

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

Consolidated Financial Statements

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

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

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

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Topco Scientific Co., Ltd. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Topco Scientific Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Topco Scientific Co., Ltd.

Chairman: Zhong-Liang Pan

Date: February 27, 2025



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' Report

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

Opinion

We have audited the consolidated financial statements of Topco Scientific Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Other Matter

We did not audit the financial statements for certain investments accounted for using equity method in the consolidated financial statements of the Group for 2024 and 2023. The investments accounted for using equity method constituted 7.04% and 7.31% of the total consolidated assets as of December 31, 2024 and 2023; and the share of profits of associates and joint ventures accounted for using equity method constituted 12.96% and 12.35% of profit before tax for the years ended December 31, 2024 and 2023, respectively. These financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amount of investments accounted for equity method, is based solely on the reports of the other auditors.

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024, on which we have issued unmodified opinions with emphasis on Other Matter paragraph. The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023, on which we have issued unmodified opinions with emphasis on Matter and Other Matter paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements of the current period. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Recognition of Operating Revenue

Please refer to note 4(p) "Revenue" for accounting policies related to revenue recognition; note 5(a) for revenue recognition of construction and the percentage of completion method for construction contracts; and note 6(x) "Revenue" for details of revenue.

Description of Key Audit Matters:

The types of revenue for the Group include sales revenue, construction revenue, and other operating revenue. Among these, identification of sales revenue and construction revenue's recognition has significant influence on the consolidated financial statements of the Group, as explained below:

1. Sales revenue: Due to the wide variety of the Group's products, different transactions were generated according to customers and product portfolio. Identification of revenue recognition has significant influence on the consolidated financial statements of the Group.
2. Construction revenue: The budgets for construction contracts highly depend on the management's judgments. The evaluation of above budgets may result in significant changes in income and losses for the reporting period.

Therefore, sales revenue and construction revenue's recognition is considered as one of the key matters in our audits.

How the matter was addressed in our audits:

Our principal audit procedures included: testing related manual and systematic control over sales cycle to assess if the revenue recognition policies of the Group is in accordance with the related standards. In addition, we examined the sales contracts between the Group and its customers to understand their trading modality and conditions, evaluating and comparing if revenue recognition is consistent with the terms of the contracts; acquiring all construction contracts to verify that there is no diffidence in the percentage of completion calculated by the Group; conducting testing for details of revenue before and after the balance sheet date and verifying if revenue recognition is in accordance with the contract terms.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuan-Ying Kuo and Keng-Chia Huang.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2025

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 such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 5,162,017	14	6,484,853	21	2100	Short-term borrowings (note 6(m))	\$ 855,071	2	2,268,394	7
1110	Current financial assets at fair value through profit or loss (note 6(b))	321,019	1	432,055	1	2130	Current contract liabilities (note 6(x))	2,070,986	6	1,310,666	4
1140	Current contract assets (note 6(x))	1,586,101	4	1,726,003	5	2170	Notes and accounts payable	6,884,655	19	5,440,711	17
1170	Notes and accounts receivable, net (note 6(d))	8,398,425	22	6,523,205	21	2180	Notes and accounts payable to related parties (note 7)	2,671,796	7	1,272,691	4
1180	Notes and accounts receivable due from related parties, net (notes 6(d) and 7)	129,585	-	132,168	-	2200	Accrued expenses and other payables	1,500,091	4	1,184,859	4
1476	Other current financial assets (notes 6(l) and 8)	270,105	1	218,745	1	2230	Current tax liabilities	426,940	1	620,081	2
1300	Inventories, net (note 6(e))	5,017,982	14	4,142,418	13	2250	Current provisions (note 6(q))	207,006	1	302,903	1
1479	Other current assets, others	706,940	2	852,312	3	2280	Current lease liabilities (note 6(p))	124,041	-	133,265	1
		21,592,174	58	20,511,759	65	2320	Long-term borrowings, current portion (note 6(n))	94,892	-	82,450	-
Non-current assets:						2365	Current refund liabilities	1,364	-	9,815	-
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	630,832	2	691,557	2	2399	Other current liabilities	117,035	-	101,390	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,524,600	4	1,376,325	4			14,953,877	40	12,727,225	40
1550	Investments accounted for using equity method (notes 6(f), 6(g) and 6(t))	2,792,002	7	2,367,555	8	2530	Non-Current liabilities:				
1600	Property, plant and equipment (notes 6(h) and 8)	9,243,738	25	3,796,751	12	2540	Bonds payable (note 6(o))	532,746	2	956,809	3
1755	Right-of-use assets (note 6(i))	571,051	2	550,517	2	2580	Long-term borrowings (note 6(n))	2,344,704	6	1,291,565	4
1760	Investment property, net (note 6(j))	131,717	-	133,652	1	2670	Non-current lease liabilities (note 6(p))	445,915	1	415,479	1
1780	Intangible assets (note 6(k))	353,806	1	439,979	1	2640	Deferred tax liabilities and others (note 6(t))	853,378	2	767,532	3
1840	Deferred tax assets (note 6(t))	58,876	-	75,678	-		Non-current net defined benefit liability (note 6(s))	137,779	1	132,618	-
1900	Other non-current assets (notes 6(l) and 8)	376,116	1	1,691,766	5			4,314,522	12	3,564,003	11
		15,682,738	42	11,123,780	35		Total liabilities	19,268,399	52	16,291,228	51
Total assets		\$ 37,274,912	100	31,635,539	100	3110	Equity attributable to owners of parent (note 6(u)):				
						3200	Ordinary shares	1,910,393	5	1,886,996	6
						3300	Capital surplus	2,916,241	8	2,688,841	8
						3400	Retained earnings	11,760,485	31	9,757,304	31
							Other equity	1,184,103	3	775,924	3
								17,771,222	47	15,109,065	48
						3610	Non-controlling interests	235,291	1	235,246	1
							Total equity	18,006,513	48	15,344,311	49
							Total liabilities and equity	\$ 37,274,912	100	31,635,539	100

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share
which is expressed in New Taiwan Dollars)**

		2024		2023	
		Amount	%	Amount	%
	Operating Revenues: (notes 6(x) and 7)				
4110	Sales revenue	\$ 48,768,714	86	40,098,389	81
4520	Construction revenue	5,999,044	10	6,846,020	14
4800	Other operating revenue	<u>2,229,355</u>	<u>4</u>	<u>2,329,046</u>	<u>5</u>
	Operating revenue, net	<u>56,997,113</u>	<u>100</u>	<u>49,273,455</u>	<u>100</u>
	Operating costs: (notes 6(e), 6(s), 6(y), 7 and 12)				
5110	Cost of sales	43,016,830	75	35,473,660	72
5500	Construction cost	5,322,951	9	6,312,056	13
5800	Other operating costs	<u>939,362</u>	<u>2</u>	<u>1,068,939</u>	<u>2</u>
		<u>49,279,143</u>	<u>86</u>	<u>42,854,655</u>	<u>87</u>
5910	Less: Unrealized profit (loss) from sales	<u>(4,255)</u>	<u>-</u>	<u>12,022</u>	<u>-</u>
	Gross profit	<u>7,722,225</u>	<u>14</u>	<u>6,406,778</u>	<u>13</u>
	Operating expenses: (notes 6(d), 6(s), 6(v), 6(y), 7 and 12)				
6100	Selling expenses	1,950,581	4	1,660,981	4
6200	Administrative expenses	1,761,607	3	1,430,119	3
6300	Research and development expenses	<u>66,644</u>	<u>-</u>	<u>117,479</u>	<u>-</u>
	Total operating expenses	<u>3,778,832</u>	<u>7</u>	<u>3,208,579</u>	<u>7</u>
	Net operating income	<u>3,943,393</u>	<u>7</u>	<u>3,198,199</u>	<u>6</u>
	Non-operating income and expenses:				
7100	Interest income	79,638	-	86,586	-
7010	Other income (notes 6(b), 6(c), 6(r) and 6(z))	166,265	-	183,786	1
7020	Other gains and losses, net (notes 6(b), 6(r) and 6(z))	74,430	-	39,643	-
7050	Finance costs (note 6(p))	(113,678)	-	(99,567)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	609,809	1	471,821	1
7670	Impairment loss (note 6(k))	<u>(30,401)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>786,063</u>	<u>1</u>	<u>682,269</u>	<u>2</u>
	Profit before tax	4,729,456	8	3,880,468	8
7950	Less: Income tax expenses (note 6(t))	<u>1,064,365</u>	<u>2</u>	<u>1,027,554</u>	<u>2</u>
	Profit	<u>3,665,091</u>	<u>6</u>	<u>2,852,914</u>	<u>6</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(4,681)	-	(6,215)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))	319,880	1	37,464	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that will not be reclassified to profit or loss (note 6(f))	182	-	(28)	-
8349	Less: income tax related to items that will not be reclassified to profit or loss (note 6(t))	<u>(936)</u>	<u>-</u>	<u>(1,243)</u>	<u>-</u>
		<u>316,317</u>	<u>1</u>	<u>32,464</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	170,585	-	(52,776)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(f))	1,247	-	-	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(t))	<u>34,041</u>	<u>-</u>	<u>(9,973)</u>	<u>-</u>
		<u>137,791</u>	<u>-</u>	<u>(42,803)</u>	<u>-</u>
8300	Other comprehensive income	<u>454,108</u>	<u>1</u>	<u>(10,339)</u>	<u>-</u>
	Comprehensive income	<u>\$ 4,119,199</u>	<u>7</u>	<u>2,842,575</u>	<u>6</u>
	Profit, attributable to:				
8610	Attributable to owners of parent	\$ 3,655,935	6	2,835,024	6
8620	Attributable to non-controlling interests	<u>9,156</u>	<u>-</u>	<u>17,890</u>	<u>-</u>
		<u>\$ 3,665,091</u>	<u>6</u>	<u>2,852,914</u>	<u>6</u>
	Comprehensive income attributable to:				
	Attributable to owners of parent	\$ 4,109,656	7	2,824,626	6
	Attributable to non-controlling interests	<u>9,543</u>	<u>-</u>	<u>17,949</u>	<u>-</u>
		<u>\$ 4,119,199</u>	<u>7</u>	<u>2,842,575</u>	<u>6</u>
	Earnings per share: (note 6(w))				
9750	Basic net income per share	<u>\$ 19.29</u>		<u>15.36</u>	
9850	Diluted net income per share	<u>\$ 18.78</u>		<u>15.03</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 years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
						Other equity						
	Ordinary shares		Retained earnings			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	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	Unappropriated retained earnings							Total
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 year ended December 31, 2023	-	-	-	-	2,835,024	2,835,024	-	-	-	2,835,024	17,890	2,852,914
Other comprehensive income	-	-	-	-	(5,000)	(5,000)	(42,719)	37,321	(5,398)	(10,398)	59	(10,339)
Total comprehensive income	-	-	-	-	2,830,024	2,830,024	(42,719)	37,321	(5,398)	2,824,626	17,949	2,842,575
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	303,593	(303,593)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(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)
Issue of shares	70,000	-	977,210	-	-	-	-	-	-	1,047,210	-	1,047,210
Changes in ownership interests in subsidiaries	-	-	(1,260)	-	-	-	-	-	-	(1,260)	-	(1,260)
Due to recognition of equity component of convertible bonds issued	-	-	59,026	-	-	-	-	-	-	59,026	-	59,026
Compensation cost of employee stock option	-	-	36,815	-	-	-	-	-	-	36,815	-	36,815
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(94,058)	(94,058)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(24,175)	(24,175)	-	24,175	24,175	-	-	-
Balance at December 31, 2023	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 year ended December 31, 2024	-	-	-	-	3,655,935	3,655,935	-	-	-	3,655,935	9,156	3,665,091
Other comprehensive income	-	-	-	-	(3,563)	(3,563)	137,335	319,949	457,284	453,721	387	454,108
Total comprehensive income	-	-	-	-	3,652,372	3,652,372	137,335	319,949	457,284	4,109,656	9,543	4,119,199
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	280,585	(280,585)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(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	18,546	4,851	414,856	-	-	-	-	-	-	438,253	-	438,253
Changes in ownership interests in subsidiaries	-	-	1,244	-	-	-	-	-	-	1,244	-	1,244
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(9,498)	(9,498)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	49,105	49,105	-	(49,105)	(49,105)	-	-	-
Balance at December 31, 2024	\$ 1,905,542	4,851	2,916,241	2,456,906	9,303,579	11,760,485	46,882	1,137,221	1,184,103	17,771,222	235,291	18,006,513

