	6,431,358	22	
1180 Notes and accounts receivable due from related parties, net (notes 6(d) and 7)	98,923	-	132,168	-	103,244	-	109,068	-	2180 Notes and accounts payable to related parties (note 7)	1,682,985	5	1,272,691	4	2,423,081	8	2,774,334	9	
1476 Other current financial assets (notes 6(l) and 8)	227,706	1	218,745	1	91,390	-	124,924	-	2200 Other current financial liabilities	985,562	3	1,184,859	4	994,779	4	1,267,044	4	
1300 Inventories, net (note 6(e))	4,107,450	12	4,142,418	13	4,869,117	17	5,291,287	17	2216 Dividends payable	1,886,996	6	-	-	1,816,996	6	-	-	
1479 Other current assets, others	1,002,212	3	852,312	3	623,421	2	814,462	3	2230 Current tax liabilities	789,709	2	620,081	2	763,252	3	640,528	2	
	18,137,836	54	20,511,759	65	19,400,516	66	20,591,994	69	2250 Current provisions (note 6(q))	267,027	1	302,903	1	419,571	1	181,371	1	
Non-current assets:									2280 Current lease liabilities (note 6(p))	134,237	-	133,265	1	136,714	1	134,708	1	
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	669,122	2	691,557	2	695,904	2	586,921	2	2320 Long-term borrowings, current portion (note 6(n))	90,429	-	82,450	-	80,541	-	79,701	-	
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,586,657	5	1,376,325	4	1,283,227	4	1,338,861	5	2365 Current refund liabilities	1,422	-	9,815	-	12,455	-	14,372	-	
1550 Investments accounted for using equity method (note 6(f))	2,539,672	8	2,367,555	8	2,055,897	7	2,177,225	7	2399 Other current liabilities	56,844	-	101,390	-	70,952	-	82,336	-	
1600 Property, plant and equipment (notes 6(h) and 8)	9,100,575	27	3,796,751	12	3,632,247	12	3,644,002	12		13,798,153	41	12,727,225	40	14,803,323	51	14,148,591	48	
1755 Right-of-use assets (note 6(i))	532,545	2	550,517	2	504,729	2	531,692	2	Non-Current liabilities:									
1760 Investment property, net (note 6(j))	134,484	-	133,652	1	138,351	1	139,591	-	2530 Bonds payable (note 6(o))	961,037	3	956,809	3	-	-	-	-	
1780 Intangible assets (note 6(k))	426,521	1	439,979	1	450,842	2	468,083	2	2540 Long-term borrowings (note 6(n))	2,915,873	9	1,291,565	4	1,305,248	5	1,315,193	4	
1840 Deferred tax assets	59,005	-	75,678	-	57,060	-	58,699	-	2580 Non-current lease liabilities (note 6(p))	398,514	1	415,479	1	367,173	1	397,578	1	
1900 Other non-current assets (notes 6(l) and 8)	302,325	1	1,691,766	5	1,155,082	4	343,207	1	2670 Deferred tax liabilities and others	773,421	2	767,532	3	620,148	2	616,736	2	
	15,350,906	46	11,123,780	35	9,973,339	34	9,288,281	31	2640 Non-current net defined benefit liability (note 6(s))	132,738	-	132,618	-	131,328	-	131,178	-	
										5,181,583	15	3,564,003	11	2,423,897	8	2,460,685	7	
									Total liabilities	18,979,736	56	16,291,228	51	17,227,220	59	16,609,276	55	
									Equity attributable to owners of parent (note 6(u)):									
									3110 Ordinary share	1,887,001	6	1,886,996	6	1,816,996	6	1,816,996	6	
									3200 Capital surplus	2,500,232	8	2,688,841	8	1,615,084	5	2,343,848	8	
									3300 Retained earnings	8,834,045	26	9,757,304	31	7,666,740	26	8,041,653	27	
									3400 Other equity	1,053,008	3	775,924	3	731,586	3	757,147	3	
										14,274,286	43	15,109,065	48	11,830,406	40	12,959,644	44	
									3610 Non-controlling interests	234,720	1	235,246	1	316,229	1	311,355	1	
									Total equity	14,509,006	44	15,344,311	49	12,146,635	41	13,270,999	45	
Total assets	\$ 33,488,742	100	31,635,539	100	29,373,855	100	29,880,275	100	Total liabilities and equity	\$ 33,488,742	100	31,635,539	100	29,373,855	100	29,880,275	100	

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share which is expressed in New Taiwan Dollars)

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
Operating Revenues: (notes 6(x) and 7)					
4110	Sales revenue	\$ 10,094,408	85	10,094,882	81
4520	Construction revenue	1,336,831	11	1,790,216	14
4800	Other operating revenue	500,338	4	607,247	5
	Operating revenue, net	<u>11,931,577</u>	<u>100</u>	<u>12,492,345</u>	<u>100</u>
Operating costs: (notes 6(e), 6(s), 6(y), 7 and 12)					
5110	Cost of sales	8,841,313	74	9,034,236	72
5500	Construction cost	1,184,114	10	1,669,680	14
5800	Other operating costs	220,422	2	287,685	2
		<u>10,245,849</u>	<u>86</u>	<u>10,991,601</u>	<u>88</u>
5910	Less: Unrealized profit (loss) from sales	3,288	-	470	-
	Gross profit	<u>1,682,440</u>	<u>14</u>	<u>1,500,274</u>	<u>12</u>
Operating expenses: (notes 6(d), 6(s), 6(y), 7 and 12)					
6100	Selling expenses	413,567	4	382,868	3
6200	Administrative expenses	385,037	3	359,088	3
6300	Research and development expenses	9,212	-	46,574	-
	Total operating expenses	<u>807,816</u>	<u>7</u>	<u>788,530</u>	<u>6</u>
	Net operating income	<u>874,624</u>	<u>7</u>	<u>711,744</u>	<u>6</u>
Non-operating income and expenses:					
7100	Interest income	14,271	-	19,308	-
7010	Other income (notes 6(b), 6(c), 6(r) and 6(z))	24,708	-	10,099	-
7020	Other gains and losses, net (notes 6(b), 6(f), 6(r) and 6(z))	59,579	1	89,225	1
7050	Finance costs (note 6(p))	(28,323)	-	(18,416)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	109,101	1	138,557	1
		<u>179,336</u>	<u>2</u>	<u>238,773</u>	<u>2</u>
	Profit before tax	<u>1,053,960</u>	<u>9</u>	<u>950,517</u>	<u>8</u>
7950	Less: Income tax expenses (note 6(t))	275,155	2	206,773	2
	Profit	<u>778,805</u>	<u>7</u>	<u>743,744</u>	<u>6</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	210,332	2	(55,634)	-
8349	Less: income tax related to items that will not be reclassified to profit or loss (note 6(t))	-	-	-	-
		<u>210,332</u>	<u>2</u>	<u>(55,634)</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	83,683	-	7,567	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(t))	16,688	-	1,645	-
		<u>66,995</u>	<u>-</u>	<u>5,922</u>	<u>-</u>
8300	Other comprehensive income	<u>277,327</u>	<u>2</u>	<u>(49,712)</u>	<u>-</u>
	Comprehensive income	<u>\$ 1,056,132</u>	<u>9</u>	<u>694,032</u>	<u>6</u>
	Profit, attributable to:				
8610	Attributable to owners of parent	775,037	7	739,934	6
8620	Attributable to non-controlling interests	3,768	-	3,810	-
		<u>\$ 778,805</u>	<u>7</u>	<u>743,744</u>	<u>6</u>
	Comprehensive income attributable to:				
	Attributable to owners of parent	\$ 1,052,121	9	690,198	6
	Attributable to non-controlling interests	4,011	-	3,834	-
		<u>\$ 1,056,132</u>	<u>9</u>	<u>694,032</u>	<u>6</u>
	Earnings per share: (note 6(w))				
9750	Basic net income per share	\$ <u>4.11</u>		\$ <u>4.07</u>	
9850	Diluted net income per share	\$ <u>3.99</u>		\$ <u>4.03</u>	

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Retained earnings Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				Total other equity
Balance at January 1, 2023	\$ 1,816,996	-	2,343,848	1,872,728	6,168,925	8,041,653	(47,734)	804,881	757,147	12,959,644	311,355	13,270,999
Profit for the three months ended March 31, 2023	-	-	-	-	739,934	739,934	-	-	-	739,934	3,810	743,744
Other comprehensive income	-	-	-	-	-	-	5,898	(55,634)	(49,736)	(49,736)	24	(49,712)
Total comprehensive income	-	-	-	-	739,934	739,934	5,898	(55,634)	(49,736)	690,198	3,834	694,032
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(1,090,198)	(1,090,198)	-	-	-	(1,090,198)	-	(1,090,198)
Other changes in capital surplus:												
Cash dividends from capital surplus	-	-	(726,798)	-	-	-	-	-	-	(726,798)	-	(726,798)
Changes in ownership interests in subsidiaries	-	-	(1,966)	-	(474)	(474)	-	-	-	(2,440)	-	(2,440)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,040	1,040
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(24,175)	(24,175)	-	24,175	24,175	-	-	-
Balance at March 31, 2023	\$ 1,816,996	-	1,615,084	1,872,728	5,794,012	7,666,740	(41,836)	773,422	731,586	11,830,406	316,229	12,146,635
Balance at January 1, 2024	\$ 1,886,996	-	2,688,841	2,176,321	7,580,983	9,757,304	(90,453)	866,377	775,924	15,109,065	235,246	15,344,311
Profit for the three months ended March 31, 2024	-	-	-	-	775,037	775,037	-	-	-	775,037	3,768	778,805
Other comprehensive income	-	-	-	-	-	-	66,752	210,332	277,084	277,084	243	277,327
Total comprehensive income	-	-	-	-	775,037	775,037	66,752	210,332	277,084	1,052,121	4,011	1,056,132
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(1,698,296)	(1,698,296)	-	-	-	(1,698,296)	-	(1,698,296)
Other changes in capital surplus:												
Cash dividends from capital surplus	-	-	(188,700)	-	-	-	-	-	-	(188,700)	-	(188,700)
Conversion of convertible bonds	-	5	91	-	-	-	-	-	-	96	-	96
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,537)	(4,537)
Balance at March 31, 2024	\$ 1,886,996	5	2,500,232	2,176,321	6,657,724	8,834,045	(23,701)	1,076,709	1,053,008	14,274,286	234,720	14,509,006

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2024	2023 (Restated)
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,053,960	950,517
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	104,623	100,452
Amortization expense	22,535	18,929
Expected credit gains	(10,802)	(37,060)
Net gain on financial assets and liabilities at fair value through profit or loss	(57,102)	(109,526)
Interest expense	28,323	18,416
Interest income	(14,271)	(19,308)
Share of profit of associates and joint ventures accounted for using equity method	(109,101)	(138,557)
Loss on disposal of property, plant and equipment, net	2,685	16,948
Gain on disposal of right-of-use assets, net	-	165
Others	7,384	557
Total adjustments to reconcile profit	<u>(25,726)</u>	<u>(148,984)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in contract assets	166,152	32,749
Increase in notes and accounts receivable	(251,313)	(25,755)
Decrease in inventories	34,968	422,170
Decrease (increase) in financial assets at fair value through profit or loss	23,034	(39,000)
Decrease (increase) in other current assets	(149,916)	191,041
Decrease (increase) in other financial assets	(7,721)	28,386
Total changes in operating assets	<u>(184,796)</u>	<u>609,591</u>
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	168,270	(168,403)
Increase (decrease) in notes payable	415,527	(1,802,722)
Decrease in other current financial liabilities	(167,547)	(272,930)
Increase (decrease) in provisions	(35,876)	238,200
Decrease in refund liabilities	(8,393)	(1,917)
Decrease in other current liabilities	(44,549)	(11,385)
Increase in others	120	150
Total changes in operating liabilities	<u>327,552</u>	<u>(2,019,007)</u>
Total changes in operating assets and liabilities	<u>142,756</u>	<u>(1,409,416)</u>
Total adjustments	<u>117,030</u>	<u>(1,558,400)</u>
Cash inflow (outflow) generated from operations	1,170,990	(607,883)
Interest received	13,439	20,291
Dividends received	-	260,000
Interest paid	(23,896)	(17,936)
Income taxes paid	(105,445)	(84,025)
Net cash flows from (used in) operating activities	<u>1,055,088</u>	<u>(429,553)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(27,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	105,578	-
Acquisition of investments accounted for using equity method	(57,714)	-
Proceeds from disposal of subsidiaries (Deduction of cash decrease)	(4,375)	-
Acquisition of property, plant and equipment	(4,024,872)	(68,543)
Proceeds from disposal of property, plant and equipment	175	1,760
Increase in prepayments of land and buildings	-	(810,000)
Decrease (increase) in refundable deposits	5,100	(3,467)
Acquisition of intangible assets	(8,132)	(1,640)
Decrease in other non-current assets	8,643	1,032
Decrease (increase) in restricted assets	(462)	4,725
Net cash flows used in investing activities	<u>(4,003,059)</u>	<u>(876,133)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(1,290,733)	730,657
Addition of long-term borrowings	1,652,810	10,770
Repayments of long-term borrowings	(20,523)	(19,875)
Increase in guarantee deposits received	2,503	2,914
Payment of lease liabilities	(37,196)	(38,867)
Changes in non-controlling interests	(4,294)	(1,400)
Net cash flows from financing activities	<u>302,567</u>	<u>684,199</u>
Effect of exchange rate changes on cash and cash equivalents	<u>73,858</u>	<u>7,524</u>
Net decrease in cash and cash equivalents	<u>(2,571,546)</u>	<u>(613,963)</u>
Cash and cash equivalents at the beginning of period	<u>6,484,853</u>	<u>5,335,081</u>
Cash and cash equivalents at the end of period	<u>\$ 3,913,307</u>	<u>4,721,118</u>

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2024 and 2023

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

(1) Company history

TOPCO SCIENTIFIC CO., LTD. (the “Company”) was incorporated on February 17, 1990, as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 6F., No. 483, Sec. 2, Tiding Blvd., Neihu District, Taipei City. The Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) engage in importing, exporting, trading, and acting as agent of various products, including (1) electronics products, electrical products, and mechanical product; (2) manufacturing technology and equipment for high-tech products, such as integrated circuit, optoelectronic devices, packaging material, and electronic component; (3) planning, design and installation of water purification, water wasting and recycling systems equipment; (4) selling related materials, providing integration services, and operating power station of solar energy; (5) wholesale of fishery products and cooperate with foreign fishing companies; (6) operating the tourism factory, restaurant, and retail sales of food products; (7) waste removal and disposal business; (8) environment-related engineering planning, assessment, supervision and monitoring and (9) setting up a sport center that operates and provides sport training programs. Please refer to note 14 for related segment information.

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

The consolidated financial statements were approved for issuance by the Board of Directors on May 2, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

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

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

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

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

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Taiwan E&M System Inc. (Taiwan E&M)	Sales of electronic material	100%	100%	100%	
"	Topco Group Ltd. (Topco Group)	Investment	100%	100%	100%	
"	Topco International Investment Co., Ltd. (Topco International Investment)	Investment	100%	100%	100%	
"	Topco Investment Co., Ltd. (Topco Investment)	Investment	100%	100%	100%	
"	ECO Technical Services Co., Ltd. (Chien Yueh)	Water purification and construction of dust-proof room	100%	100%	100%	

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Anyong Biotechnology, Inc. (Anyong Biotechnology)	Aquaculture and strategic partnership with fish processing	100%	100%	100%	
"	Anyong FreshMart, Inc. (Anyong FreshMart)	Wholesale and retail sales of fishery products and supermarket operation	100%	100%	100%	
"	Xiang Yueh Co., Ltd. (Xiang Yueh)	Waste Disposal	100%	100%	100%	Xiang Yueh Co. Ltd applied for approval to the liquidation procedures in September 2023.
"	Jia Yi Energy Co., Ltd. (Jia Yi Energy)	Solar system engineering	84%	84%	84%	The Company and Topco International Investment jointly held its entire shares.
"	Yilan Anyong Lohas, Co., Ltd. (Anyong Lohas)	Restaurant and retail sales of food products	100%	100%	100%	
"	Topscience (s) Pte Ltd. (Topscience (s))	Sales of parts of semiconductor and optoelectronic industries	100%	100%	100%	Note
"	Unitech New Energy Engineering Co., Ltd. (Unitech New Energy Engineering)	Environment-related engineering planning, assessment, supervision and monitoring	77.60%	77.60%	77.60%	
"	Topco Scientific USA Corp. (Topco Scientific USA)	Wholesale of semiconductor material	100%	100%	100%	
"	Xports Sports Co. Ltd (Xports Sports)	Sport Training	100%	100%	100%	
"	Topco Scientific (Japan) Co., Ltd. (Topco Japan)	Sales of facilities of semiconductor and clean room	100%	100%	-%	In order to coordinate the adjustment of the Group's organization, the Company purchased all of shares from Topco International Investment in October 2023.
Topco Group	Asia Topco Holding Ltd. (Asia Cayman)	Investment	100%	100%	100%	
"	Hong Kong Topco Trading Limited (Topco Trading)	Wholesale of semiconductor material and electronic material	100%	100%	100%	Note

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Asia Cayman	Asia Topco Investment Ltd. (Asia Topco)	Investment	100%	100%	100%	
Asia Topco	Topco Scientific (Shanghai) Co., Ltd. (Topco Shanghai)	Wholesale of semiconductor material and electronic material	100%	100%	100%	
"	Suzhou Topco Construction Ltd. (Topco Suzhou)	Water purification and cleanroom construction	100%	100%	100%	
"	Topco Chemical (Z.F.T.Z.) Co., Ltd. (Topco Chemical)	Wholesale and sales of chemical products	100%	100%	100%	Note
Topco Shanghai	Shanghai Chong Yao Trading Co., Ltd. (Shanghai Chong Yao)	Wholesale of semiconductor material and electronic material	98%	98%	98%	Topco Shanghai and Topco Suzhou held its 100% shares jointly.(Note)
"	Shanghai perfect microelectronics Co., Ltd.	IC Design Company	49%	51%	51%	The company transferred 2% of its shareholding to Shanghai Tx semiconductor and lost control in January, 2024. (Note)
Topco Suzhou	Shanghai Chong Yao	Wholesale of semiconductor material and electronic material	2%	2%	2%	
"	Topco Engineering (Suzhou) Ltd.. (Topco Engineering)	Water purification and cleanroom construction	100%	100%	100%	Note
Topco Chemical	Chongling Chemical Product Trading (Z.F.T.Z.) Co., Ltd. (Chongling Chemical)	Wholesale and sales of chemical products	70%	70%	-%	The company was established in May 2023. (Note)
Topscience (s)	Topscience Vietnam Co., Ltd. (Topscience Vietnam)	Sales of parts of semiconductor and optoelectronic industries	100%	100%	100%	Note
"	Anyong (s) Pte. LTD. (Anyong (s))	Wholesale and retail sales of fishery products	100%	100%	100%	Note
"	Ping Yue Technologies SDN.BHD. (Ping Yue Technologies)	Sales of semiconductor material and equipment	100%	100%	100%	Note

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Topco International Investment	Cityspace International Co., Ltd. (Cityspace)	Wholesale and sales of cosmetic	67%	67%	67%	
"	Topco Scientific (Japan) Co., Ltd. (Topco Japan)	Sales of facilities of semiconductor and clean room	-%	-%	100%	
"	Kuan Yueh Technology Engineering Co., Ltd. (Kuan Yueh Technology)	Development of renewable energy projects; Configure pipeline construction and device installation	100%	100%	100%	
Topco International Investment	Jia Yi Energy	Solar system engineering	16%	16%	16%	
"	Kanbo Biomedical Co., Ltd. (Kanbo Biomedical)	Sales of health food products	100%	100%	100%	
"	Topchem Materials Corp. (Topchem Materials)	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	100%	100%	100%	
"	Tai Ying Resource Industrial Corp. (Tai Ying Resource)	Waste Disposal Industry	48.80%	48.80%	48.80%	Topco International Investment and Chien Yueh held its 51.85% shares jointly.
"	Topchip electronic Co. Ltd. (Topchip)	IC Design and Sales Company	100%	100%	100%	
"	Thermaltake green power Co. Ltd- (Thermaltake green power)	Renewable-energy-based electricity retailing	100%	100%	100%	
Topco Investment	Multi Rich Technology Co., Ltd. (Multi Rich Technology)	Wholesale of fishery products	98%	98%	98%	Multi Rich Technology had applied for liquidation procedures in August 2023.
"	Ding Yue Solar Co., Ltd. (Ding Yue Solar)	Development of renewable energy projects	100%	100%	100%	
"	Min Jen Restaurant Business Co., Ltd. (Min Jen Restaurant)	Restaurant	-%	-%	69%	Min Jen Restaurant had completed the liquidation procedures in August 2023.
"	Yun Yueh Technology Co., Ltd (Yun Yueh Technology)	Aquaculture and wholesale and sales of fishery products	55%	55%	55%	

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Jia Yi Energy	Jing Chen Energy Co., Ltd. (Jing Chen Energy)	Development of renewable energy projects.	100%	100%	100%	
"	Jing Yang Energy Co., Ltd. (Jing Yang Energy)	"	100%	100%	100%	
"	Jing Yueh Energy Co., Ltd. (Jing Yueh Energy)	"	100%	100%	100%	
Taiwan E&M	Top Vacuum Co., Ltd. (Top Vacuum)	Vacuum pump equipment maintenance	60%	60%	60%	
Chien Yueh	Tai Ying Resource	Waste Disposal Industry	3.1%	3.1%	3.1%	
"	Unitech New Energy Engineering	Environment-related engineering planning, assessment, supervision and monitoring	1%	1%	1%	
Topco Japan	Shunkawa Corporation (Shunkawa)	Import and export of semiconductor raw materials	100%	100%	100%	
Tai Ying Resource	Tai Ying Global Trading Ltd., Co. (Tai Ying Global Trading)	International trading company	100%	100%	100%	

Note: These are non-significant subsidiaries, in which their financial statements have not been reviewed by the CPA.

(c) Employee benefits

The defined benefit pension during the interim period was calculated using the actuarially determined pension cost rate on the prior year's reporting date, based on the year-to-date basis, and was adjusted for material market volatility and material reductions, settlements, or other material one-off events after that reporting date.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRS Accounting Standards Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are received on an ongoing basis which is in conformity with the consolidated interim financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023 (Restated)	January 1, 2023 (Restated)
Cash on hand	\$ 25,263	14,723	20,651	21,225
Checking accounts and demand deposits	2,674,975	2,748,109	2,478,846	3,045,533
Time deposits	1,213,069	3,722,021	2,221,621	2,268,323
	<u>\$ 3,913,307</u>	<u>6,484,853</u>	<u>4,721,118</u>	<u>5,335,081</u>

Please refer to note 6(aa) for the disclosure of the exchange rate risk and the sensitivity analysis of the financial assets and liabilities of the Group.

According to the IFRSs Q&A updated by the Financial Supervisory Commission, Securities and Futures Bureau on January 5, 2024, the repatriated offshore funds account balance amounted to \$1,028,590 and \$1,035,558 for March 31, 2023 and January 1, 2023, respectively, were reclassified from other current financial assets to cash and cash equivalents. Therefore, the “increase in restricted assets” under investing activities was reduced by \$6,968 in the first quarter of 2023.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets at fair value through profit or loss

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Mandatorily measured at fair value through profit or loss:			
Beneficiary certificate-Funds	\$ 410,389	432,055	229,639
Domestic listed stocks	176,350	212,336	157,203
Foreign listed stocks	55,253	63,214	81,979
Unlisted stocks and limited partnership	397,402	377,589	398,591
Foreign unlisted funds	40,117	38,418	58,131
	<u>\$ 1,079,511</u>	<u>1,123,612</u>	<u>925,543</u>
Current	\$ 410,389	432,055	229,639
Non-current	669,122	691,557	695,904
	<u>\$ 1,079,511</u>	<u>1,123,612</u>	<u>925,543</u>
Held-for-sale financial liabilities:			
Derivatives not for hedging			
Forward exchange contracts	\$ 409	-	-
	<u>\$ 409</u>	<u>-</u>	<u>-</u>

The gain or loss on valuation of financial assets at fair value of the Group for the three months ended March 31, 2024 and 2023, was a gain of \$57,102 and \$109,526, respectively.

(i) Derivative financial instruments

The purpose of trading derivatives not for hedging is to avoid the exposure of currency exchange rate risk arising from operation. The Group does not choose to apply hedge accounting and therefore recognizes the derivatives of held-for-sale financial liability. The details are summarized as follows:

Forward exchange contract:

	<u>March 31, 2024</u>		
	<u>Contract value (thousand)</u>	<u>Currency</u>	<u>Expiring period</u>
Forward exchange sold	USD 1,000	USD to NTD	April 19, 2024

(ii) The Group's information of market risk, please refer to note 6(aa).

(iii) As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide financial assets as collateral for its loans.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Non-current financial assets at fair value through other comprehensive income

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Equity investments at fair value through other comprehensive income			
Domestic listed stocks	\$ 247,750	194,250	163,600
Domestic unlisted stocks	<u>1,338,907</u>	<u>1,182,075</u>	<u>1,119,627</u>
	<u>\$ 1,586,657</u>	<u>1,376,325</u>	<u>1,283,227</u>

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long term for strategic purposes.

The Group's part of the stocks designated as fair value through other comprehensive gains and losses were liquidated in the first quarter of 2023. The remaining assets allocated were \$0 and the investment losses were \$24,175. The aforementioned investments have been transferred from other equity to retained earnings.

During the three months ended March 31, 2024 and 2023, the Group's unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income was a gain of \$210,332 and a loss of \$55,634, respectively.

The Group's information of market risk, please refer to note 6(aa).

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide financial assets as collateral for its loans.