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 years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 4,729,456	3,880,468
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	419,812	407,401
Amortization expense	61,135	71,581
Expected credit loss (gain)	(15,420)	(23,390)
Net gain on financial assets and liabilities at fair value through profit or loss	(83,755)	(80,149)
Interest expense	113,678	99,567
Interest income	(79,638)	(86,586)
Dividends income	(80,285)	(104,268)
Compensation cost of share-based payments	-	36,815
Share of profit of associates and joint ventures accounted for using equity method	(609,809)	(471,821)
Loss on disposal of property, plant and equipment, net	10,247	26,108
Gain on disposal of right-of-use assets, net	-	(6,780)
Impairment loss	30,401	-
Others	901	12,123
Total adjustments to reconcile profit	(232,733)	(119,399)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	139,902	(54,250)
(Increase) decrease in notes and accounts receivable	(1,858,309)	533,163
(Increase) decrease in inventories	(875,188)	1,148,869
Decrease (increase) in financial assets at fair value through profit or loss	115,683	(287,268)
Decrease (increase) in other current assets	182,925	(37,850)
Decrease in other financial assets	7,986	10,664
Total changes in operating assets	(2,287,001)	1,313,328
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	760,320	(477,140)
Increase (decrease) in notes and accounts payable	2,843,049	(2,492,290)
(Decrease) increase in accrued expenses and other payables	346,880	(97,851)
(Decrease) increase in provisions	(95,897)	121,532
Decrease in refund liabilities	(8,451)	(4,557)
Increase in other current liabilities	15,645	19,054
Increase (decrease) in others	480	(4,775)
Total changes in operating liabilities	3,862,026	(2,936,027)
Total changes in operating assets and liabilities	1,575,025	(1,622,699)
Total adjustments	1,342,292	(1,742,098)
Cash inflow generated from operations	6,071,748	2,138,370
Interest received	78,087	83,144
Dividends received	384,393	402,247
Interest paid	(99,547)	(89,994)
Income taxes paid	(1,209,607)	(913,348)
Net cash flows from operating activities	5,225,074	1,620,419
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(117,918)	-
Proceeds from disposal of financial assets at fair valued through profit or loss	240,819	-
Acquisition of financial assets at fair value through other comprehensive income	-	(358)
Proceeds from disposal of financial assets at fair value through other comprehensive income	171,605	-
Proceeds from capital reduction of financial assets at fair value through profit or loss	16,932	20,922
Acquisition of investments accounted for using equity method	(112,637)	(16,875)
Acquisition of property, plant and equipment	(4,358,398)	(397,511)
Proceeds from disposal of property, plant and equipment	792	2,728
Increase in prepayments of land and buildings	-	(1,375,516)
Decrease in refundable deposits	5,739	36,040
Acquisition of intangible assets	(22,617)	(43,954)
Net payment for acquisition of subsidiaries	-	(20,888)
Net cash received on disposal of subsidiaries	(4,375)	-
Increase in other non-current assets	(35,056)	(9,334)
Increase in restricted assets	(88,469)	(100,792)
Net cash flows used in investing activities	(4,303,583)	(1,905,538)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term borrowings	(1,413,323)	1,513,361
Proceeds from issuance of bonds	-	1,007,039
Addition of long-term borrowings	2,052,810	161,485
Repayments of long-term borrowings	(987,229)	(182,364)
Increase (decrease) in guarantee deposits received	6,870	(1,642)
Payment of lease liabilities	(162,066)	(145,959)
Cash dividends paid	(1,886,996)	(1,816,996)
Issue of shares	-	1,047,210
Changes in non-controlling interests	(7,783)	(93,999)
Net cash flows (used in) from financing activities	(2,397,717)	1,488,135
Effect of exchange rate changes on cash and cash equivalents	153,390	(53,244)
Net (decrease) increase in cash and cash equivalents	(1,322,836)	1,149,772
Cash and cash equivalents at the beginning of period	6,484,853	5,335,081
Cash and cash equivalents at the end of period	\$ 5,162,017	6,484,853

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

For the years ended December 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 February 27, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“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”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

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

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

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

- (c) The impact of IFRS Accounting Standards 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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	<p>The amendments set out:</p> <ol style="list-style-type: none"> 1. IFRS 1 “First-time Adoption of International Financial Reporting Standards”: <p>The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.</p> 2. IFRS 7 “Financial Instruments: Disclosures”: <p>The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.</p> 3. IFRS 9 “Financial Instruments”: <ul style="list-style-type: none"> • Derecognition of a lease liability <p>The IASB’s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases.</p> • Transaction price <p>The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.</p> 	January 1, 2026

(Continued)

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

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 “ Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’.	
	5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’.	

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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(Continued)

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

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on the historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value; and
- 3) The defined benefit liabilities (assets) are measured at fair values of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(q).

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)

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

(ii) 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
			December 31, 2024	December 31, 2023	
The Company	Taiwan E&M System Inc. (Taiwan E&M)	Sales of electronic material	100.00%	100.00%	
"	Topco Group Ltd. (Topco Group)	Investment	100.00%	100.00%	
"	Topco International Investment Co., Ltd. (Topco International Investment)	Investment	100.00%	100.00%	
"	Topco Investment Co., Ltd. (Topco Investment)	Investment	100.00%	100.00%	
"	ECO Technical Services Co., Ltd. (Chien Yueh)	Water purification and construction of dust-proof room	100.00%	100.00%	
"	Anyong Biotechnology, Inc. (Anyong Biotechnology)	Aquaculture and strategic partnership with fish processing	100.00%	100.00%	
"	Anyong FreshMart, Inc. (Anyong FreshMart)	Wholesale and retail sales of fishery products and supermarket operation	100.00%	100.00%	
"	Xiang Yueh Co., Ltd. (Xiang Yueh)	Waste Disposal	-%	100.00%	In June 2024, Xiang Yueh acquired a court approval letter for liquidation where all the relevant procedures and distribution of the remaining assets had been completed on October 21, 2024.
"	Jia Yi Energy Co., Ltd. (Jia Yi Energy)	Solar system engineering	83.82%	83.82%	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	100.00%	100.00%	
"	Topscience (s) Pte Ltd. (Topscience (s))	Sales of parts of semiconductor and optoelectronic industries	100.00%	100.00%	
"	Unitech New Energy Engineering Co., Ltd. (Unitech New Energy Engineering)	Environment-related engineering planning, assessment, supervision and monitoring	77.60%	77.60%	The Company and Chien Yueh held its 78.60% share jointly.
"	Topco Scientific USA Corp. (Topco Scientific USA)	Wholesale of semiconductor material	100.00%	100.00%	
"	Xports Sports Co. Ltd (Xports Sports)	Sport Training	100.00%	100.00%	

(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
			December 31, 2024	December 31, 2023	
The Company	Topco Scientific (Japan) Co., Ltd. (Topco Japan)	Sales of facilities of semiconduction and clean room	100.00%	100.00%	In order to coordinate the adjustment of the Group's organization, the Company purchased all of shares from Topco International Investment in October 2023.
"	Yong Yue Advanced Engineering Sdn Bhd. (Yong Yue Advanced Engineering)	Mechanical, electrical and water treatment engineering	100.00%	-%	The company was established in August 2024.
Topco Group	Asia Topco Holding Ltd. (Asia Cayman)	Investment	100.00%	100.00%	
"	Hong Kong Topco Trading Limited (Topco Trading)	Wholesale of semiconductor material and electronic material	100.00%	100.00%	
"	Topco Scientific Korea Co., Ltd. (Topco Korea)	Diamond cutting, wafers, trading	100.00%	-%	The company was established in October 2024.
Asia Cayman	Asia Topco Investment Ltd. (Asia Topco)	Investment	100.00%	100.00%	
Asia Topco	Topco Scientific (Shanghai) Co., Ltd. (Topco Shanghai)	Wholesale of semiconductor material and electronic material	100.00%	100.00%	
"	Suzhou Topco Construction Ltd. (Topco Suzhou)	Water purification and cleanroom construction	100.00%	100.00%	
"	Topco Chemical (Z.F.T.Z.) Co., Ltd. (Topco Chemical)	Wholesale and sales of chemical products	100.00%	100.00%	
Topco Shanghai	Shanghai Chong Yao Trading Co., Ltd. (Shanghai Chong Yao)	Wholesale of semiconductor material and electronic material	98.00%	98.00%	Topco Shanghai and Topco Suzhou held its 100% shares jointly.
"	Shanghai Perfect Microelectronics Co., Ltd.	IC Design Company	49.00%	51.00%	The company transferred 2% of its shareholding to Shanghai Tx semiconductor and lost control in January, 2024.
Topco Suzhou	Shanghai Chong Yao	Wholesale of semiconductor material and electronic material	2.00%	2.00%	
"	Topco Engineering (Suzhou) Ltd.. (Topco Engineering)	Water purification and cleanroom construction	100.00%	100.00%	
Topco Chemical	Chongling Chemical Product Trading (Z.F.T.Z.) Co., Ltd. (Chongling Chemical)	Wholesale and sales of chemical products	70.00%	70.00%	
Topscience (s)	Topscience Vietnam Co., Ltd. (Topscience Vietnam)	Sales of parts of semiconductor and optoelectronic industries	100.00%	100.00%	

(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
			December 31, 2024	December 31, 2023	
Topscience (s)	Anyong (s) Pte. LTD. (Anyong (s))	Wholesale and retail sales of fishery products	100.00%	100.00%	
"	Ping Yue Technologies SDN.BHD. (Ping Yue Technologies)	Sales of semiconductor material and equipment	100.00%	100.00%	
Topco International Investment	Cityspace International Co., Ltd. (Cityspace)	Wholesale and sales of cosmetic	66.67%	67.67%	
"	Kuan Yueh Technology Engineering Co., Ltd. (Kuan Yueh Technology)	Development of renewable energy projects; Configure pipeline construction and device installation	100.00%	100.00%	
"	Jia Yi Energy	Solar system engineering	16.18%	16.18%	
"	Kanbo Biomedical Co., Ltd. (Kanbo Biomedical)	Sales of health food products	100.00%	100.00%	
"	Topchem Materials Corp. (Topchem Materials)	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	100.00%	100.00%	
"	Tai Ying Resource Industrial Corp. (Tai Ying Resource)	Waste Disposal Industry	65.42%	48.80%	Topco International Investment and Chien Yueh held its 66.80% shares jointly.
"	Topchip electronic Co. Ltd. (Topchip)	IC Design and Sales Company	100.00%	100.00%	
"	Thermaltake green power Co. Ltd- (Thermaltake green power)	Renewable-energy-based electricity retailing	100.00%	100.00%	
Topco Investment	Multi Rich Technology Co., Ltd. (Multi Rich Technology)	Wholesale of fishery products	-%	98.00%	Multi Rich Technology completed the liquidation procedures in April 2024.
"	Ding Yue Solar Co., Ltd. (Ding Yue Solar)	Development of renewable energy projects	100.00%	100.00%	
"	Yun Yueh Technology Co., Ltd (Yun Yueh Technology)	Aquaculture and wholesale and sales of fishery products	55.00%	55.00%	
Jia Yi Energy	Jing Chen Energy Co., Ltd. (Jing Chen Energy)	Development of renewable energy projects.	100.00%	100.00%	
"	Jing Yang Energy Co., Ltd. (Jing Yang Energy)	"	100.00%	100.00%	
"	Jing Yueh Energy Co., Ltd. (Jing Yueh Energy)	"	100.00%	100.00%	

(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
			December 31, 2024	December 31, 2023	
Taiwan E&M	Top Vacuum Co., Ltd. (Top Vacuum)	Vacuum pump equipment maintenance	60.00%	60.00%	The company was established in September 2024.
"	Toplight Advanced Co., Ltd. (Toplight Advanced)	OEM for laser cleaning machine	66.67%	-%	
Chien Yueh	Tai Ying Resource	Waste Disposal Industry	1.38%	3.10%	
"	Unitech New Energy Engineering	Environment-related engineering planning, assessment, supervision and monitoring	1.00%	1.00%	
Topco Japan	Shunkawa Corporation (Shunkawa)	Import and export of semiconductor raw materials	100.00%	100.00%	
Tai Ying Resource	Tai Ying Global Trading Ltd.,Co (Tai Ying Global Trading)	International trading company	100.00%	100.00%	

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

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

The time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are reclassified as cash equivalents.

(Continued)

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

(g) Financial instruments

Account receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

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

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, leases receivable, guarantee deposit paid and other financial assets), and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings’.

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

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

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

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

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

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

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

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

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

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instruments

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

3) Compound financial instruments

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

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

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

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

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average-cost principle and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated Group's interest in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

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

(Continued)

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

- 1) Buildings: 2~51 years
- 2) Building improvement: 2~10 years
- 3) Machine and others: 2~30 years

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

(iv) Reclassification to investment property

The property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Lease

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

(i) As a lessee

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

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

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

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

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

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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

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

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

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost, less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for the current and comparative periods are as follows:

- 1) Computer software: 1~5 years
- 2) Right of using: the contract period
- 3) Customer relationship: 10~11 years
- 4) Unrealized order: 4~5 years
- 5) Rights of operating: 2~3 years

(Continued)

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

(n) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

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

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(p) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

The Group sells of semiconductor material and electronic material. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group provides volume rebates to customers that based on accumulated sales for each month or each quarter. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Construction contracts

The Group enters into contracts to construction of dust-proof room and ammonium wastewater. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of completion of a physical proportion of the contract work. The consideration promised in the contract includes fixed amounts. The customer pays the fixed amount based on a payment schedule. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

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.

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

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For constructions, the Group offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation; please refer to note 6(q).

(iii) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue is net amount of commission made by the Group.

(iv) Financing components

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

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided.

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

(r) Share-based payment

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

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

(s) Income taxes

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

The Group has determined that the global minimum top-up tax - which it is required to pay under Pillar Two legislation - is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

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- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

The 5% surtax on the Company and the domestic subsidiaries' unappropriated earnings is recorded as current tax expense in the following year after the resolution to appropriate retained earnings is approved in a stockholders' meeting.

The Group's income tax returns are calculated and filed based on the Company's and each subsidiary's local tax law. The Group's income tax expenses are the aggregation of all consolidated entities' income tax expenses.

(t) **Business combination**

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For each business combination, the Group measures any non controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognize the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount shall be reclassified to profit or loss.

(u) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. Dilutive potential ordinary shares comprise convertible bonds and employee compensation not yet approved by the Board of Directors.

(v) Operating segments

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

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

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Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Revenue recognition

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs or actually completion of the contracts. Estimated total contract costs of contracted items are assessed and determined by the management based on the nature of activities, expected sub-contracting charges, construction periods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profits from construction contracts. Refer to note 6(x) for further description of construction revenue.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	\$ 14,334	14,723
Checking accounts and demand deposits	3,900,187	2,748,109
Time deposits	1,247,496	3,722,021
	<u>\$ 5,162,017</u>	<u>6,484,853</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.

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

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Beneficiary certificate-Funds	\$ 321,019	432,055
Domestic listed stocks	149,983	212,336
Foreign listed stocks	72,406	63,214
Unlisted stocks and limited partnership	381,453	377,589
Foreign unlisted funds	26,580	38,418
Convertible bonds — embedded derivatives	410	-
	<u>\$ 951,851</u>	<u>1,123,612</u>
Current	\$ 321,019	432,055
Non-current	630,832	691,557
	<u>\$ 951,851</u>	<u>1,123,612</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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The gain or loss on valuation of financial assets at fair value of the Group for the years ended December 31, 2024 and 2023, was a gain of \$83,755 and \$80,149, respectively.

- (i) During the years ended December 31, 2024 and 2023, the dividends of \$12,184 and \$13,473, respectively, related to mandatorily measured at fair value through profit or loss held on the years then ended, were recognized as other income by the Group, please refer to note 6(z).
- (ii) The Group's information of convertible bonds - embedded derivatives, please refer to note 6(o).
- (iii) The Group's information of market risk, please refer to note 6(aa).
- (iv) As of December 31, 2024 and 2023, the Group did not provide financial assets as collateral for its loans.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Equity investments at fair value through other comprehensive income		
Domestic listed stocks	\$ 179,347	194,250
Domestic unlisted stocks	<u>1,345,253</u>	<u>1,182,075</u>
	<u>\$ 1,524,600</u>	<u>1,376,325</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 sold part of the stocks designated as at fair value through other comprehensive income in 2024. The stocks sold had a fair value of \$171,605, and the Group transferred the foregoing cumulative gain on disposal of \$49,105 from other equity to retained earnings.

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 years ended December 31, 2024 and 2023, the dividends of \$68,101 and \$90,795, respectively, related to equity securities as at fair value through other comprehensive income held on the years then ended, were recognized as other income by the Group, please refer to note 6(z).

During the years ended December 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 \$319,880 and \$37,464, respectively.

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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As of December 31, 2024 and 2023, the Group did not provide financial assets as collateral for its loans.

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

	December 31, 2024	December 31, 2023
Notes receivable from operating activities	\$ 153,377	16,374
Accounts receivable from measured as amortized cost	8,402,703	6,681,397
Less: loss allowance	<u>(28,070)</u>	<u>(42,398)</u>
	<u>\$ 8,528,010</u>	<u>6,655,373</u>
Notes and accounts receivable, net	<u>\$ 8,398,425</u>	<u>6,523,205</u>
Notes and accounts receivable due from related parties, net	<u>\$ 129,585</u>	<u>132,168</u>

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:

December 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 7,689,172	0.10%	7,485
Overdue 0-30 days	658,255	1.00%	6,571
Overdue 31-60 days	132,663	2.99%	3,965
Overdue 61-90 days	17,547	5.00%	878
Overdue over 91 days	<u>58,443</u>	15.69%	<u>9,171</u>
	<u>\$ 8,556,080</u>		<u>28,070</u>

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	<u>185,495</u>	12.60%	<u>23,374</u>
	<u>\$ 6,697,771</u>		<u>42,398</u>

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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:

	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 42,398	66,543
Impairment losses reversed	(15,545)	(23,390)
Foreign exchange gain (losses)	1,217	(755)
Balance at December 31	<u>\$ 28,070</u>	<u>42,398</u>

(e) Inventories

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Merchandise inventories	\$ 4,909,267	4,019,342
Work in progress	3,299	7,058
Raw materials	54,868	52,287
Goods in transits	50,548	63,731
	<u>\$ 5,017,982</u>	<u>4,142,418</u>

The details of the cost of sales were as follows:

	<u>2024</u>	<u>2023</u>
Cost of sales	\$ 43,010,383	35,469,862
Provision (reversal) for inventory valuation loss and obsolescence	1,400	2,680
Loss on indemnity of inventory and others	5,047	1,118
	<u>\$ 43,016,830</u>	<u>35,473,660</u>

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

(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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The carrying amount of individually insignificant associates' equity	<u>\$ 2,792,002</u>	<u>2,367,555</u>
	<u>2024</u>	<u>2023</u>
Attributable to the Group:		
Profit from continuing operations	\$ 609,809	471,821
Other comprehensive income	1,429	(28)
Total comprehensive income	<u>\$ 611,238</u>	<u>471,793</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (ii) As of December 31, 2024 and 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 \$1,260. From January 1, 2023 to September 30, 2023, due to the aforementioned transactions, it resulted in a decrease in capital surplus by \$1,260.
 - (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 years ended December 31, 2023 and 2022, resulting in the remaining amount of \$8,064 to be recognized as accrued expenses and other payables in the balance sheet.
 - (iii) The associate of the Company, Fei Da Intelligent, which was accounted for using the equity method, increased capital and issued new shares in 2024. Due to the acquisition of new shares at a non-shareholding ratio, the net value of equity of Topco Investment that held by the Company decreased \$15 for the year ended December 31, 2024.
 - (iv) The associate of the Company, Tai Ying Resource, which was accounted for using the equity method, increased capital and issued new shares in fourth quarter of 2024. Due to the acquisition of new shares at a non-shareholding ratio, the net value of equity of Chien Yueh that held by the Company decreased \$151 for the year ended December 31, 2024.
 - (v) The associate of the Company, Tai Ying Resource, which was accounted for using the equity method, increased capital and issued new shares in fourth quarter of 2024. Due to the acquisition of new shares at a non-shareholding ratio, the net value of equity of Topco International Investment that held by the Company increased \$1,410 for the year ended December 31, 2024.
 - (vi) In summary, the above capital surplus increased by \$1,244 and decreased by \$1,260 for the years ended December 31, 2024 and 2023, respectively, due to the above transaction.

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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 years ended December 31, 2024 and 2023 were as follows:

	Land	Buildings and building improvement	Machinery and others	Total
Cost:				
Balance at January 1, 2024	\$ 767,044	1,616,019	2,713,356	5,096,419
Additions	2,558,919	1,402,551	365,345	4,326,815
Disposal	-	(5,867)	(104,691)	(110,558)
Reclassifications	852,100	526,733	(9,447)	1,369,386
Effect of movements in exchange rates	5,447	6,948	2,238	14,633
Balance at December 31, 2024	<u><u>\$ 4,183,510</u></u>	<u><u>3,546,384</u></u>	<u><u>2,966,801</u></u>	<u><u>10,696,695</u></u>
Balance at January 1, 2023	\$ 767,057	1,644,164	2,397,995	4,809,216
Additions	-	6,112	426,222	432,334
Disposal	-	(33,495)	(106,949)	(140,444)
Reclassifications	-	520	(2,810)	(2,290)
Effect of movements in exchange rates	(13)	(1,282)	(1,102)	(2,397)
Balance at December 31, 2023	<u><u>\$ 767,044</u></u>	<u><u>1,616,019</u></u>	<u><u>2,713,356</u></u>	<u><u>5,096,419</u></u>
Depreciation and impairments loss:				
Balance at January 1, 2024	\$ -	411,308	888,360	1,299,668
Depreciation	-	47,656	202,576	250,232
Disposal	-	(5,624)	(93,895)	(99,519)
Reclassifications	-	-	(768)	(768)
Effect of movements in exchange rates	-	2,224	1,120	3,344
Balance at December 31, 2024	<u><u>\$ -</u></u>	<u><u>455,564</u></u>	<u><u>997,393</u></u>	<u><u>1,452,957</u></u>
Balance at January 1, 2023	\$ -	392,180	773,034	1,165,214
Depreciation	-	53,451	196,295	249,746
Disposal	-	(33,495)	(78,113)	(111,608)
Reclassification	-	-	(2,133)	(2,133)
Impairment (reversal) loss	-	-	(56)	(56)
Effect of movements in exchange rates	-	(828)	(667)	(1,495)
Balance at December 31, 2023	<u><u>\$ -</u></u>	<u><u>411,308</u></u>	<u><u>888,360</u></u>	<u><u>1,299,668</u></u>
Carrying amounts:				
Balance at December 31, 2024	<u><u>\$ 4,183,510</u></u>	<u><u>3,090,820</u></u>	<u><u>1,969,408</u></u>	<u><u>9,243,738</u></u>
Balance at January 1, 2023	<u><u>\$ 767,057</u></u>	<u><u>1,251,984</u></u>	<u><u>1,624,961</u></u>	<u><u>3,644,002</u></u>
Balance at December 31, 2023	<u><u>\$ 767,044</u></u>	<u><u>1,204,711</u></u>	<u><u>1,824,996</u></u>	<u><u>3,796,751</u></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. The Group completed the transfer registration in March 2024.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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As of December 31, 2024, the Group provided property, plant and equipment as collateral for its long-term loans. As of December 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	13,548	145,364	25,407	184,319
Reclassification	(1,645)	(104,594)	(28,318)	(134,557)
Effect of movements in exchange rates	-	3,069	-	3,069
Balance at December 31, 2024	<u><u>\$ 35,079</u></u>	<u><u>803,890</u></u>	<u><u>100,353</u></u>	<u><u>939,322</u></u>
Balance at January 1, 2023	\$ 23,176	674,459	103,321	800,956
Additions	1,582	178,160	15,146	194,888
Reclassification	-	(1,454)	(466)	(1,920)
Disposals	(1,582)	(89,626)	(15,258)	(106,466)
Effect of movements in exchange rates	-	(1,488)	521	(967)
Balance at December 31, 2023	<u><u>\$ 23,176</u></u>	<u><u>760,051</u></u>	<u><u>103,264</u></u>	<u><u>886,491</u></u>
Depreciation:				
Balance at January 1, 2024	\$ 6,216	275,090	54,668	335,974
Depreciation	3,711	131,833	27,370	162,914
Reclassification	(1,645)	(103,329)	(27,296)	(132,270)
Effect of movements in exchange rates	-	1,653	-	1,653
Balance at December 31, 2024	<u><u>\$ 8,282</u></u>	<u><u>305,247</u></u>	<u><u>54,742</u></u>	<u><u>368,271</u></u>
Balance at January 1, 2023	\$ 4,150	223,265	41,849	269,264
Depreciation	3,648	118,934	28,542	151,124
Reclassification	-	(1,454)	(466)	(1,920)
Disposals	(1,582)	(64,883)	(15,257)	(81,722)
Effect of movements in exchange rates	-	(772)	-	(772)
Balance at December 31, 2023	<u><u>\$ 6,216</u></u>	<u><u>275,090</u></u>	<u><u>54,668</u></u>	<u><u>335,974</u></u>
Carrying amount:				
Balance at December 31, 2024	<u><u>\$ 26,797</u></u>	<u><u>498,643</u></u>	<u><u>45,611</u></u>	<u><u>571,051</u></u>
Balance at January 1, 2023	<u><u>\$ 19,026</u></u>	<u><u>451,194</u></u>	<u><u>61,472</u></u>	<u><u>531,692</u></u>
Balance at December 31, 2023	<u><u>\$ 16,960</u></u>	<u><u>484,961</u></u>	<u><u>48,596</u></u>	<u><u>550,517</u></u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(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.