(d) Notes and accounts receivable (including related parties)

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Notes receivable from operating activities	\$ 39,654	16,374	59,406
Accounts receivable from measured as amortized cost	6,909,430	6,681,397	7,197,283
Less: loss allowance	<u>32,163</u>	<u>42,398</u>	<u>29,862</u>
	<u>\$ 6,916,921</u>	<u>6,655,373</u>	<u>7,226,827</u>
Notes and accounts receivable, net	<u>\$ 6,817,998</u>	<u>6,523,205</u>	<u>7,123,583</u>
Notes and accounts receivable due from related parties, net	<u>\$ 98,923</u>	<u>132,168</u>	<u>103,244</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

	March 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 6,196,760	0.10%	6,352
Overdue 0-30 days	366,258	1.00%	3,650
Overdue 31-60 days	206,339	2.82%	5,818
Overdue 61-90 days	37,733	5.00%	1,887
Overdue over 91 days	141,994	10.18%	14,456
	\$ 6,949,084		32,163
	December 31, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 5,872,338	0.10%	6,011
Overdue 0-30 days	388,900	0.99%	3,868
Overdue 31-60 days	124,559	2.28%	2,837
Overdue 61-90 days	126,479	4.99%	6,308
Overdue over 91 days	185,495	12.60%	23,374
	\$ 6,697,771		42,398
	March 31, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 6,690,458	0.10%	6,834
Overdue 0-30 days	361,137	1.00%	3,611
Overdue 31-60 days	106,864	3.00%	3,206
Overdue 61-90 days	4,017	5.00%	201
Overdue over 91 days	94,213	16.99%	16,010
	\$ 7,256,689		29,862

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movements in the allowance for notes and accounts receivable were as follows:

	For the three months ended March 31,	
	2024	2023
Balance at January 1	\$ 42,398	66,543
Impairment losses reversed	(10,802)	(37,060)
Foreign exchange gain	567	379
Balance at March 31	<u><u>\$ 32,163</u></u>	<u><u>29,862</u></u>

(e) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Merchandise inventories	\$ 3,970,321	4,019,342	4,738,191
Work in progress	6,550	7,058	18,285
Raw materials	48,922	52,287	56,952
Goods in transits	81,657	63,731	55,689
	<u><u>\$ 4,107,450</u></u>	<u><u>4,142,418</u></u>	<u><u>4,869,117</u></u>

The details of the cost of sales were as follows:

	For the three months ended March 31,	
	2024	2023
Cost of sales	\$ 8,841,098	9,036,811
Provision (reversal) for inventory valuation loss and obsolescence	93	(2,631)
Loss on indemnity of inventory and others	122	56
	<u><u>\$ 8,841,313</u></u>	<u><u>9,034,236</u></u>

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide inventories as collateral for its loans.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Investments accounted for using equity method

- (i) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
The carrying amount of individually insignificant associates' equity	\$ 2,539,672	2,367,555	2,055,897
		For the three months ended March 31,	
		2024	2023
Attributable to the Group:			
Profit from continuing operations		\$ 109,101	138,557
Other comprehensive income		-	-
Total comprehensive income		\$ 109,101	138,557

- (ii) As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

(g) Changes in ownership of subsidiaries

- (i) In the first quarter of 2023, the Company failed to subscribe proportionately in the cash capital increase of its subsidiary, Xiang Yueh, due to issued new shares and repurchase shares from minority interest resulting in a decrease in its net equity in Xiang Yueh by \$2,440. From January 1, 2023 to March 31, 2023, due to the aforementioned transactions, it resulted in a decrease in capital surplus by \$1,996 and retained earnings by \$474 were recognized respectively.
- (ii) The Company acquired 77.06% of the shares of its subsidiary Unitech New Energy Engineering in 2021. According to the share purchase agreements, if Unitech New Energy Engineering's net profit meets the certain criteria in 2021 and 2022, the Company will pay \$20,888 at the settlement expiration of one year and two years to Unitech New Energy Engineering, respectively, totaling \$41,776. The investment payment amounting to \$20,888 and \$12,824 had been paid by the Company for the three months ended March 31, 2024 and 2023, resulting in the remaining amount of \$8,064 to be recognized as other current financial liabilities in the balance sheet.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2024 and 2023 were as follows:

	<u>Land</u>	<u>Buildings and building improvement</u>	<u>Machinery and others</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 767,044	1,616,019	2,713,356	5,096,419
Additions	2,558,919	1,400,162	33,938	3,993,019
Disposal	-	-	(9,195)	(9,195)
Reclassifications	852,100	523,416	(4,100)	1,371,416
Effect of movements in exchange rates	3,391	3,214	1,138	7,743
Balance at March 31, 2024	<u>\$ 4,181,454</u>	<u>3,542,811</u>	<u>2,735,137</u>	<u>10,459,402</u>
Balance at January 1, 2023	\$ 767,057	1,644,164	2,397,995	4,809,216
Additions	-	2,594	66,134	68,728
Disposal	-	-	(36,103)	(36,103)
Reclassifications	-	331	(418)	(87)
Effect of movements in exchange rates	(681)	598	198	115
Balance at March 31, 2023	<u>\$ 766,376</u>	<u>1,647,687</u>	<u>2,427,806</u>	<u>4,841,869</u>
Depreciation and impairments loss:				
Balance at January 1, 2024	\$ -	411,308	888,360	1,299,668
Depreciation	-	11,939	51,910	63,849
Disposal	-	-	(6,335)	(6,335)
Effect of movements in exchange rates	-	1,111	534	1,645
Balance at March 31, 2024	<u>\$ -</u>	<u>424,358</u>	<u>934,469</u>	<u>1,358,827</u>
Balance at January 1, 2023	\$ -	392,180	773,034	1,165,214
Depreciation	-	13,648	47,913	61,561
Disposal	-	-	(17,395)	(17,395)
Effect of movements in exchange rates	-	247	(5)	242
Balance at March 31, 2023	<u>\$ -</u>	<u>406,075</u>	<u>803,547</u>	<u>1,209,622</u>
Carrying amounts:				
Balance at January 1, 2024	<u>\$ 767,044</u>	<u>1,204,711</u>	<u>1,824,996</u>	<u>3,796,751</u>
Balance at March 31, 2024	<u>\$ 4,181,454</u>	<u>3,118,453</u>	<u>1,800,668</u>	<u>9,100,575</u>
Balance at January 1, 2023	<u>\$ 767,057</u>	<u>1,251,984</u>	<u>1,624,961</u>	<u>3,644,002</u>
Balance at March 31, 2023	<u>\$ 766,376</u>	<u>1,241,612</u>	<u>1,624,259</u>	<u>3,632,247</u>

In order to accommodate business development and ensure corporate sustainable operation, the Board of Directors resolved to purchase an office building on Zhousi Street in Neihu, for a total contract price of \$5,350,000 thousand. The Group completed the transfer registration in March 2024.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of March 31, 2024, the Group provided property, plant and equipment as collateral for its long-term loans. As of December 31, 2023 and March 31, 2023, the Group did not provide any property, plant and equipment as collateral for its loans.

(i) Right-of-use assets

The Group leases many assets including land and buildings and vehicles. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and others</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 23,176	760,051	103,264	886,491
Additions	-	15,264	5,990	21,254
Disposals	(534)	(3,435)	(5,151)	(9,120)
Effect of movements in exchange rates	-	1,494	-	1,494
Balance at March 31, 2024	<u>\$ 22,642</u>	<u>773,374</u>	<u>104,103</u>	<u>900,119</u>
Balance at January 1, 2023	\$ 23,176	674,459	103,321	800,956
Additions	1,582	9,577	2,537	13,696
Disposals	(1,582)	(7,689)	(2,401)	(11,672)
Effect of movements in exchange rates	-	266	-	266
Balance at March 31, 2023	<u>\$ 23,176</u>	<u>676,613</u>	<u>103,457</u>	<u>803,246</u>
Depreciation:				
Balance at January 1, 2024	\$ 6,216	275,090	54,668	335,974
Depreciation	903	29,545	8,695	39,143
Disposals	(534)	(2,670)	(5,151)	(8,355)
Effect of movements in exchange rates	-	812	-	812
Balance at March 31, 2024	<u>\$ 6,585</u>	<u>302,777</u>	<u>58,212</u>	<u>367,574</u>
Balance at January 1, 2023	\$ 4,150	223,265	41,849	269,264
Depreciation	912	29,311	7,032	37,255
Disposals	(1,582)	(4,142)	(2,401)	(8,125)
Effect of movements in exchange rates	-	123	-	123
Balance at March 31, 2023	<u>\$ 3,480</u>	<u>248,557</u>	<u>46,480</u>	<u>298,517</u>
Carrying amount:				
Balance at January 1, 2024	<u>\$ 16,960</u>	<u>484,961</u>	<u>48,596</u>	<u>550,517</u>
Balance at March 31, 2024	<u>\$ 16,057</u>	<u>470,597</u>	<u>45,891</u>	<u>532,545</u>
Balance at January 1, 2023	<u>\$ 19,026</u>	<u>451,194</u>	<u>61,472</u>	<u>531,692</u>
Balance at March 31, 2023	<u>\$ 19,696</u>	<u>428,056</u>	<u>56,977</u>	<u>504,729</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Investment property

Investment property comprises properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 2 to 3 years. Some leases provide the lessees with options to extend at the end of the terms.

For all investment property for leasing, the rental income is fixed under the contracts.

	Buildings
Carrying amount:	
Balance at January 1, 2024	\$ <u><u>133,652</u></u>
Balance at March 31, 2024	\$ <u><u>134,484</u></u>
Balance at January 1, 2023	\$ <u><u>139,591</u></u>
Balance at March 31, 2023	\$ <u><u>138,351</u></u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2024 and 2023. Information on depreciation for the period is discussed in note 12(a). Please refer to note 6(j) of the 2023 annual consolidated financial statements for other related information.

The fair value of the investment property was not significantly different from those disclosed in the note 6(j) of the annual consolidated financial statements for the year ended December 31, 2023.

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any investment properties as collateral for its loan.

(k) Intangible assets

The cost, amortization, and impairment of intangible assets of the Group were as follows:

	Goodwill	Unrealized orders	Customer relationship	Others	Total
Balance at January 1, 2024	\$ <u><u>226,251</u></u>	<u><u>42,957</u></u>	<u><u>100,107</u></u>	<u><u>70,664</u></u>	<u><u>439,979</u></u>
Balance at March 31, 2024	\$ <u><u>226,251</u></u>	<u><u>37,542</u></u>	<u><u>96,973</u></u>	<u><u>65,755</u></u>	<u><u>426,521</u></u>
Balance at January 1, 2023	\$ <u><u>226,251</u></u>	<u><u>64,616</u></u>	<u><u>112,645</u></u>	<u><u>64,571</u></u>	<u><u>468,083</u></u>
Balance at March 31, 2023	\$ <u><u>226,251</u></u>	<u><u>59,201</u></u>	<u><u>109,511</u></u>	<u><u>55,879</u></u>	<u><u>450,842</u></u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2024 and 2023. Please refer to note 6(k) of the 2023 annual consolidated financial statements for other related information.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Other financial assets and other non-current assets

(i) The other current financial assets of the Group were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023 (Restated)	January 1, 2023 (Restated)
Restricted assets	\$ 168,592	168,184	62,976	67,141
Other receivables	59,114	50,561	28,414	57,783
	<u>\$ 227,706</u>	<u>218,745</u>	<u>91,390</u>	<u>124,924</u>

As of March 31, 2024, December 31 and March 31, 2023, \$363 of the restricted assets are coming from bank deposits of restricted purpose due to the construction contract conditions; the remains of the restricted time deposits are guarantees for construction contracts, etc. Please refer to note 8.

(ii) The other non-current assets of the Group were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Restricted assets	\$ 35,605	35,551	35,242
Refundable deposits	262,109	267,209	306,716
Prepayments of land and buildings	-	1,375,516	810,000
Others	4,611	13,490	3,124
	<u>\$ 302,325</u>	<u>1,691,766</u>	<u>1,155,082</u>

Prepayments of land and buildings was the signing fee and down payment for the Company to purchase the pre-sale office building from a non-related party. The transfer was completed and therefore the prepayments of land and buildings were reclassified to property, plant and equipment in March 2024.

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any increase in restricted assets as collateral for its loan., please see note 8.

(m) Short-term borrowings

The short-term borrowings of the Group were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank loans	<u>\$ 977,661</u>	<u>2,268,394</u>	<u>1,485,690</u>
Unused credit lines	<u>\$ 12,981,869</u>	<u>11,182,160</u>	<u>10,066,695</u>
Range of interest rates	<u>1.68%~6.27%</u>	<u>1.56%~6.73%</u>	<u>1.68%~5.84%</u>

The Group did not provide assets as collateral for its loans.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For information on the Group's foreign currency risk and liquidity risk, please see note 6(aa).

(n) Long-term borrowings

The long-term borrowings of the Group were as follows:

March 31, 2024				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.69%~2.60%	2024.4~2036.9	\$ 1,526,302
Secured bank loans	TWD	2%	2043.11~2044.1	1,480,000
Less: current portion				(90,429)
Total				<u>\$ 2,915,873</u>
Unused credit lines				<u>\$ 420,000</u>
December 31, 2023				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.69%~2.60%	2024.4~2036.9	\$ 1,374,015
Less: current portion				(82,450)
Total				<u>\$ 1,291,565</u>
Unused credit lines				<u>\$ 84,060</u>
March 31, 2023				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.57%~2.55%	2024.4~2036.9	\$ 1,385,789
Less: current portion				(80,541)
Total				<u>\$ 1,305,248</u>
Unused long-term credit lines				<u>\$ 48,460</u>

(i) For the three months ended March 31, 2024 and 2023, the Group had the additional long-term borrowings amounting to \$1,652,810 and \$10,770, respectively; the repayment amounted to \$20,523 and \$19,875, respectively.

(ii) For the collateral for long-term borrowings, please refer to note 8.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Convertible bonds payable

- (i) The Group issued the second domestic unsecured convertible bonds with the face values of \$1,000,000 on June 29, 2023 as follows:

	March 31, 2024	December 31, 2023
Total convertible corporate bonds issued	\$ 1,000,000	1,000,000
Unamortized discounted corporate bonds payable	(36,776)	(40,871)
Cumulative converted amounts	(100)	-
	963,124	959,129
Unamortized issuing costs of corporate bonds payable	(2,087)	(2,320)
Corporate bonds issued balance at year-end	\$ 961,037	956,809
Embedded derivatives— call option, include in non-current financial assets at fair value through profit or loss	\$ -	-
Equity component— conversion rights, include in capital surplus	\$ 59,021	59,026
		For the three months ended March 31, 2024
Embedded derivatives— call option, gains or losses at fair value, include in gain (losses) on financial assets (liabilities) at fair value through profit or loss		\$ -
Interest expenses		\$ (4,324)

The effective rates of the second unsecured convertible bonds payable was 1.7919%.