The movements of investment property of the Group were as follows:

	<u>Buildings</u>
Cost:	
Balance at January 1, 2024	\$ 201,626
Effect of changes in foreign exchange rates	<u>7,158</u>
Balance at December 31, 2024	<u>\$ 208,784</u>
Balance at January 1, 2023	\$ 201,617
Effect of changes in foreign exchange rates	<u>9</u>
Balance at December 31, 2023	<u>\$ 201,626</u>
Accumulated depreciation and impairment losses:	
Balance at January 1, 2024	\$ 67,974
Depreciation	6,666
Effect of changes in foreign exchange rates	<u>2,427</u>
Balance at December 31, 2024	<u>\$ 77,067</u>
Balance at January 1, 2023	\$ 62,026
Depreciation	6,531
Effect of changes in foreign exchange rates	<u>(583)</u>
Balance at December 31, 2023	<u>\$ 67,974</u>
Carrying amount:	
Balance at December 31, 2024	<u>\$ 131,717</u>
Balance at January 1, 2023	<u>\$ 139,591</u>
Balance at December 31, 2023	<u>\$ 133,652</u>
Fair value:	
Balance at December 31, 2024	<u>\$ 253,907</u>
Balance at December 31, 2023	<u>\$ 226,550</u>

- (i) Parts of the Group's offices were leased to third parties. The fair value of the investment property is measured at the market price.
- (ii) As of December 31, 2024 and 2023, the Group did not provide any investment property as collateral for its loan.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (iii) As of December 31, 2024 and 2023, the fair value parts of investment property of the Group were not valuated by qualified independent appraiser. Instead, they were assessed based on the market value of transaction price of the real estate in the adjacent area, and the inputs of levels of fair value hierarchy were classified to level 3.

(k) Intangible assets

	<u>Goodwill</u>	<u>Unrealized orders</u>	<u>Customer relationship</u>	<u>Others</u>	<u>Total</u>
Cost:					
Balance at January 1, 2024	\$ 226,251	42,957	100,107	70,664	439,979
Acquired by the Group	-	-	-	22,617	22,617
Reclassification	-	-	-	(18,524)	(18,524)
Amortization	-	(21,659)	(12,538)	(26,938)	(61,135)
Impairment loss	(30,401)	-	-	-	(30,401)
Effect of changes in foreign exchange rates	-	-	-	1,270	1,270
Balance at December 31, 2024	<u>\$ 195,850</u>	<u>21,298</u>	<u>87,569</u>	<u>49,089</u>	<u>353,806</u>
Balance at January 1, 2023	\$ 226,251	64,616	112,645	64,571	468,083
Acquired by the Group	-	-	-	43,954	43,954
Amortization	-	(21,659)	(12,538)	(37,384)	(71,581)
Effect of changes in foreign exchange rates	-	-	-	(477)	(477)
Balance at December 31, 2023	<u>\$ 226,251</u>	<u>42,957</u>	<u>100,107</u>	<u>70,664</u>	<u>439,979</u>

The Group obtained control over its subsidiaries in the pervious years. The cost of investment that exceeds the fair value of identifiable net assets is recognized as goodwill. The goodwill recognized for the aforementioned transaction amounted to \$226,251. According to IAS 36, goodwill acquired in a business combination is tested for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to each of the acquirer's cash-generating units that are expected to benefit from the synergies of the combination. Therefore, goodwill is tested for impairment by comparing the recoverable amount of the subsidiary of the Company, Tai Ying Resource, with its carrying amount to determine whether an impairment loss should be recognized.

The recoverable amount of the subsidiary of the Company, Tai Ying Resource, was determined based on the value in use, which was calculated based on the cash flow forecast from the financial budgets covering the future period, and the Group used the annual discount rate of 15.42% in its impairment test for the years ended December 31, 2024. The discount rate was estimated based on the weighted average cost of capital. Based on the result of impairment test, the recoverable amounts of Tai Ying Resource's CGU, determined by the value in use, was lower than the carrying amounts of goodwill as of December 31, 2024. Therefore, the Group recognized an impairment loss of \$30,401, which was fully allocated to goodwill and recognized as non-operating income and expenses in statements of comprehensive Income.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(l) Other financial assets and other non-current assets

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

	December 31, 2024	December 31, 2023
Restricted assets	\$ 225,979	168,184
Other receivables	44,126	50,561
	<u>\$ 270,105</u>	<u>218,745</u>

As of December 31, 2024 and 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, and sport training courses had been collected in advance, etc, please refer to note 8.

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

	December 31, 2024	December 31, 2023
Restricted assets	\$ 66,225	35,551
Refundable deposits	261,470	267,209
Prepayments of land and buildings	-	1,375,516
Prepayment of equipments	45,297	10,366
Others	3,124	3,124
	<u>\$ 376,116</u>	<u>1,691,766</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 December 31, 2024 and 2023, the Group did provide any increase in restricted assets as collateral for its loan, please refer to note 8.

(m) Short-term borrowings

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

	December 31, 2024	December 31, 2023
Unsecured bank loans	<u>\$ 855,071</u>	<u>2,268,394</u>
Unused credit lines	<u>\$ 13,020,591</u>	<u>11,182,160</u>
Range of interest rates	<u>1.68%~5.6%</u>	<u>1.56%~6.73%</u>

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

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

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

(n) Long-term borrowings

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

December 31, 2024				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.69%~2.60%	2025.10~2036.9	\$ 1,159,596
Secured bank loans	NTD	2.00%~2.12%	2044.1	1,280,000
Less: current portion				(94,892)
Total				<u>\$ 2,344,704</u>
Unused credit lines				<u>\$ 600,000</u>

December 31, 2023				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	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>

(i) Issuance and repayments of long-term borrowings

The Group issued new long-term loans amounted to \$2,052,810 and \$161,485 in 2024 and 2023, respectively. The repayments amounted to \$987,229 and \$182,364 in 2024 and 2023, respectively.

(ii) As of December 31, 2024, the repayment schedule for the long-term borrowings was as follows:

Period	Amount
2025.1.1~2025.12.31	\$ 94,892
2026.1.1~2026.12.31	94,892
2027.1.1~2027.12.31	463,944
2028.1.1~2028.12.31	169,571
After 2029.1.1	<u>1,616,297</u>
	<u>\$ 2,439,596</u>

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(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:

	December 31, 2024	December 31, 2023
Total convertible corporate bonds issued	\$ 1,000,000	1,000,000
Cumulative converted amount	(450,900)	-
Unamortized discounted corporate bonds payable	<u>(15,476)</u>	<u>(40,871)</u>
	533,624	959,129
Unamortized issuing costs of corporate bonds payable	<u>(878)</u>	<u>(2,320)</u>
Corporate bonds issued balance at year-end	<u>\$ 532,746</u>	<u>956,809</u>
Embedded derivatives — call option, include in non-current financial assets at fair value through profit or loss	<u>\$ 410</u>	<u>-</u>
Equity component — conversion rights, include in capital surplus	<u>\$ 32,411</u>	<u>59,026</u>
	<u>2024</u>	<u>2023</u>
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	<u>\$ 410</u>	<u>(100)</u>
Interest expenses	<u>\$ (14,196)</u>	<u>(8,696)</u>

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

The significant terms of the aforementioned convertible bonds were as follow as:

- 1) Interest rate: 0%
- 2) Duration: Three years (June 29, 2023 to June 29, 2026)
- 3) Redemption methods

Within the period between three month after the issuance date and 40 days before the last convertible date, if the closing price of the Company's ordinary shares on the TWSE for a period of 30 consecutive trading days before redemption has been at least 30% of the conversion price in effect on each such trading day, or the outstanding balance of convertible bonds is lower than \$100,000 (10% of the total amount originally issued), the Company may redeem all the bonds in cash, at par value, within five business days after the base date of reclamation of the bonds.

- 4) Terms of conversion

- a) The debtors may opt to have its bonds converted into the Company's ordinary share at par value and at the conversion price at the time the conversion is requested, from the day following the expiration of three month after the issuance of the convertible corporate debt, up to the expiry date, except for the following:

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- i) The period during which the transfer of ordinary shares of the Company is suspended in accordance with the law and the period commencing from the date on which the transfer of bonus share issued ceases.
 - ii) The date on which the transfer of cash dividends ceases or 15 business days before the date on which the transfer of shares of cash capital increase ceases, until the date of record for the distribution of the rights or benefits.
 - iii) The period starting from the date of record of the capital decrease and ends on the date prior to the trading of the reissuance shares after the capital decrease, where the conversion request is denied from the conversion cease date of changing par value of shares until the day before trading of reissuance shares with new shares.
 - iv) The conversion cease date of the changing of par value of shares mentioned in the previous paragraph which refers to one business day before the change of registration is applied to the Ministry of Economic Affairs.
- b) Conversion price: NT\$200 per share.
- (ii) The information on the Company's convertible options separated from its recognized liabilities was as follows:

The compounded interest present values of the convertible bond's face value	\$ 950,900
The embedded derivative asset at issuance — call option	(100)
The equity components at issuance	<u>59,200</u>
The total amount of the convertible bonds at issuance	<u><u>\$ 1,010,000</u></u>
- (iii) The above components of equity were recorded under capital surplus - conversion rights. The second unsecured convertible bond issuance costs were allocated to capital surplus - conversion rights at the total amount of \$174 in accordance with IFRSs.
- (iv) For the year ended December 31, 2024, the bondholders exercised their conversion rights for convertible bonds with a face value of \$450,900, which were converted into ordinary shares and bond conversion entitlement certificates of \$18,546 and \$4,851, respectively, offsetting the discount on the bonds payable of \$12,641. The capital surplus generated was recognized at \$414,856 (including the write-down on capital surplus - stock options of \$26,615 and the cash refund from fractional shares of \$6). As of December 31, 2024, there was still a remaining face value of \$549,100 of corporate bonds that has not been converted. In addition to the above, the Group did not issue, repurchase, or repay any outstanding corporate bonds for the year ended December 31, 2024.

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

(p) Lease liabilities

The lease liabilities of the Group were as follows:

	December 31, 2024	December 31, 2023
Current	\$ <u>124,041</u>	<u>133,265</u>
Non-current	\$ <u>445,915</u>	<u>415,479</u>

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

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	\$ <u>9,079</u>	<u>8,299</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>22,536</u>	<u>22,318</u>
Expenses relating to short-term leases	\$ <u>21,864</u>	<u>14,343</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>15,777</u>	<u>13,196</u>

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

	2024	2023
Total cash outflow for leases	\$ <u>231,322</u>	<u>204,115</u>

(i) Real estate leases

As of December 31, 2024 and 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.

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.

(Continued)

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

(q) Provisions

	Warranties	Onerous contracts	Total
Balance at January 1, 2024	\$ 219,519	83,384	302,903
Provisions made during the period	30,777	35,337	66,114
Provisions used during the period	(99,975)	-	(99,975)
Provisions reversed during the period	(5,084)	(64,000)	(69,084)
Effect of changes in foreign exchange rates	6,599	449	7,048
Balance at December 31, 2024	<u><u>\$ 151,836</u></u>	<u><u>55,170</u></u>	<u><u>207,006</u></u>
Balance at January 1, 2023	\$ 23,805	157,566	181,371
Provisions made during the period	220,266	5,828	226,094
Provisions used during the period	(20,851)	-	(20,851)
Provisions reversed during the period	(483)	(79,562)	(80,045)
Effect of changes in foreign exchange rates	(3,218)	(448)	(3,666)
Balance at December 31, 2023	<u><u>\$ 219,519</u></u>	<u><u>83,384</u></u>	<u><u>302,903</u></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

	December 31, 2024	December 31, 2023
Less than one year	\$ 8,951	7,489
Between one and two years	4,261	7,375
Between two and three years	-	3,911
	<u><u>\$ 13,212</u></u>	<u><u>18,775</u></u>

Rental income from investment properties were \$8,857 and \$7,938 in 2024 and 2023, respectively, and recognized as other income in the consolidated statements of comprehensive income.