During the three months ended March 31, 2024, the bondholders exercised their conversion rights for convertible bonds with a face value of \$100 thousand. As of March 31, 2024, there was still a remaining face value of \$999,900 thousand of convertible bonds that has not been converted. In addition to the above, the Group did not issue, repurchase, or redeem any outstanding corporate bonds for the three months ended March 31, 2024. Please refer to note 6(o) of the 2023 annual consolidated financial statement, for other related information.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Lease liabilities

The lease liabilities of the Group were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	\$ <u>134,237</u>	<u>133,265</u>	<u>136,714</u>
Non-current	\$ <u>398,514</u>	<u>415,479</u>	<u>367,173</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2024	2023
Interest on lease liabilities	\$ <u>2,200</u>	<u>2,201</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>5,967</u>	<u>4,197</u>
Expenses relating to short-term leases	\$ <u>5,175</u>	<u>3,641</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>3,678</u>	<u>3,415</u>

The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2024	2023
Total cash outflow for leases	\$ <u>54,216</u>	<u>52,321</u>

(i) Real estate leases

As of March 31, 2024, December 31 and March 31, 2023, the Group leases land and buildings for its office space, erecting solar power generation equipment and retail stores. The leases of office space typically run for a period of 1 to 20 years, of erecting solar power generation equipment for 20 years, and of retail stores for 1 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

(ii) Other leases

The Group leases vehicles, with lease terms of 1 to 5 years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group also leases IT equipment with contract terms of 1 to 3 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(q) Provisions

	<u>Warranties</u>	<u>Onerous contracts</u>	<u>Total</u>
Balance at January 1, 2024	\$ 219,519	83,384	302,903
Provisions made during the period	2,009	-	2,009
Provisions used during the period	(9,748)	-	(9,748)
Provisions reversed during the period	(2,278)	(30,000)	(32,278)
Effect of changes in foreign exchange rates	3,693	448	4,141
Balance at March 31, 2024	<u>\$ 213,195</u>	<u>53,832</u>	<u>267,027</u>
Balance at January 1, 2023	\$ 23,805	157,566	181,371
Provisions made during the period	215,098	30,100	245,198
Provisions used during the period	(4,608)	-	(4,608)
Provisions reversed during the period	(120)	(1,865)	(1,985)
Effect of changes in foreign exchange rates	(405)	-	(405)
Balance at March 31, 2023	<u>\$ 233,770</u>	<u>185,801</u>	<u>419,571</u>

Provisions related to construction revenue are assessed based on historical experience. The aforementioned provisions are expected to settle the majority of the liability over the next year.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract. Because the cost of performing a construction contract had exceeded the economic benefits expected, the Group recognized the provisions to response the cost of the construction contract.

(r) Operating leases

There were no significant changes in operating lease for the three months ended March 31, 2024 and 2023. Please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2023 for other related information.

(s) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-off events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The expenses recognized in profit or loss for the Group were as follows:

		For the three months ended March 31,	
		2024	2023
	Administrative expenses	<u>\$ 720</u>	<u>750</u>
(ii)	Defined contribution plans		
1)	The domestic Group entities' expenses under the pension plan cost of the Bureau of Labor Insurance were as follows:		
		For the three months ended March 31,	
		2024	2023
	Operating cost and expenses	<u>\$ 14,187</u>	<u>14,012</u>
2)	Other subsidiaries' pension expenses, basic endowment insurance expenses and social welfare expenses were as follows:		
		For the three months ended March 31,	
		2024	2023
	Operating cost and expenses	<u>\$ 5,058</u>	<u>4,845</u>
(t)	Income taxes		
(i)	Income tax expenses		
1)	The components of income tax were as follows:		
		For the three months ended March 31,	
		2024	2023
	Current tax expense	<u>\$ 275,155</u>	<u>206,773</u>
2)	The amounts of income tax recognized in other comprehensive income were as follows:		
		For the three months ended March 31,	
		2024	2023
	Items that will not be reclassified to profit or loss:		
	Exchange differences on translation of foreign financial statements	<u>\$ 16,688</u>	<u>1,645</u>
(ii)	The ROC tax authorities have examined the income tax returns of the Company, as well as Xports Sports, Taiwan E&M, Kuan Yueh Technology, Anyong Biotechnology, Tai Ying, Ding Yue Solar, Multi Rich Technology, Kanbo Biomedical, Xiang Yueh, Cityspace International, Jing Chen Energy, Jing Yueh Energy, Jing Yang Energ, Yun Yueh Technology, Jia Yi Energy, Top Vacuum, Unitech New Energy Engineering, Topchem Materials, Topco International		

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investment, Topco Investment and Anyong Lohas through 2022; the Company, Chien Yueh and Anyong Fresh Mart through 2021.

(u) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2024 and 2023. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

(i) Common stock

As of March 31, 2024, December 31 and March 31, 2023, the total values of authorized ordinary shares were both amounted to \$2,200,000 (both including \$100,000 for the issuance of employee stock options). The number of authorized ordinary shares were both 220,000 thousand shares, respectively, with par value of New Taiwan Dollars \$10 per share. As of that date, 188,700, 188,700 and 181,700 thousand of ordinary shares were issued, respectively. All issued shares were paid up upon issuance.

The Company issued \$7,000 thousand shares, at a par value of NT\$10 per share and an issued price of \$150 per share, the related shares issuance costs amounted to \$2,790, which was recognized as a reduction of capital surplus - premium on issuance of shares, and the total cash received amounted to \$1,047,210, with the base date set on July 27, 2023, based on the resolution decided in the Board meeting held on April 19, 2023, with the approval of the Financial Supervisory Commission. The relevant statutory registration process was completed on August 10, 2023, and all payments for the issued shares have been received.

The Group issued 500 new shares to convertible bond holders who exercised their conversion rights at face value, with a total amount of \$5 thousand for the three months ended March 31, 2024. As the relevant legal registration procedures have not been completed, they were recognized as certificate of entitlement to new shares from convertible bond.

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Capital premium	\$ 2,437,798	2,626,402	1,612,377
Convertible bonds-conversion options	59,021	59,026	-
Stock option-fair value differences of associates and joint ventures accounted under equity method	2,285	2,285	2,285
Changes in the equity ownership of the subsidiaries	706	706	-
Others	422	422	422
	<u>\$ 2,500,232</u>	<u>2,688,841</u>	<u>1,615,084</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On February 29, 2024 and March 13, 2023, the Company's Board of Directors resolved to distribute the cash dividends of \$188,700 (New Taiwan dollars \$1 per share) and \$726,798 (New Taiwan dollars \$4 per share), respectively, from capital surplus.

(iii) Retained earnings

According to the Company's articles of incorporation, 10% of annual net earnings (net of incomes taxes), after deducting accumulated deficits, must be set aside as legal reserve. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining profit, together with the beginning balance of undistributed retained earnings, can be distributed according to the distribution plan proposed by the Board of directors and submitted during the stockholders' meeting for approval. The distribution of earnings or legal reserve and capital surplus, by way of cash, shall be decided during the Board meeting, approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be reported in the shareholders' meeting of the Company.

According to the Company's dividend policy, the type of dividends should be determined after considering the remaining portion of retained earnings, the business environment, etc. The dividends could be paid whether by cash or stock. No less than 10% of total stockholders' dividends may be distributed in the form of cash dividends. Any remaining profit did not be distributed in the form of cash dividends could be distributed in the form of stock dividends according to the Company's articles proposed by the Board of directors and submitted to the stockholders' meeting for approval.

1) Earnings distribution

The amount of cash dividends of appropriations of earnings for 2023 and 2022 had been approved in the Board meeting held on February 29, 2024 and March 13, 2023, respectively. In the Board meeting that held on February 29, 2024, the amount of other appropriation items of earnings for 2023 had been proposed to be approved in the annual shareholders' meeting, which is expected to be held on May,30 2024. The content is as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount per share NT (Dollars)</u>	<u>Total amount</u>	<u>Amount per share NT (Dollars)</u>	<u>Total amount</u>
Dividends distributed to common shareholders:				
Cash dividends	\$ 9.0	<u>1,698,296</u>	6.0	<u>1,090,198</u>

The information earning distribution can be accessed from the Market Observation Post System after the shareholder's meeting.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	\$ (90,453)	866,377	775,924
Exchange differences on foreign operations:			
The Group	66,752	-	66,752
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	210,332	210,332
Balance at March 31, 2024	<u>\$ (23,701)</u>	<u>1,076,709</u>	<u>1,053,008</u>
Balance at January 1, 2023	\$ (47,734)	804,881	757,147
Exchange differences on foreign operations:			
The Group	5,898	-	5,898
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	(55,634)	(55,634)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	24,175	24,175
Balance at March 31, 2023	<u>\$ (41,836)</u>	<u>773,422</u>	<u>731,586</u>

(v) Share-based payment

	<u>Equity-settled</u> <u>Capital increase reserved for</u> <u>employee subscription</u>
Grant date	June 9, 2023
Number of shares granted	995 shares (thousand)
Vesting conditions	Immediately vested

The Company's share-based payment reserved for employee stock option due to capital increase which were based on the employees' actual subscription, multiplied by the amounts where the fair value exceeded the subscription value on the grant date. amounted to \$36,815, recognized as operating expenses.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) Earnings per share

The calculation of basic and diluted earnings per share were as follows:

	For the three months ended March 31,	
	2024	2023
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ <u>775,037</u>	<u>739,934</u>
Weighted-average number of outstanding ordinary shares (thousand)	<u>188,700</u>	<u>181,700</u>
Basic earnings per share (dollars)	\$ <u>4.11</u>	<u>4.07</u>
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ 775,037	739,934
The after-tax impact of interest on convertible bonds and other income or losses	<u>4,277</u>	<u>-</u>
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	\$ <u>779,314</u>	<u>739,934</u>
Weighted-average number of outstanding ordinary shares (thousand)	188,700	181,700
Effect of dilutive potential ordinary shares (thousand)		
Employee bonuses	5,000	-
Effect of employee share bonuses	<u>1,391</u>	<u>1,723</u>
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>195,091</u>	<u>183,423</u>
Diluted earnings per share (dollars)	<u>3.99</u>	<u>4.03</u>

(x) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31, 2024			
	Semiconductor and electronics divisions	Environmental engineering divisions	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 5,188,886	432,789	397,568	6,019,243
China	4,328,201	797,491	-	5,125,692
Others	<u>653,568</u>	<u>124,711</u>	<u>8,363</u>	<u>786,642</u>
	<u>\$ 10,170,655</u>	<u>1,354,991</u>	<u>405,931</u>	<u>11,931,577</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2024				
	Semiconductor and electronics divisions	Environmental engineering divisions	Other divisions	Total
Major products / services:				
Semiconductor and optoelectronic industries	\$ 10,170,655	-	-	10,170,655
Water purification and construction of dust-proof room	-	1,354,991	-	1,354,991
Others	-	-	405,931	405,931
	<u>\$ 10,170,655</u>	<u>1,354,991</u>	<u>405,931</u>	<u>11,931,577</u>
For the three months ended March 31, 2023				
	Semiconductor and electronics divisions	Environmental engineering divisions	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 5,145,075	471,503	447,349	6,063,927
China	4,646,110	1,360,309	187	6,006,606
Others	446,192	(27,410)	3,030	421,812
	<u>\$ 10,237,377</u>	<u>1,804,402</u>	<u>450,566</u>	<u>12,492,345</u>
Major products / services:				
Semiconductor and optoelectronic industries	\$ 10,237,377	-	-	10,237,377
Water purification and construction of dust-proof room	-	1,804,402	-	1,804,402
Others	-	-	450,566	450,566
	<u>\$ 10,237,377</u>	<u>1,804,402</u>	<u>450,566</u>	<u>12,492,345</u>

(ii) Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023
Notes and accounts receivable (including related parties)	\$ 6,949,084	6,697,771	7,256,689
Less: allowance for impairment	32,163	42,398	29,862
Total	<u>\$ 6,916,921</u>	<u>6,655,373</u>	<u>7,226,827</u>
Contract assets — construction	<u>\$ 1,559,851</u>	<u>1,726,003</u>	<u>1,639,004</u>
Contract liabilities — construction	\$ 964,295	853,781	1,164,795
Contract liabilities — unearned revenue	514,641	456,885	454,608
Total	<u>\$ 1,478,936</u>	<u>1,310,666</u>	<u>1,619,403</u>

For details on accounts receivable and allowance for impairment, please refer to note 6(d).

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts of revenue recognized for the three months ended March 31, 2024 and 2023 that were included in contract liability balance at the beginning of the period were \$259,105 and \$248,382, respectively.

The major change in the balance of contract assets and contract liabilities is due to the difference between the point at which the consolidated company transfers goods or service to customers to satisfy its performance obligations and the point at which customers pay. There were no significant changes during the three months ended March 31, 2024 and 2023.

(y) Remuneration to employees, directors

According to the Company's articles of incorporation, earning shall first be offset against any deficit, then, a minimum of 4% net profit before tax will be distributed as employee remuneration and a maximum of 3% will be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include those of the subsidiaries of the Company who meet certain specific requirements.

For the three months ended March 31, 2024 and 2023, the Company estimated its employees' remuneration amounting to \$82,349 and \$75,095, respectively, and the directors' remuneration amounting to \$20,587 and \$18,774, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses during the three months ended March 31, 2024 and 2023. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee remuneration are calculated based on the closing price of the Company's ordinary shares on the day before the approval by the Board of Directors. Related information would be available at the Market Observation Post System website.

For the years ended December 31, 2023 and 2022, the remunerations to employees amounted to \$306,198 and \$331,826, respectively, and the remunerations to directors and supervisors amounted to \$76,549 and \$82,956, respectively. There are no differences between the amount approved in the Board of Directors meeting and those recognized in the financial statements. Related information would be available at the Market Observation Post System website.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(z) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	For the three months ended March 31,	
	2024	2023
Government grants	\$ 19,281	523
Rental income	2,272	2,079
Indemnity income	45	2,334
Others	3,110	5,163
	<u>\$ 24,708</u>	<u>10,099</u>

(ii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31,	
	2024	2023
Foreign currency exchange gains (losses), net	\$ 5,286	(3,195)
Gains on financial assets at fair value through profit or loss, net	57,102	109,526
Losses on disposal of property, plant and equipment, net	(2,685)	(16,948)
Others	(124)	(158)
	<u>\$ 59,579</u>	<u>89,225</u>

(aa) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(aa) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

1) Credit risk – exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration to credit risk

The customers of the Group are diverse instead of concentrating on specific customers; therefore, the Group has not suffered any significant credit loss. The Group periodically evaluates the financial positions of these customers to reduce the credit risk of accounts receivables.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6(d).

These financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. For the three months ended March 31, 2024 and 2023, the loss allowance provisions were determined as follows:

	For the three months ended	
	March 31,	
	2024	2023
Balance at January 1	\$ 14,355	14,355
Amounts reversed	-	-
Balance at March 31	<u>\$ 14,355</u>	<u>14,355</u>

(ii) Liquidity risk

The following were the contractual maturities of financial liabilities, including estimated interest payments.

	<u>Carrying</u> <u>Amount</u>	<u>Contractual</u> <u>cash flows</u>	<u>Within a</u> <u>year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
March 31, 2024					
Non-derivative financial liabilities					
Short-term and long-term bank loans	\$ 3,983,963	(4,772,816)	(1,133,405)	(752,502)	(2,886,909)
Notes and accounts payable (including related parties)	7,128,921	(7,128,921)	(7,128,921)	-	-
Accrued expenses and other payables	985,562	(985,562)	(985,562)	-	-
Lease liabilities (including current and non-current)	532,751	(574,038)	(141,629)	(90,516)	(341,893)
Bonds payable	961,037	(999,900)	-	-	(999,900)
Guarantee deposits received	159,811	(159,811)	(159,811)	-	-
Dividends payable	1,886,996	(1,886,996)	(1,886,996)	-	-
Derivative financial liabilities:					
Forward exchange contract:	409				
Outflow		(31,927)	(31,927)	-	-
Inflow		31,518	31,518	-	-
	<u>\$ 15,639,450</u>	<u>(16,508,453)</u>	<u>(11,436,733)</u>	<u>(843,018)</u>	<u>(4,228,702)</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
December 31, 2023					
Non-derivative financial liabilities					
Short-term and long-term borrowings	\$ 3,642,409	(3,832,274)	(2,387,657)	(709,797)	(734,820)
Notes and accounts payable (including related parties)	6,713,402	(6,713,402)	(6,713,402)	-	-
Accrued expenses and other payables	1,184,859	(1,184,859)	(1,184,859)	-	-
Lease liabilities (including current and non-current)	548,744	(591,907)	(141,049)	(94,844)	(356,014)
Bond payable	956,809	(1,000,000)	-	-	(1,000,000)
Guarantee deposits received	157,308	(157,308)	(157,308)	-	-
	<u>\$ 13,203,531</u>	<u>(13,479,750)</u>	<u>(10,584,275)</u>	<u>(804,641)</u>	<u>(2,090,834)</u>
March 31, 2023					
Non-derivative financial liabilities					
Short-term and long-term bank loans	\$ 2,871,479	(3,091,056)	(1,599,592)	(108,111)	(1,383,353)
Notes and accounts payable (including related parties)	7,402,970	(7,402,970)	(7,402,970)	-	-
Accrued expenses and other payables	994,779	(994,779)	(994,779)	-	-
Lease liabilities (including current and non-current)	503,887	(537,597)	(143,943)	(106,693)	(286,961)
Guarantee deposits received	161,864	(161,864)	(161,864)	-	-
Dividends payable	1,816,996	(1,816,996)	(1,816,996)	-	-
	<u>\$ 13,751,975</u>	<u>(14,005,262)</u>	<u>(12,120,144)</u>	<u>(214,804)</u>	<u>(1,670,314)</u>

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

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant financial assets and liabilities exposed to foreign currency risk were as follows:

(in thousands)

	March 31, 2024			December 31, 2023			March 31, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
USD	\$ 88,800	USD/TWD = 32	2,841,600	85,034	USD/TWD= 30.705	2,610,969	105,943	USD/TWD = 30.45	3,225,964
USD	65,730	USD/CNY = 7.2595	2,103,352	62,421	USD/CNY= 7.0961	1,916,626	62,583	USD/CNY = 6.872	1,905,642
JPY	4,841,006	JPY/TWD = 0.2115	1,023,873	4,576,599	JPY/TWD= 0.2172	994,037	4,505,925	JPY/TWD = 0.2288	1,030,956
JPY	1,769,015	JPY/CNY= 0.048	374,295	1,623,910	JPY/CNY= 0.0502	352,738	1,673,915	JPY/CNY= 0.0516	382,723
Financial liabilities									
USD	\$ 80,492	USD/TWD = 32	2,575,744	75,342	USD/TWD= 30.705	2,313,376	56,478	USD/TWD = 30.45	1,719,755
USD	46,712	USD/CNY = 7.2595	1,494,778	39,675	USD/CNY= 7.0961	1,218,214	81,012	USD/CNY = 6.872	2,466,802
JPY	4,185,241	JPY/TWD = 0.2115	885,178	4,046,191	JPY/TWD= 0.2172	878,883	4,004,459	JPY/TWD = 0.2288	916,220
JPY	1,078,781	JPY/CNY= 0.048	228,253	1,477,776	JPY/CNY= 0.0502	320,996	1,291,926	JPY/CNY= 0.0516	295,385

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, account and other receivables, current restricted assets, loans and borrowings, and account and other payables that are denominated in foreign currency. An appreciation (depreciation) of 5% of each major foreign currency against Group entities' functional currency as of March 31, 2024 and 2023 would have influenced the net profit before tax as follows. The analysis is performed on the same basis for both periods.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>March 31,</u> <u>2024</u>	<u>March 31,</u> <u>2023</u>
USD (against the TWD)		
Appreciation 5%	\$ 13,292	75,311
Depreciation 5%	(13,292)	(75,311)
JPY (against the TWD)		
Appreciation 5%	6,935	5,737
Depreciation 5%	(6,935)	(5,737)
USD (against the CNY)		
Appreciation 5%	30,428	(28,058)
Depreciation 5%	(30,428)	28,058
JPY (against the CNY)		
Appreciation 5%	7,302	4,367
Depreciation 5%	(7,302)	(4,367)

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. Foreign exchange gains (losses) (including realized and unrealized portions) were as follows:

	<u>For the three months ended</u> <u>March 31,</u>	
	<u>2024</u>	<u>2023</u>
Foreign exchange gains (losses) (including realized and unrealized portions)	<u>\$ 5,286</u>	<u>(3,915)</u>

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	<u>Carrying amount</u>	
	<u>March 31,</u> <u>2024</u>	<u>March 31,</u> <u>2023</u>
Variable rate instruments:		
Financial assets	\$ 3,178,841	3,490,051
Financial liabilities	3,085,294	1,825,686

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by the amounts listed below for the three months ended March 31, 2024 and 2023, respectively, which would be mainly resulted from the bank savings, time deposits with variable interest rates, restricted assets with variable interest rates, and short-term and long-term borrowings with variable interest rates.

	For the three months ended	
	March 31,	
	2024	2023
Interest rate increased by 0.25%	\$ 58	1,040
Interest rate decreased by 0.25%	(58)	(1,040)

(v) Fair value of financial instruments

1) Evaluation process and fair value hierarchy

The disclosures of financial assets and liabilities are measured using the fair value method based on the Group's accounting policy. The Group's management is responsible in performing independent test on fair value by using independent source of information to obtain the fair value which is close to the market status. The management also confirms the independence, reliability and matching of the information source. In addition, it regularly tests the valuation model, updates the input and other information, as well as makes necessary adjustment to ensure the output of valuation is reasonable.

The Group uses observable market data to evaluate its assets and liabilities when it is possible. The different inputs of levels of fair value hierarchy in determination the fair value are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

2) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities disclosure of fair value information is not required:

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate funds	\$ 410,389	410,389	-	-	410,389
Non-derivative financial assets mandatorily measured at fair value through profit or loss-domestic listed stocks	176,350	176,350	-	-	176,350
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign listed stocks	55,253	55,253	-	-	55,253
Non-derivative financial assets mandatorily measured at fair value through profit or loss-unlisted stocks and limited partnership	397,402	164,436	-	232,966	397,402
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>40,117</u>	-	-	40,117	40,117
Subtotal	<u>1,079,511</u>				
Financial assets at fair value through other comprehensive income	<u>1,586,657</u>	289,633	-	1,297,024	1,586,657
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,913,307	-	-	-	-
Notes and accounts receivable (including related parties)	6,916,921	-	-	-	-
Other current financial assets	227,706	-	-	-	-
Other non-current assets (refundable deposits and pledged assets-time deposits)	<u>297,714</u>	-	-	-	-
Subtotal	<u>11,355,648</u>				
Total	<u>\$ 14,021,816</u>				
Financial liabilities at fair value through profit and loss					
Derivative financial liabilities	\$ <u>409</u>	-	409	-	409

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2024					
	Book value	Fair value			Total	
		Level 1	Level 2	Level 3		
Financial liabilities measured at amortized cost						
Long-term and short-term bank loans	3,983,963	-	-	-	-	
Notes and accounts payable (including related parties)	7,128,921	-	-	-	-	
Accrued expenses and other payables	985,562	-	-	-	-	
Lease liabilities (including current and non-current)	532,751	-	-	-	-	
Bonds payable	961,037	-	-	-	-	
Guarantee deposits received	159,811	-	-	-	-	
Dividends payable	<u>1,886,996</u>	-	-	-	-	
Total	<u>\$ 15,639,450</u>					
		December 31, 2023				
	Book value	Fair value			Total	
		Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss						
Non-derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate funds	\$ 432,055	432,055	-	-	432,055	
Non-derivative financial assets mandatorily measured at fair value through profit or loss-domestic listed stocks	212,336	212,336	-	-	212,336	
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign listed stocks and limited partnership	63,214	63,214	-	-	63,214	
Non-derivative financial assets mandatorily measured at fair value through profit or loss-unlisted stocks and limited partnership	377,589	174,522	-	203,067	377,589	
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>38,418</u>	-	-	38,418	38,418	
Subtotal	<u>1,123,612</u>					

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income	<u>1,376,325</u>	241,034	-	1,135,291	1,376,325
Financial assets measured at amortized cost					
Cash and cash equivalents	6,484,853	-	-	-	-
Notes and accounts receivable (including related parties)	6,655,373	-	-	-	-
Other current financial assets	218,745	-	-	-	-
Other non-current assets (refundable deposits and pledged asset-time deposits)	<u>302,760</u>	-	-	-	-
Subtotal	<u>13,661,731</u>				
Total	<u>\$ 16,161,668</u>				
Financial liabilities measured at amortized cost					
Long-term and short-term bank loans	\$ 3,642,409	-	-	-	-
Notes and accounts payable (including related parties)	6,713,402	-	-	-	-
Accrued expenses and other payables	1,184,859	-	-	-	-
Lease liabilities (including current and non-current)	548,744	-	-	-	-
Bonds payable	956,809	-	-	-	-
Guarantee deposits received	<u>157,308</u>	-	-	-	-
Total	<u>\$ 13,203,531</u>				

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate Funds	\$ 229,639	229,639	-	-	229,639
Non-derivative financial assets mandatorily measured at fair value through profit or loss-listed stocks	157,203	157,203	-	-	157,203
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign listed stocks	81,979	81,979	-	-	81,979
Non-derivative financial assets mandatorily measured at fair value through profit or loss-unlisted stocks and limited partnership	398,591	176,444	-	222,147	398,591
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>58,131</u>	-	-	58,131	58,131
Subtotal	<u>925,543</u>				
Financial assets at fair value through other comprehensive income	<u>1,283,227</u>	229,066	-	1,054,161	1,283,227
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,721,118	-	-	-	-
Notes and accounts receivable (including related parties)	7,226,827	-	-	-	-
Other current financial assets	91,390	-	-	-	-
Other non-current assets (refundable deposits and pledged assets-time deposits)	<u>341,958</u>	-	-	-	-
Subtotal	<u>12,381,293</u>				
Total	<u>\$ 14,590,063</u>				

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	\$ 2,871,479	-	-	-	-
Notes and accounts payable (including related parties)	7,402,970	-	-	-	-
Accrued expenses and other payables	994,779	-	-	-	-
Lease liabilities (including current and non-current)	503,887	-	-	-	-
Guarantee deposits received	161,864	-	-	-	-
Dividends payable	<u>1,816,996</u>	-	-	-	-
Total	<u>\$ 13,751,975</u>				

3) Valuation techniques for financial instruments not measured at fair value

The Group valuation techniques and assumptions used for financial instrument not measured at fair value were as follows:

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

4) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and the government bond with high trading volume can be used as a basis to determine the fair value of the listed companies' equity instrument and the debt instrument of the quoted price in an active market.

b) Derivative financial instruments

Measurement on the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the binomial tree pricing model.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Transfers between levels

The Group's equity holdings in Win Win Precision Technology Co., Ltd., with the fair values of \$71,370 and \$26,480, which were previously categorized as Level 3, had been classified as fair value through profit or loss and fair value through other comprehensive income as of December 31, 2022 because the shares had no quoted market price and the Company used significant unobservable inputs to measure the fair value. However, since above company's equity shares have been listed on an active market in January, 2023, their fair value measurement had been reclassified from Level 3 to Level 1 of the fair value hierarchy as of March 31, 2023.