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

(s) Employee benefits

(i) Defined benefit plans

Reconciliations of the defined benefit obligations at present value and plan assets at present value were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$ (268,580)	(249,275)
Fair value of plan assets	130,801	116,657
Net defined benefit liabilities	<u>\$ (137,779)</u>	<u>(132,618)</u>

The Group makes defined benefit plan contributions to the pension fund account at the Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$130,801 as of reporting date. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

	2024	2023
Defined benefit obligation at January 1	\$ (249,275)	(243,058)
Current service costs and interest costs	(4,353)	(4,522)
Benefits paid	-	5,375
Remeasurements of net defined benefit liabilities	(14,952)	(7,070)
Defined benefit obligations at December 31	<u>\$ (268,580)</u>	<u>(249,275)</u>

(Continued)

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

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<u>2024</u>	<u>2023</u>
Fair value of plan assets at January 1	\$ 116,657	111,880
Contributions paid by the employer	2,400	2,400
Expected return on plan assets	1,473	1,522
Remeasurements of net defined benefit liabilities	10,271	855
Fair value of plan assets at December 31	<u>\$ 130,801</u>	<u>116,657</u>
Actual return on plan assets	<u>\$ 11,745</u>	<u>2,377</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Service cost	\$ 745	726
Net interest of net liabilities for defined benefit obligations	2,135	2,274
	<u>\$ 2,880</u>	<u>3,000</u>
Selling expenses	\$ -	-
Administrative expenses	2,880	3,000
	<u>\$ 2,880</u>	<u>3,000</u>

5) Remeasurement of net defined benefit liability recognized in other comprehensive income:

The Group's re-measurements of the net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Accumulated amount at January 1	\$ 55,804	49,589
Recognized during the period	4,681	6,215
Accumulated amount at December 31	<u>\$ 60,485</u>	<u>55,804</u>

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

6) Actuarial assumptions

The following are the Group's principal actuarial assumptions at the reporting date:

	December 31, 2024	December 31, 2023
Discount rate	2.000%	1.625%
Future salary increases rate	4.00%	3.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one year period after the reporting date is \$2,400.

The weighted-average lifetime of the defined benefit plan is 11.84 years.

7) Sensitivity analysis

If the main actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Effects to the defined benefit obligation	
	Increased 0.25%	Decreased 0.25%
December 31, 2024		
Discount rate	\$ (4,149)	4,272
Future salary increasing rate	4,086	(3,991)
December 31, 2023		
Discount rate	(4,155)	4,284
Future salary increasing rate	4,124	(4,022)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for this period and previous period.

(ii) Defined contribution plans

The domestic Group entities allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the domestic Group entities allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The domestic Group entities recognized the pension costs under the defined contribution method amounting to \$56,220 and \$55,695 for the years ended December 31, 2024 and 2023, respectively. Payment was made to the Bureau of Labor Insurance.

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

Other subsidiaries recognized the pension expense, basic endowment insurance expense, and social welfare expenses amounting to \$22,480 and \$20,329 for the years ended December 31, 2024 and 2023, respectively.

(t) Income taxes

(i) Income tax expenses

1) The components of income tax were as follows:

	<u>2024</u>	<u>2023</u>
Current period	\$ 956,089	810,772
Surtax on unappropriated earnings	<u>41,348</u>	<u>82,129</u>
	997,437	892,901
Deferred tax expense		
Origination and reversal of temporary differences	<u>66,928</u>	<u>134,653</u>
	<u>66,928</u>	<u>134,653</u>
Current tax expense	<u><u>\$ 1,064,365</u></u>	<u><u>1,027,554</u></u>

2) The amounts of income tax recognized in other comprehensive income were as follows:

	<u>2024</u>	<u>2023</u>
Items that may not be reclassified subsequently to profit or loss:		
Remeasurements from defined benefit plans	\$ (936)	(1,243)
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	<u>34,041</u>	<u>(9,973)</u>
	<u><u>\$ 33,105</u></u>	<u><u>(11,216)</u></u>

3) Reconciliations of income tax and profit before tax for 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Profit before tax	\$ 4,729,456	3,880,468
Income tax calculated based on local tax rate of the Company	1,329,215	1,120,449
Tax exemption income, and domestic investment income, net	(244,045)	(164,166)
Effect of foreign dividend income and its applicable exchange rate difference	19,492	1,326
Changes in unrecognized deferred tax assets	15,223	(19,384)
Estimated difference adjustment and others	(3,092)	7,200
Surtax on unappropriated earnings	41,348	82,129
Surtax on unappropriated earnings practical adjustment	<u>(93,776)</u>	<u>-</u>
	<u><u>\$ 1,064,365</u></u>	<u><u>1,027,554</u></u>

(Continued)

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

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

The Group's deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible temporary differences	\$ 47,572	36,803
Tax carryforward of unused tax losses	355,750	373,421
	<u>\$ 403,322</u>	<u>410,224</u>

Deferred tax assets were not recognized because the deductible temporary differences may not be realized in the future.

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized is as follows:

Year of loss	Expiry year	Unused tax loss
2015 (Assessed)	2025	\$ 127,995
2016 (Assessed)	2026	133,545
2017 (Assessed)	2027	242,708
2018 (Assessed)	2028	204,211
2019 (Assessed)	2029	206,368
2020 (Assessed)	2030	135,217
2021 (Assessed)	2031	179,173
2022 (Assessed)	2032	175,924
2023 (Filed)	2033	197,433
2024 (Estimated)	2034	176,174
		<u>\$ 1,778,748</u>

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

2) Recognized deferred tax assets and liabilities

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

	Defined benefit plan	Foreign investment loss under equity method	Exchange differences on translation of foreign financial statements	Others	Total
Deferred tax assets:					
Balance at January 1, 2024	\$ 27,391	4,578	21,510	22,199	75,678
Recognized in profit or loss	96	(2,172)	-	5,848	3,772
Recognized in other comprehensive income	936	-	(21,510)	-	(20,574)
Balance at December 31, 2024	<u>\$ 28,423</u>	<u>2,406</u>	<u>-</u>	<u>28,047</u>	<u>58,876</u>
Balance at January 1, 2023	\$ 27,103	1,515	11,537	18,544	58,699
Recognized in profit or loss	(955)	3,063	-	3,655	5,763
Recognized in other comprehensive income	1,243	-	9,973	-	11,216
Balance at December 31, 2023	<u>\$ 27,391</u>	<u>4,578</u>	<u>21,510</u>	<u>22,199</u>	<u>75,678</u>
	Foreign investment income under equity method	Exchange differences on translation of foreign financial statements	Others	Total	
Deferred tax liabilities:					
Balance at January 1, 2024	\$ 578,475	-	17,277	595,752	
Recognized in profit or loss	71,437	-	(737)	70,700	
Recognized in other comprehensive income	-	12,531	-	12,531	
Balance at December 31, 2024	<u>\$ 649,912</u>	<u>12,531</u>	<u>16,540</u>	<u>678,983</u>	
Balance at January 1, 2023	\$ 435,757	-	19,579	455,336	
Recognized in profit or loss	142,718	-	(2,302)	140,416	
Balance at December 31, 2023	<u>\$ 578,475</u>	<u>-</u>	<u>17,277</u>	<u>595,752</u>	

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iii) The ROC tax authorities have examined the income tax returns of the Company, as well as Chien Yueh, Xports Sports, Taiwan E&M, Kuan Yueh Technology, Anyong Biotechnology, Tai Ying Resource, Ding Yue Solar, Multi Rich Technology, Kanbo Biomedical, Xiang Yueh, Cityspace International, Jing Chen Energy, Jing Yueh Energy, Jing Yang Energy, Yun Yueh Technology, Jia Yi Energy, Top Vacuum, Unitech New Energy Engineering, Topchem Materials, Topco International Investment, Topco Investment, Anyong Lohas and Anyong Fresh Mart through 2022.

(u) Capital and other equities

(i) Common stock

As of December 31, 2024 and 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 191,040 and 188,700 thousand of ordinary shares were issued, respectively. All issued shares were paid up upon issuance.

- (ii) Reconciliations of shares outstanding for 2024 and 2023 are as follows (in thousands of shares):

	Ordinary Shares	
	2024	2023
Balance on January 1	188,700	181,700
Capital increase by cash	-	7,000
Conversion of convertible bonds	2,340	-
Balance on December 31	191,040	188,700

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 2,340 new thousand shares to convertible bond holders who exercised their conversion rights at face value, with a total amount of \$23,397 for the years ended December 31, 2024. As of December 31, 2024, the legal registration procedures of 485 thousand shares have not been completed, they are recognized as certificate of entitlement to new shares from convertible bond.

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

(iii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Capital premium	\$ 2,879,173	2,626,402
Convertible bonds-conversion options	32,411	59,026
Stock option-fair value differences of associates and joint ventures accounted under equity method	2,270	2,285
Changes in the equity ownership of the subsidiaries	1,965	706
Others	422	422
	<u>\$ 2,916,241</u>	<u>2,688,841</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

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.

(iv) 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.

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

1) Legal reverse

When a company incurs no loss, it may pursuant to a resolution by the shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash. Only the portion of the legal reserve which exceeds 25% of capital may be distributed.

2) Special reverse

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, while distributing the surplus, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amount of cash dividends of appropriations of earnings for 2023 and 2022 had been approved in the Board meetings held on February 29, 2024 and March 13, 2023, respectively. The amount of other appropriation items of earnings for 2024 and 2023 had been approved in the regular shareholders' meetings held on May 30, 2023 and 2022, respectively. These earnings were appropriated as follows:

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

On February 27, 2025, the Company's Board of Directors resolved to appropriate the 2024 earnings. These earnings were appropriated as follows:

	2024	
	Amount per share NT (Dollars)	Total amount
Dividends distributed to common shareholder:		
Cash dividends	\$ 12.0	2,293,351

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

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

(v) 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	137,335	-	137,335
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	319,949	319,949
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(49,105)	(49,105)
Balance at December 31, 2024	<u><u>\$ 46,882</u></u>	<u><u>1,137,221</u></u>	<u><u>1,184,103</u></u>
Balance at January 1, 2023	\$ (47,734)	804,881	757,147
Exchange differences on foreign operations:			
The Group	(42,719)	-	(42,719)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	37,321	37,321
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	24,175	24,175
Balance at December 31, 2023	<u><u>\$ (90,453)</u></u>	<u><u>866,377</u></u>	<u><u>775,924</u></u>

(v) Share-based payment

	<u>Equity-settled</u>
	<u>Capital increase reserved for 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:

	<u>2024</u>	<u>2023</u>
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ <u>3,655,935</u>	<u>2,835,024</u>
Weighted-average number of outstanding ordinary shares (thousand)	<u>189,549</u>	<u>184,616</u>
Basic earnings per share (dollars)	\$ <u>19.29</u>	<u>15.36</u>
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ 3,655,935	2,835,024
The after-tax impact of interest on convertible bonds and other income or losses	<u>13,633</u>	<u>8,702</u>
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	\$ <u>3,669,568</u>	<u>2,843,726</u>
Weighted-average number of outstanding ordinary shares (thousand)	189,549	184,616
Effect of dilutive potential ordinary shares (thousand)		
Effect of employee share bonuses	1,600	2,009
Effect of conversion of convertible bonds	<u>4,236</u>	<u>2,534</u>
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>195,385</u>	<u>189,159</u>
Diluted earnings per share (dollars)	\$ <u>18.78</u>	<u>15.03</u>

(x) Revenue from contracts with customers

(i) Details of revenue

	<u>2024</u>			
	<u>Semiconductor and electronics divisions</u>	<u>Environmental engineering divisions</u>	<u>Other divisions</u>	<u>Total</u>
Primary geographical markets:				
Taiwan	\$ 22,676,902	1,789,338	1,732,579	26,198,819
China	22,825,992	3,667,581	36	26,493,609
Others	<u>3,789,619</u>	<u>491,632</u>	<u>23,434</u>	<u>4,304,685</u>
	<u>\$ 49,292,513</u>	<u>5,948,551</u>	<u>1,756,049</u>	<u>56,997,113</u>
Major products / services:				
Semiconductor and optoelectronic industries	\$ 49,292,513	-	-	49,292,513
Water purification and construction of dust-proof room	-	5,948,551	-	5,948,551
Others	<u>-</u>	<u>-</u>	<u>1,756,049</u>	<u>1,756,049</u>
	<u>\$ 49,292,513</u>	<u>5,948,551</u>	<u>1,756,049</u>	<u>56,997,113</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	2023			
	Semiconductor and electronics divisions	Environmental engineering divisions	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 20,291,149	2,049,566	1,721,944	24,062,659
China	18,296,825	4,748,000	192	23,045,017
Others	1,892,964	255,614	17,201	2,165,779
	<u><u>\$ 40,480,938</u></u>	<u><u>7,053,180</u></u>	<u><u>1,739,337</u></u>	<u><u>49,273,455</u></u>
Major products / services:				
Semiconductor and optoelectronic industries	\$ 40,480,938	-	-	40,480,938
Water purification and construction of dust-proof room	-	7,053,180	-	7,053,180
Others	-	-	1,739,337	1,739,337
	<u><u>\$ 40,480,938</u></u>	<u><u>7,053,180</u></u>	<u><u>1,739,337</u></u>	<u><u>49,273,455</u></u>

(ii) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (including related parties)	\$ 8,556,080	6,697,771	7,230,934
Less: allowance for impairment	28,070	42,398	66,543
Total	<u><u>\$ 8,528,010</u></u>	<u><u>6,655,373</u></u>	<u><u>7,164,391</u></u>
Contract assets — construction	<u><u>\$ 1,586,101</u></u>	<u><u>1,726,003</u></u>	<u><u>1,671,753</u></u>
Contract liabilities — construction	\$ 1,387,818	853,781	1,368,819
Contract liabilities — unearned revenue	683,168	456,885	418,987
Total	<u><u>\$ 2,070,986</u></u>	<u><u>1,310,666</u></u>	<u><u>1,787,806</u></u>

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

The amounts of revenue recognized for the years ended December 31, 2024 and 2023 that were included in contract liability balance at the beginning of the period were \$407,323 and \$363,098, 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 and years ended December 31, 2024 and 2023.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(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 years ended December 31, 2024 and 2023, the Company estimated its employees' remuneration amounting to \$376,891 and \$306,198, respectively, and the directors' remuneration amounting to \$94,223 and \$76,549, 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 years ended December 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.

(z) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	2024	2023
Government grants	\$ 64,476	46,285
Dividends income	80,285	104,268
Rental income	9,421	8,618
Indemnity income	181	10,767
Others	11,902	13,848
	\$ 166,265	183,786

(ii) Other gains and losses

The details of other gains and losses were as follows:

	2024	2023
Foreign currency exchange gains (losses), net	\$ 8,451	(13,740)
Gains on financial assets at fair value through profit or loss, net	83,755	80,149
Losses on disposal of property, plant and equipment, net	(10,247)	(26,108)
Others	(7,529)	(658)
	\$ 74,430	39,643

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(aa) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration to credit risk

Apart from the Group's most significant customer, Customer A, the Group has no exposure to credit risk of any individual counterparty or any group of counterparties with similar credit characteristics. Those related parties of which having transactions with the Group are regarded as group of counterparties with similar credit characteristics.

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 years ended December 31, 2024 and 2023, the loss allowance provisions were determined as follows:

	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 14,355	14,355
Impairment loss	<u>125</u>	<u>-</u>
Balance at December 31	<u><u>\$ 14,480</u></u>	<u><u>14,355</u></u>

(ii) Liquidity risk

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	<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, 2024					
Non-derivative financial liabilities					
Short-term and long-term bank loans	\$ 3,294,667	(3,768,215)	(1,006,671)	(148,612)	(2,612,932)
Notes and accounts payable (including related parties)	9,556,451	(9,556,451)	(9,556,451)	-	-
Accrued expenses and other payables	1,500,091	(1,500,091)	(1,500,091)	-	-
Lease liabilities (including current and non-current)	569,956	(613,412)	(132,025)	(87,822)	(393,565)
Bonds payable	532,746	(549,100)	-	(549,100)	-
Guarantee deposits received	164,178	(164,178)	-	-	(164,178)
	<u><u>\$ 15,618,089</u></u>	<u><u>(16,151,447)</u></u>	<u><u>(12,195,238)</u></u>	<u><u>(785,534)</u></u>	<u><u>(3,170,675)</u></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)
Bonds payable	956,809	(1,000,000)	-	-	(1,000,000)
Guarantee deposits received	157,308	(157,308)	-	-	(157,308)
	<u><u>\$ 13,203,531</u></u>	<u><u>(13,479,750)</u></u>	<u><u>(10,426,967)</u></u>	<u><u>(804,641)</u></u>	<u><u>(2,248,142)</u></u>

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

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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)

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
USD	\$	99,559 USD/NTD= 32.785	3,264,042	85,034 USD/NTD= 30.705		2,610,969
USD		82,180 USD/CNY= 7.3213	2,694,253	62,421 USD/CNY= 7.0961		1,916,626
JPY		6,733,016 JPY/NTD= 0.2099	1,413,260	4,576,599 JPY/NTD= 0.2172		994,037
JPY		2,974,875 JPY/CNY= 0.0469	624,778	1,623,910 JPY/CNY= 0.0502		352,738
Financial liabilities						
USD	\$	89,643 USD/NTD= 32.785	2,938,946	75,342 USD/NTD= 30.705		2,313,376
USD		82,351 USD/CNY= 7.3213	2,699,860	39,675 USD/CNY= 7.0961		1,218,214
JPY		6,017,921 JPY/NTD= 0.2099	1,263,162	4,046,191 JPY/NTD= 0.2172		878,883
JPY		2,119,986 JPY/CNY= 0.0469	445,236	1,477,776 JPY/CNY= 0.0502		320,996

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 December 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.

	December 31, 2024	December 31, 2023
USD (against the NTD)		
Appreciation 5%	\$ 16,255	14,880
Depreciation 5%	(16,255)	(14,880)
USD (against the CNY)		
Appreciation 5%	(280)	34,921
Depreciation 5%	280	(34,921)

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	<u>December 31, 2024</u>	<u>December 31, 2023</u>
JPY (against the NTD)		
Appreciation 5%	7,505	5,758
Depreciation 5%	(7,505)	(5,758)
JPY (against the CNY)		
Appreciation 5%	8,977	1,587
Depreciation 5%	(8,977)	(1,587)

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>2024</u>	<u>2023</u>
Foreign exchange gains (losses) (including realized and unrealized portions)	\$ <u>8,451</u>	<u>(13,740)</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>December 31, 2024</u>	<u>December 31, 2023</u>
Variable rate instruments:		
Financial assets	\$ 4,323,139	3,144,443
Financial liabilities	3,284,667	2,246,203

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.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

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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 years ended December 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.

	<u>2024</u>	<u>2023</u>
Interest rate increased by 0.25%	\$ 2,596	2,246
Interest rate decreased by 0.25%	(2,596)	(2,246)

(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:

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	December 31, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Convertible bonds - embedded derivatives	\$ 410	-	-	410	410
Non-derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate funds	321,019	321,019	-	-	321,019
Non-derivative financial assets mandatorily measured at fair value through profit or loss-domestic listed stocks	149,983	149,983	-	-	149,983
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign listed stocks	72,406	72,406	-	-	72,406
Non-derivative financial assets mandatorily measured at fair value through profit or loss-unlisted stocks and limited partnership	381,453	99,756	-	281,697	381,453
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>26,580</u>	-	-	26,580	26,580
Subtotal	<u>951,851</u>				
Financial assets at fair value through other comprehensive income	<u>1,524,600</u>	186,800	-	1,337,800	1,524,600
Financial assets measured at amortized cost					
Cash and cash equivalents	5,162,017	-	-	-	-
Notes and accounts receivable (including related parties)	8,528,010	-	-	-	-
Other current financial assets	270,105	-	-	-	-
Other non-current assets (refundable deposits and pledged assets-time deposits)	<u>327,695</u>	-	-	-	-
Subtotal	<u>14,287,827</u>				
Total	<u>\$ 16,764,278</u>				

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December 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	\$ 3,294,667	-	-	-	-
Notes and accounts payable (including related parties)	9,556,451	-	-	-	-
Accrued expenses and other payables	1,500,091	-	-	-	-
Lease liabilities (including current and non-current)	569,956	-	-	-	-
Bonds payable	532,746	-	-	-	-
Guarantee deposits received	164,178	-	-	-	-
Total	<u>\$ 15,618,089</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	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>				
Financial assets at fair value through other comprehensive income					
	1,376,325	241,034	-	1,135,291	1,376,325

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	December 31, 2023				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
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><u>\$ 16,161,668</u></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><u>\$ 13,203,531</u></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.

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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.

5) Transfers between levels

The Group's equity holdings in Win Win Precision Technology Co., Ltd., and TFBS BIOSCIENCE, INC., with the fair values of \$189,464 and \$48,689, 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 both above companies' equity shares have been listed on an active market in January and May, 2023, their fair value measurement had been reclassified from Level 3 to Level 1 of the fair value hierarchy as of March 31 and June 30, 2023, respectively.

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	
	Derivative financial assets - convertible bonds	Equity investment without quoted price	Debt investment without quoted price	Equity investment without quoted price	Total
Balance at January 1, 2024	\$ -	-	241,485	1,135,291	1,376,776
Total gains and losses recognized:					
In profit	410	7,161	4,063	-	11,634
In other comprehensive income	-	-	-	202,509	202,509
Purchased	-	47,000	25,500	-	72,500
Proceeds of capital reduction of investment	-	-	(16,932)	-	(16,932)
Balance at December 31, 2024	<u>\$ 410</u>	<u>54,161</u>	<u>254,116</u>	<u>1,337,800</u>	<u>1,646,487</u>
Balance at January 1, 2023	\$ -	189,464	168,602	1,195,411	1,553,477
Issued	100	-	-	-	100
Total gains and losses recognized:					
In profit	(100)	-	19,917	-	19,817
In other comprehensive income	-	-	-	(11,431)	(11,431)
Purchased	-	-	73,888	-	73,888
Proceeds of capital reduction of investment	-	-	(20,922)	-	(20,922)
Reclassify from level 3	-	(189,464)	-	(48,689)	(238,153)
Balance at December 31, 2023	<u>\$ -</u>	<u>-</u>	<u>241,485</u>	<u>1,135,291</u>	<u>1,376,776</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.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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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.

The quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter relationships between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income — equity investment without quoted price	Comparable market approach	Price Book ratio multiples. (8.18~93.68 and 6.74~81.32 respectively, on December 31, 2024 and 2023)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% all on December 31, 2024 and 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. (28.04~50.00 on December 31, 2024)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% on December 31, 2024)	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 (27.24% and 16.41% respectively, on December 31, 2024 and 2023)	The higher the volatility, the higher the fair value will be.

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- 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:

			Impacts of fair value change on net income or loss		Impacts of fair value change on other comprehensive income	
	Input	Move up or down	Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2024						
Financial assets at fair value through profit or loss						
Equity investment without quoted price	P/B ratio	5%	\$ <u>2,707</u>	<u>(2,706)</u>	<u>-</u>	<u>-</u>
	Lack of marketability discount	5%	\$ <u>3,386</u>	<u>(3,384)</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>66,842</u>	<u>(66,842)</u>
	Lack of marketability discount	5%	\$ <u>-</u>	<u>-</u>	<u>83,612</u>	<u>(83,612)</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>

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

(i) Briefings

The Group is exposed to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

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

(ii) Structure of risk management

The Group's finance department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative and non-derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group's policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, and these limits are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Trade and other receivables mainly relate to a wide range of customers from different industries and geographic regions. The Group continued to assess the financial condition and credit risk of its customers, by grouping account and other receivables based on their characteristics.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

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

3) Guarantees

Pursuant to the Group's policies, it is only permissible to provide financial guarantees to subsidiaries, companies that the Group has business with, and the investees, based on the percentage of ownership by each shareholder. As of December 31, 2024 and 2023, no the guarantees provided to non-subsidiaries were outstanding. The guarantees provided to subsidiaries please refer to note 13(a).

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Loans and borrowings from the bank is an important source of liquidity for the Group. The Group's unused credit line were amounted to \$13,020,591 and \$11,182,160 as of December 31, 2024 and 2023, respectively.