6) Reconciliation of Level 3 fair value

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income	Total
	Equity investment without quoted price	Debt investment without quoted price	Equity investment without quoted price	
	\$	\$	\$	
Balance at January 1, 2024	-	241,485	1,135,291	1,376,776
Total gains and losses recognized:				
In profit	-	4,598	-	4,598
In other comprehensive income	-	-	161,733	161,733
Purchased	12,000	15,000	-	27,000
Balance at March 31, 2024	<u>\$ 12,000</u>	<u>261,083</u>	<u>1,297,024</u>	<u>1,570,107</u>
Balance at January 1, 2023	\$ 189,464	168,602	1,195,411	1,553,477
Total gains and losses recognized:				
In profit	(30,003)	23,585	-	(6,418)
In other comprehensive income	-	-	(114,770)	(114,770)
Reclassify from level 3	(71,370)	-	(26,480)	(97,850)
Balance at March 31, 2023	<u>\$ 88,091</u>	<u>192,187</u>	<u>1,054,161</u>	<u>1,334,439</u>

7) The quantified information on significant unobservable inputs (level 3) used in fair value measurement

The Group's financial instruments that use level 3 input to measure fair values include financial assets at fair value through other comprehensive income— equity instruments, financial assets at fair value through profit or loss — convertible bonds redemption rights and financial assets at fair value through profit or loss — equity securities investment.

Most of fair value measurements of the Group which are categorized as equity investment into level 3 have single significant unobservable inputs, and equity investments without quoted price have several significant unobservable inputs. Significant unobservable inputs of equity investments without quoted price are independent of each other.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter relationships between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income — equity investment without quoted price	Comparable market approach	Price Book ratio multiples. (8.78~93.03, 6.74~81.32 and 7.32~75.51 respectively, on March 31, 2024, December 31 and March 31, 2023)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% all on March 31, 2024, December 31 and March 31, 2023)	The higher the Lack of Marketability discount rate is, the lower the fair value will be.
	Net asset value method	Net asset value method	Inapplicable
Financial assets at fair value through profit or loss — debt investment without quoted price	Net asset value method	Net asset value method	Inapplicable
Financial assets at fair value through profit or loss — equity investment without quoted price	Comparable market approach	Price Book ratio multiples. (65.74 on March 31, 2023)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% on March 31, 2023)	The higher the Lack of Marketability discount rate is, the lower the fair value will be.
Financial assets at fair value through profit or loss — convertible bonds redemption right	Binomial convertible bonds pricing models	Volatility (16.26% and 16.41% respectively, on March 31, 2024 and December 31, 2023)	The higher the volatility, the higher the fair value will be.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 8) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Input	Move up or down	Impacts of fair value change on net income or loss		Impacts of fair value change on other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
March 31, 2024						
Financial assets at fair value through other comprehensive income						
Equity investment without quoted price	P/B ratio	5%	\$ <u>-</u>	<u>-</u>	<u>64,828</u>	<u>(64,828)</u>
	Lack of marketability discount	5%	\$ <u>-</u>	<u>-</u>	<u>81,064</u>	<u>(81,064)</u>
December 31, 2023						
Financial assets at fair value through other comprehensive income						
Equity investment without quoted price	P/B ratio	5%	\$ <u>-</u>	<u>-</u>	<u>56,820</u>	<u>(56,820)</u>
	Lack of marketability discount	5%	\$ <u>-</u>	<u>-</u>	<u>70,947</u>	<u>(70,947)</u>
March 31, 2023						
Financial assets at fair value through profit or loss						
Equity investment without quoted price	P/B ratio	5%	\$ <u>4,409</u>	<u>(4,409)</u>	<u>-</u>	<u>-</u>
	Lack of marketability discount	5%	\$ <u>5,506</u>	<u>(5,506)</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income						
Equity investment without quoted price	P/B ratio	5%	\$ <u>-</u>	<u>-</u>	<u>52,765</u>	<u>(52,765)</u>
	Lack of marketability discount	5%	\$ <u>-</u>	<u>-</u>	<u>65,885</u>	<u>(65,885)</u>

The Group's favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. If fair value of financial instruments is affected by more than one input, the analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (ab) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(ab) of the consolidated financial statements for the year ended December 31, 2023.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ac) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note 6(ac) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(ad) Investing and financial activities not affecting the current cash flow

The Group's investing and financial activities, which did not affect its current cash flow in the three months ended March 31, 2024 and 2023, included the acquisition of right-of-use assets through lease. Please refer to note 6(i) for details.

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Non-cash changes				March 31, 2023
			Additions of leases	Cancellation of leases	Foreign exchange movement	Others	
Short term borrowings	\$ 2,268,394	(1,290,733)	-	-	-	-	977,661
Long term borrowings	1,374,015	1,632,287	-	-	-	-	3,006,302
Bonds payable	956,809	-	-	-	-	4,228	961,037
Lease liabilities	548,744	(37,196)	21,254	(769)	718	-	532,751
Guarantee deposits received	157,308	2,503	-	-	-	-	159,811
Total liabilities from financing activities	<u>\$ 5,305,270</u>	<u>306,861</u>	<u>21,254</u>	<u>(769)</u>	<u>718</u>	<u>4,228</u>	<u>5,637,562</u>

	January 1, 2024	Cash flows	Non-cash changes				March 31, 2024
			Additions of leases	Cancellation of leases	Foreign exchange movement	Others	
Short term borrowings	\$ 755,033	730,657	-	-	-	-	1,485,690
Long term borrowings	1,394,894	(9,105)	-	-	-	-	1,385,789
Lease liabilities	532,286	(38,867)	13,696	(3,382)	-	154	503,887
Guarantee deposits received	158,950	2,914	-	-	-	-	161,864
Total liabilities from financing activities	<u>\$ 2,841,163</u>	<u>685,599</u>	<u>13,696</u>	<u>(3,382)</u>	<u>154</u>	<u>154</u>	<u>3,537,230</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Topco Quartz Products Co., Ltd. (Topco Quartz)	An associate
Eastwind Tsusho Inc. (Eastwind Tsusho)	An associate
Shin-Etsu Handotai Taiwan Co., Ltd. (Shin-Etsu Handotai Taiwan)	The Company is the corporate director of the related party
Shin-Etsu Opto Electronic Co., Ltd. (Shin-Etsu Opto Electronic)	The Company is the corporate director of the related party
Fong Rong Smart Machinery Co., Ltd. (Fong Rong Smart Machinery)	An associate
Wuxi Super Sunrise Material Co., Ltd. (Wuxi Super Sunrise Material)	An associate

(b) Transactions with key management personnel

Key management personnel compensation comprised:

	For the three months ended March 31,	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 86,712	85,500
Post-employment benefits	861	837
	<u>\$ 87,573</u>	<u>86,337</u>

(c) Significant transactions with related party

(i) Sales

1) The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended March 31,	
	<u>2024</u>	<u>2023</u>
Associates	\$ 1,508	951
Other related parties	3,386	7,283
	<u>\$ 4,894</u>	<u>8,234</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) The amounts of significant construction revenue and rendering of services by the Group to related parties were as follows:

	For the three months ended March 31,	
	2024	2023
Associates:		
Topco Quartz	\$ 98,956	83,969
Other associates	304	-
Other related parties:		
Shin-Etsu Handotai Taiwan	84,615	79,151
Other related parties	62	79
	\$ 183,937	163,199

Sales prices for related parties were similar to those of the third-party customers. The collection period was within 30 to 90 days after monthly closing, and within 30 to 90 days after monthly closing for third-party customers. The terms of services provided to relate parties is based on the contracts signed between both parties, and there is no significant difference between the related parties and the third-parties. Accounts receivable from related parties were uncollateralized, and no provisions for doubtful debt were required after the assessment by the management.

- (ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	For the three months ended March 31,	
	2024	2023
Associates		
Topco Quartz	\$ 362,641	141,211
Other associates	40,016	17,464
Other related parties:		
Shin-Etsu Handotai Taiwan	1,264,660	2,118,401
Shin-Etsu Opto Electronic	452	-
	\$ 1,667,769	2,277,076

Purchase prices from related parties were similar to those form third-party suppliers. The payment period was within 30 to 90 days after monthly closing for related parties, and within 30 to 90 days after monthly closing for third-party suppliers.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	Associates:			
Accounts receivable	Topco Quartz	\$ 38,907	50,723	49,696
Accounts receivable	Other associates	-	15,717	-
	Other related parties:			
Accounts receivable	Shin-Etsu Handotai Taiwan	59,951	65,636	53,465
Accounts receivable	Other related parties	<u>65</u>	<u>92</u>	<u>83</u>
		<u>\$ 98,923</u>	<u>132,168</u>	<u>103,244</u>

(iv) Payables to related parties

The payables to related parties were as follows:

<u>Accounts</u>	<u>Relationship</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	Associates:			
Accounts payable	Topco Quartz	\$ 378,654	231,962	146,908
Accounts payable	Other associates	18,856	14,810	945
	Other related parties:			
Accounts payable	Shin-Etsu Handotai Taiwan	1,284,756	1,025,669	2,275,228
Accounts payable	Other related parties	<u>719</u>	<u>250</u>	<u>-</u>
		<u>\$ 1,682,985</u>	<u>1,272,691</u>	<u>2,423,081</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Subject</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other current financial assets	Guarantees for construction contracts, warranties, coupons, credit card readers, and fees received in advance for sport training courses	\$ 168,229	167,821	62,613
Other non-current assets – time deposits	Lease for plant, and guarantees for long term borrowings	35,605	35,551	35,243
Property, plant and equipment	Guarantees for long term borrowings	5,334,597	-	-
		<u>\$ 5,538,431</u>	<u>203,372</u>	<u>97,856</u>

(9) Commitments and contingencies:

(a) The Group's unrecognized contractual commitments were as follow:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Commitments for construction contracts	\$ <u>2,488,579</u>	<u>2,260,600</u>	<u>2,420,513</u>
Bank guarantees to construction contracts	\$ <u>1,418,458</u>	<u>1,739,105</u>	<u>1,226,717</u>
Acquisition of property, plant and equipment	\$ <u>-</u>	<u>3,974,484</u>	<u>4,540,000</u>

(b) The Group's unused and outstanding letters for purchasing were as follow:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unused and outstanding letters of credit	\$ <u>1,359,261</u>	<u>1,127,000</u>	<u>1,482,128</u>

(c) Refer to note 13(a) for the disclosure of guarantees provided to related parties by the Group.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other:

- (a) The followings are the summary statement of current period employee benefits, depreciation and amortization expenses by function:

By function	For the three months ended March 31,					
	2024			2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	119,730	478,638	598,368	110,589	459,130	569,719
Labor and health insurance	14,391	27,123	41,514	11,560	28,695	40,255
Pension	3,353	16,612	19,965	3,084	16,523	19,607
Others	4,268	24,271	28,539	3,999	21,554	25,553
Depreciation	43,177	61,446	104,623	34,657	65,795	100,452
Amortization	495	22,040	22,535	413	18,516	18,929

(13) Other disclosures:

- (a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2024:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: Please refer to table 1.
- (iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to table 2.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: Please refer to table 3.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to table 4.
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (ix) Trading in derivative instruments: Please refer to note 6(b).
- (x) Business relationships and significant intercompany transactions: Please refer to table 5.

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) Information on investees: Please refer to table 6.
- (c) Information on investment in mainland China:
- (i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to table 7.
- (ii) Limitation on investment in Mainland China: Please refer to table 7.
- (iii) Significant transactions: Please refer to table 7.
- (d) Major shareholders holding more than 5% of ownership as of March 31, 2024: None.