(v) Market risk

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

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the Group, primarily JPY and USD.

2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow.

3) Other price risk

The Group is exposed to equity price risk arising from mutual funds, listed companies' equity investments and emerging stock investments.

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

(ac) Capital management

The policy of Board of Directors is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings and non-controlling interests. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors the capital structure by way of periodical review on the liability ratio. The management decides to optimize its capital by using appropriate debt-to-equity ratio. The capital of the Group represents the total equity stated in the consolidated balance sheets that is equal to the total assets, minus, total liabilities.

As of December 31, 2024 and 2023, the liability ratios were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 19,268,399	16,291,228
Total assets	37,274,912	31,635,539
Liability ratio	52 %	51 %

As of December 31, 2024, there were no changes in the Group's approach to capital management.

(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 years ended December 31, 2024 and 2023, included the acquisition of right-of-use assets through lease and conversion of convertible bonds to ordinary shares. Please refer to notes 6(i) and 6(o) for details.

Reconciliations of liabilities arising from financing activities were as follows:

			Non-cash changes				
	January 1, 2024	Cash flows	Additions of leases	Cancellation of leases	Foreign exchange movement	Others	December 31, 2024
Short term borrowings	\$ 2,268,394	(1,413,323)	-	-	-	-	855,071
Long term borrowings	1,374,015	1,065,581	-	-	-	-	2,439,596
Bonds payable	956,809	-	-	-	-	(424,063)	532,746
Lease liabilities	548,744	(162,066)	184,319	(2,111)	1,070	-	569,956
Guarantee deposits received	157,308	6,870	-	-	-	-	164,178
Total liabilities from financing activities	<u>\$ 5,305,270</u>	<u>(502,938)</u>	<u>184,319</u>	<u>(2,111)</u>	<u>1,070</u>	<u>(424,063)</u>	<u>4,561,547</u>

			Non-cash changes				
	January 1, 2023	Cash flows	Additions of leases	Cancellation of leases	Foreign exchange movement	Others	December 31, 2023
Short term borrowings	\$ 755,033	1,513,361	-	-	-	-	2,268,394
Long term borrowings	1,394,894	(20,879)	-	-	-	-	1,374,015
Bonds payable	-	1,007,039	-	-	-	(50,230)	956,809
Lease liabilities	532,286	(145,959)	194,888	(31,524)	(947)	-	548,744
Guarantee deposits received	158,950	(1,642)	-	-	-	-	157,308
Total liabilities from financing activities	<u>\$ 2,841,163</u>	<u>2,351,920</u>	<u>194,888</u>	<u>(31,524)</u>	<u>(947)</u>	<u>(50,230)</u>	<u>5,305,270</u>

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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
Xinchongxin Technology (Xinchongxin)	An associate
Topco Athletic Training Performance Development Association	Other related party
Maniflod Technology Co., LTD. (Maniflod)	The Group is the corporate director of the related party

(b) Transactions with key management personnel

Key management personnel compensation comprised:

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 359,389	349,356
Post-employment benefits	3,346	3,386
Share-based payments	-	6,290
	<u>\$ 362,735</u>	<u>359,032</u>

(c) Significant transactions with related party

(i) Sales

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

	<u>2024</u>	<u>2023</u>
Associates	\$ 8,145	2,478
Other related parties	12,826	20,811
	<u>\$ 20,971</u>	<u>23,289</u>

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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:

	<u>2024</u>	<u>2023</u>
Associates:		
Topco Quartz	\$ 338,251	426,611
Other associates	2,158	4,563
Other related parties:		
Shin-Etsu Handotai Taiwan	416,424	377,161
Other related parties	<u>320</u>	<u>237</u>
	<u>\$ 757,153</u>	<u>808,572</u>

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:

	<u>2024</u>	<u>2023</u>
Associates	\$ 1,479,902	750,060
Other related parties:		
Shin-Etsu Handotai Taiwan	7,724,520	5,572,671
Other related parties	<u>2,009</u>	<u>452</u>
	<u>\$ 9,206,431</u>	<u>6,323,183</u>

Purchase prices from related parties were similar to those from 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.

(iii) Donation Expenses

The Group donated the amount of \$35,000 to the other related parties of the Company, Topco Athletic Training Performance Development Association, and recognized it as operating expenses in statements of comprehensive income.

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

(iv) Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Associates:		
Accounts receivable	Topco Quartz	\$ 54,152	50,723
Accounts receivable	Other associates	62	15,717
	Other related parties:		
	Shin-Etsu Handotai		
Accounts receivable	Taiwan	75,304	65,636
Accounts receivable	Other related parties	67	92
		<u>\$ 129,585</u>	<u>132,168</u>

(v) Payables to related parties

The payables to related parties were as follows:

<u>Accounts</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Associates:		
Accounts payable	Topco Quartz	\$ 257,066	231,962
Accounts payable	Other associates	23,251	14,810
	Other related parties:		
	Shin-Etsu Handotai		
Accounts payable	Taiwan	2,391,134	1,025,669
Accounts payable	Other related parties	345	250
		<u>\$ 2,671,796</u>	<u>1,272,691</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Subject</u>	<u>December 31, 2024</u>	<u>December 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	\$ 225,616	167,821
Other non-current assets – time deposits	Lease for plant, and guarantees for long term borrowings	66,225	35,551
Property, plant and equipment	Guarantees for long term borrowings	5,334,597	-
		<u>\$ 5,626,438</u>	<u>203,372</u>

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

(9) Commitments and contingencies:

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

	December 31, 2024	December 31, 2023
Commitments for construction contracts	<u>\$ 2,921,423</u>	<u>2,260,600</u>
Bank guarantees to construction contracts	<u>\$ 1,773,771</u>	<u>1,739,105</u>
Acquisition of property, plant and equipment	<u>\$ -</u>	<u>3,974,484</u>

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

	December 31, 2024	December 31, 2023
Unused and outstanding letters of credit	<u>\$ 1,233,984</u>	<u>1,127,000</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

(12) Other:

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

By item	2024			2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	449,815	2,148,961	2,598,776	494,792	1,740,761	2,235,553
Labor and health insurance	55,857	107,315	163,172	52,462	102,648	155,110
Pension	11,532	70,048	81,580	13,538	65,486	79,024
Remuneration of directors	-	95,312	95,312	-	77,832	77,832
Others	16,601	119,478	136,079	17,713	94,675	112,388
Depreciation	168,792	251,020	419,812	148,708	258,693	407,401
Amortization	2,492	58,643	61,135	1,820	69,761	71,581

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

(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 year ended December 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 December 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: None.
- (x) Business relationships and significant intercompany transactions: Please refer to table 5.

(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 December 31, 2024: None.

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

(14) Segment information:

(a) General information

The basis of segmentation of the Group are different products and services. The reportable segments include advanced material division, semiconductor and electronics division and environmental engineering group. Other segments engage mainly in sales of used machine equipment business and retail sales.

(b) Reportable segments and operating segment information

The Group did not allocate tax expense to the reportable segments. The amounts of the Group's reportable segments are the same as those in the reports used by the chief operating decision maker. The accounting policies for the operating segments are the same as those in Note 2. The profit or loss of the Group's operating segments is measured by profit or loss before tax, and is considered as the basis for performance assessment.

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

	Semiconductor and electronics division	Environmental engineering group	Other divisions	Adjustment and elimination	Total
2024					
Revenue					
Revenue from external customers	\$ 49,292,513	5,948,551	1,756,049	-	56,997,113
Revenue from segments	782,773	224,039	227,388	(1,234,200)	-
Interest income	-	-	-	-	-
Total revenue	<u>\$ 50,075,286</u>	<u>6,172,590</u>	<u>1,983,437</u>	<u>(1,234,200)</u>	<u>56,997,113</u>
Interest expense	73,879	11,262	28,537	-	113,678
Depreciation and amortization	233,431	7,196	240,320	-	480,947
Share of profit of equity-accounted investees (associates and jointly controlled entities)	-	-	609,809	-	609,809
Reportable segment profit or loss	<u>\$ 3,731,532</u>	<u>289,457</u>	<u>708,467</u>	<u>-</u>	<u>4,729,456</u>
2023					
Revenue					
Revenue from external customers	\$ 40,480,938	7,053,180	1,739,337	-	49,273,455
Revenue from segments	346,675	116,610	345,854	(809,139)	-
Interest income	-	-	-	-	-
Total revenue	<u>\$ 40,827,613</u>	<u>7,169,790</u>	<u>2,085,191</u>	<u>(809,139)</u>	<u>49,273,455</u>
Interest expense	64,595	9,778	25,194	-	99,567
Depreciation and amortization	234,201	6,076	238,705	-	478,982
Share of profit of equity-accounted investees (associates and jointly controlled entities)	-	-	471,821	-	471,821
Reportable segment profit or loss	<u>\$ 3,010,889</u>	<u>258,115</u>	<u>611,464</u>	<u>-</u>	<u>3,880,468</u>

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

(c) Industry information

(i) Product and service information

The Group's segment information is based on different products and services. Product and service information does not have to be disclosed.

(ii) Geographical information

Stated below are the geographic information on the Group's sales presented by destination of sales and non-current assets presented by location.

1) Revenue from external customers:

Location	2024	2023
Taiwan	\$ 26,198,819	24,062,659
China	26,493,609	23,045,017
Other countries	4,304,685	2,165,779
	<u>\$ 56,997,113</u>	<u>49,273,455</u>

2) Non-current assets:

	2024	2023
Taiwan	\$ 9,927,460	6,092,456
Other countries	421,273	484,659
	<u>\$ 10,348,733</u>	<u>6,577,115</u>

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including deferred tax assets and restricted assets (non-current).

(iii) Information about major customers

Sales to individual customer constituting over 10% of the total revenue in the consolidated statements of comprehensive income of 2024 and 2023 are summarized as follows:

	2024	2023
A Company	<u>\$ 11,911,643</u>	<u>10,723,196</u>

The sales revenue of A Company was from semiconductor and electronics division.

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)	134,610	-	-	-	0.00%	(Note 5)	Y	N	Y
"	"	Topco Shanghai	(Note 2)	(Note 4)	291,764	184,607	184,607	-	1.04%	(Note 5)	Y	N	Y
"	"	Unitech New Energy Engineering	(Note 2)	(Note 4)	550,057	475,057	202,730	-	2.67%	(Note 5)	Y	N	N
"	"	Shanghai Chong Yao	(Note 2)	(Note 4)	44,870	-	-	-	0.00%	(Note 5)	Y	N	Y
"	"	Chien Yueh	(Note 2)	(Note 4)	2,095,000	2,045,000	248,371	-	11.51%	(Note 5)	Y	N	N
"	"	JiaYi Energy	(Note 2)	(Note 4)	360,000	180,000	-	-	1.01%	(Note 5)	Y	N	N
"	"	Jing Chen Energy	(Note 2)	(Note 4)	113,620	79,810	28,685	-	0.45%	(Note 5)	Y	N	N
"	"	Jing Yang Energy	(Note 2)	(Note 4)	178,600	128,830	128,730	-	0.72%	(Note 5)	Y	N	N
"	"	Jing Yueh Energy	(Note 2)	(Note 4)	250,894	159,834	159,834	-	0.90%	(Note 5)	Y	N	N
"	"	Kuan Yueh Technology	(Note 2)	(Note 4)	1,155,906	1,136,984	565,346	-	6.40%	(Note 5)	Y	N	N
"	"	Topscience(s)	(Note 2)	(Note 4)	1,028,770	830,120	342,111	-	4.67%	(Note 5)	Y	N	N
"	"	Topchem Materials	(Note 2)	(Note 4)	200,000	200,000	49,994	-	1.13%	(Note 5)	Y	N	N
"	"	Topco Engineering	(Note 2)	(Note 4)	134,610	-	-	-	0.00%	(Note 5)	Y	N	Y
"	"	Topscience Vietnam Co., Ltd.	(Note 2)	(Note 4)	114,923	114,747	24,546	-	0.65%	(Note 5)	Y	N	N
"	"	Topchip	(Note 2)	(Note 4)	495,961	445,621	420,621	-	2.51%	(Note 5)	Y	N	N
"	"	Shunkawa	(Note 2)	(Note 4)	66,690	-	-	-	0.00%	(Note 5)	Y	N	N
"	"	Topco Scientific USA	(Note 2)	(Note 4)	131,140	131,140	-	-	0.74%	(Note 5)	Y	N	N
"	"	Thermalake green power	(Note 2)	(Note 4)	59,800	59,800	-	-	0.34%	(Note 5)	Y	N	N
"	"	Yong Yue Advanced Engineering	(Note 2)	(Note 4)	296,820	282,620	-	-	1.59%	(Note 5)	Y	N	N
"	"	Ping Yue Technologies	(Note 2)	(Note 4)	37,103	35,328	-	-	0.20%	(Note 5)	Y	N	N
"	"	Xports Sports	(Note 2)	(Note 4)	80,000	80,000	-	-	0.45%	(Note 5)	Y	N	N
1	Topco Suzhou	Suzhou Sujing Environmental Engineering Co., Ltd.	(Note 3)	(Note 4)	32,863	26,693	26,693	-	0.15%	(Note 6)	N	N	Y
2	Chien Yueh	Grace&Partners, Architects and Planners	(Note 3)	(Note 7)	300,000	300,000	300,000	-	1.69%	(Note 7)	N	N	N
"	"	New Asia Construction & Development Corp.	(Note 3)	(Note 7)	7,544,000	7,544,000	7,544,000	-	42.45%	(Note 7)	N	N	N
3	Topchem Materials	The Company	(Note 9)	(Note 8)	26,349	26,349	26,349	-	0.15%	(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 \$17,771,222, 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 \$28,433,955, 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 \$24,745,250, which is 25 times of the net value of the Company's latest financial reports.