(14) Segment information:

	For the three months ended March 31, 2024				
	Semiconductor and electronics division	Environmental engineering division	Other divisions	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$ 10,170,655	1,354,991	405,931	-	11,931,577
Intersegment revenues	<u>126,009</u>	<u>67,769</u>	<u>33,157</u>	<u>(226,935)</u>	<u>-</u>
Total revenue	<u>\$ 10,296,664</u>	<u>1,422,760</u>	<u>439,088</u>	<u>(226,935)</u>	<u>11,931,577</u>
Reportable segment profit or loss	<u>\$ 833,001</u>	<u>84,286</u>	<u>136,673</u>	<u>-</u>	<u>1,053,960</u>
	For the three months ended March 31, 2023				
	Semiconductor and electronics division	Environmental engineering division	Other divisions	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$ 10,237,377	1,804,402	450,566	-	12,492,345
Intersegment revenues	<u>201,064</u>	<u>(8,778)</u>	<u>105,142</u>	<u>(297,428)</u>	<u>-</u>
Total revenue	<u>\$ 10,438,441</u>	<u>1,795,624</u>	<u>555,708</u>	<u>(297,428)</u>	<u>12,492,345</u>
Reportable segment profit or loss	<u>\$ 666,229</u>	<u>62,531</u>	<u>221,757</u>	<u>-</u>	<u>950,517</u>

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars and foreign currencies)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Topco Chemical	(Note 2)	(Note 4)	132,240	132,240	4,958	-	0.93%	(Note 5)	Y	N	Y
"	"	Topco Shanghai	(Note 2)	(Note 4)	291,764	291,764	291,764	-	2.04%	(Note 5)	Y	N	Y
"	"	Shanghai Chong Yao	(Note 2)	(Note 4)	44,080	44,080	-	-	0.31%	(Note 5)	Y	N	Y
"	"	Chien Yueh	(Note 2)	(Note 4)	2,095,000	1,595,000	192,407	-	11.17%	(Note 5)	Y	N	N
"	"	JiaYi Energy	(Note 2)	(Note 4)	180,000	180,000	-	-	1.26%	(Note 5)	Y	N	N
"	"	Jing Chen Energy	(Note 2)	(Note 4)	113,620	88,620	34,615	-	0.62%	(Note 5)	Y	N	N
"	"	Jing Yang Energy	(Note 2)	(Note 4)	178,600	178,600	141,220	-	1.25%	(Note 5)	Y	N	N
"	"	Jing Yueh Energy	(Note 2)	(Note 4)	250,894	250,894	172,591	-	1.76%	(Note 5)	Y	N	N
"	"	Kuan Yueh Technology	(Note 2)	(Note 4)	1,155,906	855,906	577,876	-	6.00%	(Note 5)	Y	N	N
"	"	Topscience(s)	(Note 2)	(Note 4)	1,013,150	1,013,150	222,934	-	7.10%	(Note 5)	Y	N	N
"	"	Topchem Materials	(Note 2)	(Note 4)	100,000	100,000	48,470	-	0.70%	(Note 5)	Y	N	N
"	"	Topco Engineering	(Note 2)	(Note 4)	132,240	132,240	-	-	0.93%	(Note 5)	Y	N	Y
"	"	Unitech New Energy	(Note 2)	(Note 4)	400,057	400,057	242,998	-	2.80%	(Note 5)	Y	N	N
"	"	Engineering Topscience Vietnam Co., Ltd.	(Note 2)	(Note 4)	112,000	112,000	51,555	-	0.78%	(Note 5)	Y	N	N
"	"	Topchip	(Note 2)	(Note 4)	205,064	205,064	124,800	-	1.44%	(Note 5)	Y	N	N
"	"	Shunkawa	(Note 2)	(Note 4)	63,600	63,450	-	-	0.44%	(Note 5)	Y	N	N
"	"	Topco Scientific USA	(Note 2)	(Note 4)	64,000	64,000	-	-	0.45%	(Note 5)	Y	N	N
1	Topco Suzhou	Suzhou Sujing Environmental Engineering Co., Ltd.	(Note 3)	(Note 4)	26,276	26,276	26,276	-	0.18%	(Note 6)	N	N	Y
2	Chien Yueh	Grace&Partners, Architects and Planners New Asia	(Note 3)	(Note 7)	300,000	300,000	300,000	-	2.10%	(Note 7)	N	N	N
"	"	Construction & Development Corp.	(Note 3)	(Note 7)	7,544,000	7,544,000	7,544,000	-	52.85%	(Note 7)	N	N	N
3	Topchem Materials	Topco Scientific Co., Ltd.	(Note 11)	(Note 8)	26,349	26,349	26,349	-	0.18%	(Note 8)	N	Y	N

Note 1: The Company is coded as "0", and its subsidiaries are coded consecutively in a numerical order starting from "1"

Note 2: Investee companies which have 50% of ordinary shares, directly or indirectly, owned by the Company.

Note 3: For the needs of the contracted work, the company is mutually insured by the contract between peers or co-founders.

Note 4: According to the Company's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$14,274,286, which is the net value of the Company's latest financial reports.

Note 5: According to the Company's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for others shall not exceed \$22,838,858, which is 160% of the net value of the Company's latest financial reports.

Note 6: According to the Company's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for Topco Suzhou shall not exceed \$21,038,750, which is 25 times of the net value of the Company's latest financial reports.

Note 7: According to the Chien Yueh's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$10,832,130 and \$18,053,550, which is 30-50 times of the net value of the Chien Yueh's latest financial reports.

Note 8: According to the Topchem Materials' "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$115,382 which is one time of the net value of the Topchem Materials' latest financial reports.

Note 9: The maximum amount of sharing guarantees and endorsements is CNY 70,000, the maximum amount for guarantees and endorsements are for Shanghai Chong Yao CNY 10,000, Topco Chemical CNY 30,000, and Topco Engineering CNY 30,000, respectively.

Note 10: Due to the early renewal of the endorsement guarantee contract, The Company's endorsement guarantee to Topco Shanghai, Topscience(s) Pte Ltd was double-calculated in the amount JPY500,000 and JPY50,000 respectively.

Note 11: The company that directly or indirectly holds more than 50% of the company's voting shares.

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
	Fund:							
The Company	Mega Diamond Money Market Fund	None	Current financial assets at fair value through profit or loss	116	1,497	-	1,497	
	Stock:							
The Company	Eversol Corporation	None	Non-current financial assets at fair value through other comprehensive income	230	-	8.21	-	
"	Shin-Etsu Opto Electronic	The Company is its company director	"	2,000	140,760	10	140,760	
"	Shin-Etsu Handotai Taiwan	"	"	12,000	1,116,360	8	1,116,360	
"	Everglory Resource Technology Co., Ltd.	None	"	2,000	26,560	8.18	26,560	
"	ProMOS Technologies Inc.	"	"	71	1,751	0.16	1,751	
"	SOLAR APPLIED MATERIALS TECHNOLOGY CORP.	"	"	5,000	247,750	0.84	247,750	
"	Win Win Precision Technology Co. Ltd	"	Non-current financial assets at fair value through profit or loss	1,595	57,659	2.63	57,659	
"	Barits Biofund, Inc.	"	"	7,209	75,116	3.6	75,116	
"	Shih Her Technologies Inc.	"	"	1,082	139,578	1.91	139,578	
"	Guangxin Venture Capital Co., Ltd.	"	"	6,667	76,467	6.67	76,467	
"	Belite Bio, Inc.	"	"	45	55,253	0.15	55,253	
"	Fu You Private Equity Fund Limited Partner	"	"	5,000	54,550	5.00	54,550	
"	Lin Bioscience, Inc.	"	"	100	8,850	0.13	8,850	
"	Foxtron Vehicle Technologies Co., Ltd.	"	"	815	36,105	0.06	36,105	
	Other:							
The Company	LEAP FUND L.P.	None	Non-current financial assets at fair value through profit or loss	-	40,117	12.22	40,117	
	Fund:							
Topco International Investment	Taishin 1699 Money Market	None	Current financial assets at fair value through profit or loss	1,010	14,126	-	14,126	
"	Mega Diamond Money Market Fund	"	"	3,884	50,268	-	50,268	
"	Taishin Ta-Chong Money Market Fund	"	"	1,648	24,153	-	24,153	
"	Hua Nan Phoenix Money Market Fund	"	"	2,990	50,161	-	50,161	
"	Win Win Precision Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	855	30,925	1.41	30,925	
"	Ultramed Technology Co., Ltd.	"	"	100	3,679	5.26	3,679	
"	Sunergy development corporation	"	"	285	-	19	-	
"	Mycopore Corporation Ltd.	"	"	400	3,512	2.29	3,512	
"	Syu Yang Technology Corporation	"	Non-current financial assets at fair value through profit or loss	30	-	10	-	
"	Win Win Precision Technology Co., Ltd.	"	"	711	25,689	1.17	25,689	
"	3S Silicon Tech., Inc.	"	"	370	13,971	1	13,971	
	Fund:							
Topco Investment	Taishin 1699 Money Market	None	Current financial assets at fair value through profit or loss	302	4,222	-	4,222	
	Stock:							
"	H2U Corporation	None	Non-current financial assets at fair value through other comprehensive income	273	4,046	1.08	4,046	
"	TFBS BIOSCIENCE, INC.	"	"	262	10,958	0.75	10,958	
"	Hun Chun Venture Capital Corporation	"	Non-current financial assets at fair value through profit or loss	1,699	14,834	5.75	14,834	
"	TFBS BIOSCIENCE, INC.	"	"	1,394	58,266	4.01	58,266	
	Fund:							
Taiwan E&M	Mega Diamond Money Market Fund	None	Current financial assets at fair value through profit or loss	4,176	54,050	-	54,050	
"	Franklin U.S. Government Money Fund	"	"	4,187	44,659	-	44,659	
"	FSITC Taiwan Money Market	"	"	3,266	51,565	-	51,565	
"	Taishin 1699 Money Market	"	"	3,540	49,517	-	49,517	
"	KGI Victory Money Market Fund	"	"	2,518	30,056	-	30,056	
	Stock:							
Top Vacuum	ProMOS Technologies Inc	None	Non-current financial assets at fair value through other comprehensive income	14	356	-	356	
	Fund:							
Ding Yue Solar	FSITC Money Market	None	Current financial assets at fair value through profit or loss	7	1,370	-	1,370	
	Fund:							
Anyong Biotechnology	Taishin 1699 Money Market	None	Current financial assets at fair value through profit or loss	755	10,561	-	10,561	
	Fund:							
Anyong Fresh Mart	Jih Sun Money Market Fund	None	Current financial assets at fair value through profit or loss	1,580	24,184	-	24,184	
	Stock:							
Topchem Materials	Whanmau enterprise Co., Ltd.	None	Non-current financial assets at fair value through profit or loss	400	12,000	-	12,000	

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Unitech New Energy Engineering	Stock: United Microelectronics Corporation Co., Ltd	None	Non-current financial assets at fair value through profit or loss	10	547	-	547	
"	United Renewable Energy Co., Ltd	"	"	10	120	-	120	

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Acquisition of individual real estate with amount exceeding the lower of NTS300 million or 20% of the capital stock: None

(In Thousands of New Taiwan Dollars)

Company Name	Property Name	Date	Amount	Payment situation	Counter party	Nature of relationship	The transaction object is a related party, whose data was transferred last time			Reference basis for price determination	Purpose of acquisition and usage	Others
							Relationship with Issuer	transfer date	Amount			
The Company	Land and Bulidings	2023/1/17	5,350,000	5,331,597	China Real Estate Management Co., Ltd. and 11 natural persons. China Construction Manager Co., Ltd.	non-related	None	None	None	Valuation report from bon-de Real Estate Joint Appraisers Firm.	For Operating purpose	None

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTS100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/account s receivable (payable)	
The Company	Topco Quartz	The Company's investment accounted for using equity method	Purchase	279,605	5.0%	Net 60 days from the end of the month of delivery	-	-	Accounts Payable (298,170)	(8.0%)	
Topco Shanghai	Shin Etsu Handotai Taiwan	The parent company of the company is its company director	Purchase	1,248,844	61.0%	Net 90 days from the end of the month of delivery	-	-	Accounts payable (1,261,718)	(75.0%)	

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Terms	
0	The Company	Topco Shanghai	1	Accounts Receivable	15,768	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.05%
"	"	"	1	Sales Revenue	40,977	"	0.34%
"	"	Chien Yueh	1	Rent Revenue	1,591	Based on the agreement between both parties	0.01%
"	"	Shunkawa	1	Sales Revenue	52,477	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.44%
"	"	"	1	Accounts Receivable	8,862	"	0.03%
1	Anyong Fresh Mart.	The Company	2	Sales Revenue	3,529	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.03%
2	Taiwan E&M.	The Company	2	Operating Revenue	5,586	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.05%
3	Topchem Materials	The Company	2	Operating Revenue	6,448	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.05%
"	"	"	2	Accounts Receivable	3,988	"	0.01%
4	Anyong Biotechnology	Anyong Fresh Mart	3	Operating Revenue	3,767	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.03%
5	Anyong Lohas	Anyong Fresh Mart	3	Operating Revenue	5,342	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.04%
6	Tai Ying Resource	Chien Yueh.	3	Operating Revenue	8,770	There is no significant difference of price to general customers. The collection period is net 60 days from the end of the month of delivery.	0.07%
"	"	"	3	Accounts Receivable	3,709	"	0.01%
7	Chien Yueh	Xports Sports	3	Construction Revenue	1,924	Based on the agreement between both parties	0.02%
"	"	"	3	Accounts Receivable	2,080	"	0.01%
"	"	"	3	Advance Construction Receipts	1,981	"	0.01%
8	Ping Yue Technologies	Topco Suzhou	3	Operating Revenue	6,645	Based on the agreement between both parties	0.06%
9	Shunkawa	The Company	2	Sales Revenue	1,532	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.01%

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Terms	
10	Kuan Yueh Technology	Thermaltake green power	3	Sales Revenue	3,371	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.03%
11	Topchip	Topco Shanghai	3	Sales Revenue	12,740	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.11%
"	"	"	3	Accounts Receivable	6,312	"	0.02%
12	JiaYi Energy	Kuan Yueh Technology	3	Operating Revenue	2,563	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.02%
13	Topco Suzhou	Topco Vietnam	3	Accounts Receivable	100,955	Based on the agreement between both parties	0.30%
"	"	Topco Vietnam	3	Operating Revenue	57,910	"	0.49%
"	"	Topscience(s)	3	Advance Construction Receipts	4,862	"	0.01%

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

- 1 represents the transactions from the parent company to its subsidiaries.
- 2 represents the transactions between the subsidiaries and the parent company.
- 3 represents the transactions between subsidiaries.

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Information on investees:

The following is the information on investees for the year ended March 31, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars and foreign currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note	
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of Ownership	Carrying Value				
The Company	Topco Quartz	Hsinchu County	Manufacture and repair of quartz equipment, quartz tube e.g.	99,232	99,232	13	40%	2,160,762	298,149	103,307		
	Taiwan E&M	Hsinchu City	Sales of electronic material	425,000	425,000	42,500	100%	557,981	19,211	19,211	Note 3	
	Fortune	Taipei City	Clean up of waste and environmental management service	149,600	149,600	14,960	25%	259,212	23,268	5,812		
	Topco Group	Samoa	Investment activities	714,206	714,206	22,432	100%	3,720,648	339,172	340,066	Note 3	
	Topsience(s)	Singapore	Sales of parts of semiconductor and optoelectronic industries	411,513	411,513	6,576	100%	606,981	25,638	25,638	Note 3	
	Topco International Investment	Taipei City	Investment activities	495,000	495,000	66,962	100%	661,532	14,474	14,474	Note 3	
	Topco Investment	Taipei City	Investment activities	315,000	315,000	19,009	100%	114,470	(6,766)	(6,766)	Note 3	
	Chien Yueh	Taipei City	Water purification and construction of dust-proof room	475,000	475,000	53,829	100%	327,886	16,963	14,693	Note 3	
	Anyong Biotechnology	Taipei City	Aquaculture and strategic partnership with fish processing	540,629	540,629	30,000	100%	61,937	(7,179)	(7,179)	Note 3	
	Winfull Bio-tech Co., Ltd.	Tainan City	Manufacture of organic fertilizer	35,000	35,000	3,500	39%	-	-	-		
	Anyong Fresh Mart.	Taipei City	Wholesale and retail sales of fishery products and supermarket operation	699,350	699,350	29,500	100%	117,863	(15,698)	(15,694)	Note 3	
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	236,792	236,792	25,924	84%	194,125	1,648	3,313	Note 3	
	Xiang Yueh	Taipei City	Waste disposal	91,170	91,170	7,340	100%	11,453	0	0	Note 3, Note 4	
	Anyong Lohas	Yilan County	Restaurant and retail sales of food products	355,000	355,000	25,500	100%	23,956	(8,165)	(8,165)	Note 3	
	Unitech New Energy Engineering	Taipei City	Environment-related engineering planning, assessment, supervision and monitoring	434,560	434,560	776	77.6%	393,056	17,183	6,358	Note 3	
	TOPCO SCIENTIFIC USA	USA	Wholesale of semiconductor material	152,011	152,011	10	100%	159,069	16,910	16,910	Note 3	
	Xsport Sports	Taipei City	Sports Training	145,508	145,508	15,000	100%	109,487	(8,056)	(8,056)	Note 3	
	Topco Japan	Japan	Sales of facilities of semiconductor and clean room	77,367	77,367	45	100%	<u>76,135</u>	2,710	<u>2,710</u>	Note 3	
									<u>9,556,553</u>		<u>506,632</u>	
	Topco Group	Topco Trading	Hong Kong	Wholesale of semiconductor material	48,000	48,000	1,500	100%	143,062	6,845	Investment gains (losses) recognized by Topco Group	Note 3
Asia Topco Holding		Cayman	Investment activities	(USD1,500) 640,000	(USD1,500) 640,000	20,000	100%	3,553,152	331,141	"	Note 3	
Asia Topco Holding	Asia Topco	Mauritius	Investment activities	(USD20,000) 640,000	(USD20,000) 640,000	20,000	100%	3,550,430	331,610	"	Note 3	
Topsience(s)	Topsience Vietnam	Vietnam	Sales of parts of semiconductor and optoelectronic industries	105,507 (SGD4,448)	105,507 (SGD4,448)	-	100%	77,333	12,213	Investment gains (losses) recognized by Topsience(s)	Note 3	
	Anyong (s)	Singapore	Wholesale and retail sales of fishery products	6,333 (SGD266)	- (SGD266)	266	100%	1,745	(921)	"	Note 3	
	Ping Yue Technology	Malaysia	Sales of semiconductor material and equipment	14,801 (SGD624)	14,801 (SGD624)	2,056	100%	8,513	(1,240)	"	Note 3	
Topco International Investment	Cityspace	Taipei City	Wholesale sales of cosmetics	12,000	12,000	1,267	67%	21,695	981	Investment gains (losses) recognized by Topco International Investment	Note 3	
	Kuan Yueh Technology	Taipei City	Development of renewable energy project	149,640	149,640	19,300	100%	213,660	1,512	"	Note 3	
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	28,208	28,208	5,005	16%	50,683	267	"	Note 3	
	Kanbo Biomedical	Taipei City	Sales of health food products	6,287	6,287	1,000	100%	1,358	(2)	"	Note 3	
	Ruey Sheng Industrial Co., Ltd.	Samoa	Investment activities	4,197	4,197	142	36%	-	-	"		
	Topchem Materials	Taipei City	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	37,000	31,000	6,100	100%	115,382	6,824	"	Note 3	
	Fortune	Taipei City	Clean up of waste and environmental management service	771	771	40	0.07%	728	16	"		
	Tai Ying Resource	Kaohsiung City	Clean up of waste	83,144	83,144	4,880	48.80%	80,076	(3,020)	"	Note 3	
	EastWind Tsusho	Taipei City	Manufacturing and trading of electronic parts, etc.	5,000	5,000	500	25%	7,975	335	"		
	Topchip	Taipei City	IC Design and Sales Company	10,000	10,000	1000	100%	11,953	1,439	"	Note 3	
	Thermaltake green power	Taipei City	Sales of renewable energy	11,000	1,000	1100	100%	11,118	182	"	Note 3	
	Fong Rong Smatr Machinery	Hsinchu City	Machinery manufacturing and repair industry	4,550	4,550	350	24%	2,592	(460)	"		
	Topco Investment	Multi Rich Technology	Taichung City	Wholesale of fishery products	20,500	20,500	2,050	98%	1,153	-	Investment gains (losses) recognized by Topco Investment	Note 3
		Ding Yue Solar	Taipei City	Development of renewable energy project	9,000	9,000	900	100%	3,691	(12)	"	Note 3
		Fei Da Intelligent Co., Ltd.	Taipei City	Manpower dispatch	8,875	8,875	725	13%	2,113	(605)	"	Note 2
		STARX INC.	Hsinchu City	Precision instrument manufacturing	8,000	8,000	8,626	26%	5,396	(68)	"	
Yun Yueh Technology		Taichung City	Aquaculture and wholesale and sales of fishery products	555	555	60	55%	517	(1)	"	Note 3	
Great Talent Tech Co., Ltd.	Taipei City	Personnel training	5,000	5,000	500	31%	1,009	(549)	"			
Jia Yi energy	Jing Chen Energy	Taipei City	Development of renewable energy project	71,050	71,050	7,586	100%	72,085	1,021	Investment gains (losses) recognized by Jia Yi energy	Note 3	
	Jing Yang Energy	Taipei City	"	86,497	86,497	8,795	100%	70,305	1,428	"	Note 3	
	Jing Yueh Energy	Taipei City	"	92,160	92,160	9,122	100%	95,590	355	"	Note 3	

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(In Thousands of New Taiwan Dollars and foreign currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of Ownership	Carrying Value			
Taiwan E&M	Top Vacuum	Hsinchu City	Vacuum pump equipment maintenance	45,035	45,035	6,000	60%	85,478	5,735	Investment gains (losses) recognized by Taiwan E&M	Note 3
Chien Yueh	Tai Ying Resource	Kaohsiung City	Clean up of waste	6,261	6,261	305	3%	5,714	(4,494)	Investment gains (losses) recognized by Chien Yueh	Note 3
	Unitech New Energy Engineering	New Taipei City	Environment-related engineering planning, assessment, supervision and monitoring	5,600	5,600	10	1%	5,065	17,183	"	Note 3
	Reset Resource Technologies	Kaohsiung City	Clean up of waste	50,000	0	5,000	25%	49,970	(121)	"	
Topco Japan	Shunkawa	Japan	Import and export of semiconductor raw materials	63,450 (JPY300,000)	21,150 (JPY100,000)	30	100%	63,799 (JPY301,650)	4,672 (JPY22,027)	Investment gains (losses) recognized by Topco Japan	Note 3
Tai Ying Resource	Tai Ying Global Trading	Kaohsiung City	International Trading	15,000	15,000	1,500	100%	13,078	(321)	Investment gains (losses) recognized by Tai Ying Resource	Note 3

Note 1: The amounts in foreign currencies were translated into New Taiwan Dollars at the exchange rates at the ending date of the reporting period.

Note 2: The Group holds a seat of director of Fei Da Intelligent and has significant influence. As a result, the Group accounted it for using the equity method.

Note 3: The aforementioned transactions had been written-off the preparation of the consolidated financial statements.

Note 4: Xiang Yueh Co., Ltd. had applied for liquidation procedures in September 2023.

Note 5: Multi Rich Technology had applied for liquidation procedures in August 2023.

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of US Dollars and CNY)

Name of investee	Main businesses and products	Total amount of paid in capital (Note 3)	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024 (Note 3)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024 (Note 3)	Net income (losses) of the investee	Percentage of ownership	Investment gains (losses) (Note 2)	Book value (Note 3)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Topco Shanghai	Wholesale of electronic material and equipment	281,280 (USD 8,790) (Note 4)	Note 1	-	-	-	-	192,934 (USD 6,137)	100%	192,934 (USD 6,137)	2,156,480 (USD 67,390)	1,481,951 (USD 47,139)
Shanghai Chong Yao		57,304 (RMB 13,000)	Note 5	Note 5	-	-	-	484 (RMB 111)	100%	484 (RMB 111)	85,564 (RMB 19,411)	-
Topco Suzhou	Water purification and construction of dust-proof room	338,368 (USD 10,574) (Note 4)	Note 1	-	-	-	-	43,007 (USD 1,368)	100%	43,007 (USD 1,368)	841,536 (USD 26,298)	166,055 (USD 5,282)
Topco Chemical	Wholesale and sales of chemical products	22,912 (USD 716) (Note 4)	Note 1	-	-	-	-	95,351 (USD 3,033)	100%	95,351 (USD 3,033)	459,808 (USD 14,369)	220,254 (USD 7,006)
Topco Engineering	Water purification and construction of dust-proof room	88,160 (RMB 20,000)	Note 6	Note 6	-	-	-	384 (RMB 88)	100%	384 (RMB 88)	98,488 (RMB 22,343)	-
Shanghai Perfect Microelectronics Xinchongxin Technology	IC Design Company Used equipment refurbishment services	8,816 (RMB 2,000) 16,750 (RMB 3,800) 132,240	Note 9 Note 12	- -	- -	- -	- -	(13) (RMB 3) (153) (RMB 35) 7,577	49% 35%	(4) (RMB 1) (52) (RMB 12) 1,405	4,616 (RMB 1,047) 7,658 (RMB 1,737) 37,641	-
Wuxi super sunrise material	Semiconductor wafer cassette recycling and cleaning service	(RMB 30,000)	Note 10	-	-	-	-	(RMB 1,736)	20%	(RMB 322)	(RMB 8,539)	-
Chung-Ling Chemical	Wholesale and sales of chemical products	44,080 (RMB 10,000)	Note 11	-	-	-	-	96 (RMB 22)	70%	65 (RMB 15)	30,859 (RMB 7,001)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
97,600 (USD 3,050) (Note 7)	740,224 (USD 23,132)	(Note 8)

Note 1 : Investment in Mainland China companies through an investee established in a third region.

Note 2 : The investment gains (losses) of Topco Shanghai and Topco Suzhou were recognized based on the financial statements which have been audited by the CPA; and the investment gains (losses) of other Companies were recognized based on the financial statements prepared by the subsidiaries and not audited by the CPA.

Note 3 : The amounts in New Taiwan Dollars were translated at the exchange rate of USD 1:32 and CNY 1:4.408, respectively, as of March 31, 2024.

Note 4 : The paid-in capital of Topco Shanghai, Topco Suzhou and Topco Chemical includes the capital increase transferred from retained earnings amounting to USD1,990, USD7,874 and USD275, respectively.

Note 5 : Shanghai Chong Yao is jointly invested by Topco Shanghai and is Topco Suzhou, both of which are the subsidiaries of the Company.

Note 6 : Topco Engineering is invested by Topco Suzhou, which is the subsidiary of the Company.

Note 7 : Including the written-off investment funds of USD3,050.

Note 8 : The Company has acquired proof of compliance regarding the operational scope of the corporate headquarters issued by the Ministry of Economic Affairs. Therefore, there is no restriction to the Company's investing amount in Mainland China.

Note 9 : Shanghai Perfect Microelectronics was established by subsidiaries, Topco Shanghai and Shanghai Tx semiconductor, which held 49% and 51% of the capital contribution, respectively.

Note 10 : Wuxi super sunrise material was established by subsidiary Topco Shanghai, Super natural technology, Wuxi Puli technology and Wuxi Xian Jeng which held 20%, 34%, 20% and 26% of the capital contribution, respectively.

Note 11 : Chung-Ling Chemical was established by subsidiaries, Topco Chemical and Tianjin Linggas, Ltd. which held 70% and 30% of the capital contribution, respectively.

Note 12 : Xinchongxin Technology was established by subsidiary Topco Shanghai, Qingfu Song and Jinping Zhang which held 35%, 55% and 10% of the capital contribution, respectively.

(iii) Significant transactions:

For the three months ended March 31, 2024, the significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".