Note 7: According to the Chien Yueh' "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$12,876,510 and \$21,460,850, which is 30-50 times of the net value of the Chien Yueh' 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 \$108,691, which is one time of the net value of the Topchem Materials' latest financial reports.

Note 9: The company may directly or indirectly holds more than 50% of the company's voting shares.

Note 10: Due to the early renewal of the endorsement guarantee contract, the Company's endorsement guarantee to Chien Yueh, Jing Chen Energy, Kuan Yueh Technology, Topchem Materials, Topco Scientific USA and Thermalake green power was double-calculated in the amount NTD 700,000, NTD 25,000, NTD 300,000, NTD 100,000, USD2,000 and NTD 29,900, respectively.

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Securities held as of December 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	
	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	179,520	10	179,520	
"	Shin-Etsu Handotai Taiwan	"	"	12,000	1,124,160	8	1,124,160	
"	Everglory Resource Technology Co., Ltd.	None	"	2,000	21,280	8.18	21,280	
"	ProMOS Technologies Inc.	"	"	71	905	0.16	905	
"	SOLAR APPLIED MATERIALS TECHNOLOGY CORP.	"	"	2,550	159,885	0.43	159,885	
"	Win Win Precision Technology Co. Ltd	"	Non-current financial assets at fair value through profit or loss	1,595	36,286	2.38	36,286	
"	Barits Biofund, Inc.	"	"	7,399	79,982	3.60	79,982	
"	Shih Her Technologies Inc.	"	"	540	68,580	0.95	68,580	
"	Guangxin Venture Capital Co., Ltd.	"	"	6,667	74,067	6.67	74,067	
"	Belite Bio, Inc.	"	"	35	72,406	0.11	72,406	
"	Fu You Private Equity Fund Limited Partner	"	"	5,000	48,850	5.00	48,850	
"	Lin Bioscience, Inc.	"	"	400	55,080	0.49	55,080	
"	Foxtron Vehicle Technologies Co., Ltd.	"	"	690	28,394	0.04	28,394	
	Other:							
The Company	LEAP FUND L.P.	None	Non-current financial assets at fair value through profit or loss	-	26,580	12.22	26,580	
	Fund:							
Topco International Investment	Hua Nan Phoenix Money Market Fund	None	Current financial assets at fair value through profit or loss	910	15,433	-	15,433	
	Stock:							
"	Win Win Precision Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	855	19,462	1.29	19,462	
"	Ultramed Technology Co., Ltd.	"	"	125	2,901	5.26	2,901	
"	Sunergy Development Corporation	"	"	285	-	19	-	
"	Mycropore Corporation Ltd.	"	"	400	3,272	2.29	3,272	
"	Syu Yang Technology Corporation	"	Non-current financial assets at fair value through profit or loss	30	-	10	-	
"	Win Win Precision Technology Co., Ltd.	"	"	711	16,167	1.07	16,167	
"	3S Silicon Tech., Inc.	"	"	176	5,041	0.47	5,041	
"	ASYS Corporation	"	"	1,303	36,542	5.28	36,542	
"	Ye Siang Enterprise Co., Ltd.	"	"	100	5,000	0.17	5,000	
"	Longmen No. 1 Venture Capital Limited Partnership	"	"	10,500	10,416	4.72	10,416	
	Fund:							
Topco Investment	Taishin 1699 Money Market	None	Current financial assets at fair value through profit or loss	302	4,270	-	4,270	
	Stock:							
"	H2U Corporation	"	Non-current financial assets at fair value through other comprehensive income	273	5,578	0.98	5,578	
"	TFBS BIOSCIENCE, INC.	"	"	262	7,453	0.75	7,453	
"	Hun Chun Venture Capital Corporation	"	Non-current financial assets at fair value through profit or loss	1,699	14,221	5.75	14,221	
"	TFBS BIOSCIENCE, INC.	"	"	1,394	39,635	3.99	39,635	
	Fund:							
Taiwan E&M	Mega Diamond Money Market Fund	None	Current financial assets at fair value through profit or loss	4,176	54,629	-	54,629	
"	Shin Kong Chi-Shin Money-Market Fund	"	"	624	10,066	-	10,066	
"	Taishin 1699 Money Market	"	"	3,540	50,079	-	50,079	
"	FSITC Taiwan Money Market Fund	"	"	1,253	20,009	-	20,009	
	Stock:							
Top Vacuum	ProMOS Technologies Inc	None	Non-current financial assets at fair value through other comprehensive income	14	184	-	184	
	Fund:							
Ding Yue Solar	FSITC Money Market	None	Current financial assets at fair value through profit or loss	7	1,385	-	1,385	
	Fund:							
Anyong Biotechnology	Taishin Ta-Chong Money Market Fund	None	Current financial assets at fair value through profit or loss	1,495	22,151	-	22,151	
	Fund:							
Anyong FreshMart	Jih Sun Money Market Fund	None	Current financial assets at fair value through profit or loss	867	13,415	-	13,415	
	KGI Victory Money Market Fund	"	"	3,318	40,017	-	40,017	

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	
Topchem Materials	Stock: Maniflod Technology Co.,LTD.	None	Non-current financial assets at fair value through profit or loss	400	12,619	-	12,619	
Anyong Lohas	Fund: Jih Sun Money Market Fund	None	Current financial assets at fair value through profit or loss	394	6,101	-	6,101	
	Shin Kong Chi-Shin Money-Market Fund	"	"	1,123	18,102	-	18,102	
Topchip	Fund: SinoPac TWD Money Market Fund	None	Current financial assets at fair value through profit or loss	1,391	20,181	-	20,181	
"	CTBC Hua Win Money Market Fund	"	"	1,758	20,177	-	20,177	
Xports Sports	Fund: SinoPac TWD Money Market Fund	None	Current financial assets at fair value through profit or loss	1,724	25,004	-	25,004	
Unitech New Energy Engineering	Stock: United Microelectronics Corporation Co., Ltd.	None	Non-current financial assets at fair value through profit or loss	10	451	-	451	
"	United Renewable Energy Co., Ltd	"	"	10	105	-	105	

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(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 Buildings	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 Operation purpose	None

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

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/accounts receivable (payable)	
The Company	Topco Shanghai	The Company's subsidiaries	Sale	(316,612)	(1.0%)	Net 60 days from the end of the month of delivery	-	-	Accounts receivable 38,724	1.0%	
The Company	Shunkawa	The Company's subsidiaries	Sale	(133,394)	(0.0%)	Net 30 days from the end of the month of delivery	-	-	Accounts receivable 7,161	0.0%	
The Company	Shin Etsu Handotai Taiwan	The Company is its company director	Sale	(390,921)	(1.0%)	Net 30 days from the end of the month of delivery	-	-	Accounts receivable 72,004	2.0%	
The Company	Topco Quartz	The Company's investment accounted for using equity method	Sale	(282,862)	(1.0%)	Net 60 days from the end of the month of delivery	-	-	Accounts receivable 54,152	1.0%	
"	"	"	Purchase	671,141	2.0%	Net 60 days from the end of the month of delivery	-	-	Accounts Payable (138,846)	(3.0%)	
Topco Shanghai	Shin Etsu Handotai Taiwan	The parent company of the company is its company director	Purchase	7,651,667	63.0%	Net 90 days from the end of the month of delivery	-	-	Accounts payable (2,360,568)	(76.0%)	
"	Wuxi Super Sunrise An Material	The Company's investment accounted for using equity method	Purchase	112,876	1.0%	Net 90 days from the end of the month of delivery	-	-	Accounts payable (18,450)	(1.0%)	
Topchip	Topco Shanghai	The Company's subsidiaries	Sale	112,876	0.0%	Net 15 days from the end of the month of delivery	-	-	Accounts receivable 18,312	(0.0%)	

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			
				Accounts name	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The Company	Topco Shanghai	1	Accounts Receivable	38,724	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.	0.10%
"	"	"	1	Sales Revenue	316,612	"	0.56%
"	"	Shunkawa	1	Accounts Receivable	7,161	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.02%
"	"	"	1	Sales Revenue	133,394	"	0.23%
1	Jia Yi Energy	Kuan Yueh Technology	3	Operating Revenue	79,912	Based on the agreement between both parties	0.14%
2	Anyong Fresh Mart.	The Company	2	Sales Revenue	12,847	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%
3	Taiwan E&M.	The Company	2	Sales Revenue	7,357	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%
"	"	Topsience (s)	3	Sales Revenue	6,150	"	0.01%
4	Topchem Materials	The Company	2	Operating Revenue	25,017	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%
5	Anyong Biotechnology	Anyong Fresh Mart	3	Operating Revenue	21,207	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.04%
6	Anyong Lohas	Anyong Fresh Mart	3	Operating Revenue	28,759	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%
7	Tai Ying Resource	Chien Yueh	3	Operating Revenue	44,346	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.	0.08%
8	Chien Yueh	The Company	2	Advance Construction Receipts	131,885	Based on the agreement between both parties	0.35%
"	"	"	2	Construction Revenue	96,186	Based on the agreement between both parties	0.17%
9	Topchip	Topco Shanghai	3	Accounts Receivable	18,312	There is no significant difference of price to general customers. The collection period is net 15 days from the end of the month of delivery.	0.05%
"	"	"	3	Sales Revenue	263,405	"	0.46%
10	Topco Suzhou	Topsience Vietnam	3	Accounts Receivable	66,860	Based on the agreement between both parties	0.18%
"	"	"	3	Construction Revenue	115,936	Based on the agreement between both parties	0.20%
11	Kuan Yueh Technology	Thermaltake green power	3	Operating Revenue	14,048	Based on the agreement between both parties	0.02%

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 December 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 December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 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	40.00%	2,405,842	1,414,736	588,387	
	Taiwan E&M	Hsinchu City	Sales of electronic material	425,000	425,000	42,500	100.00%	545,043	71,011	71,011	Note 3
	Fortune	Taipei City	Clean up of waste and environmental management service	149,600	149,600	14,960	24.93%	216,303	99,090	24,695	
	Topco Group	Samoa	Investment activities	714,206	714,206	22,432	100.00%	3,494,131	1,272,274	1,284,033	Note 3
	Topsience (s)	Singapore	Sales of parts of semiconductor and optoelectronic industries	411,513	411,513	6,577	100.00%	655,611	58,616	58,616	Note 3
	Topco International Investment	Taipei City	Investment activities	535,000	495,000	72,771	100.00%	742,487	67,722	67,722	Note 3
	Topco Investment	Taipei City	Investment activities	315,000	315,000	19,009	100.00%	89,197	(30,051)	(30,051)	Note 3
	Chien Yueh	Taipei City	Water purification and construction of dust-proof room	475,000	475,000	53,829	100.00%	394,421	85,228	81,347	Note 3
	Anyong Biotechnology	Kaohsiung City	Aquaculture and strategic partnership with fish processing	590,629	540,629	20,000	100.00%	74,632	(44,514)	(44,514)	Note 3
	Winfull Bio-tech Co., Ltd.	Tainan City	Manufacture of organic fertilizer	35,000	35,000	3,500	39.33%	-	0	-	
	Anyong Fresh Mart.	Taipei City	Wholesale and retail sales of fishery products and supermarket operation	749,350	699,350	24,500	100.00%	121,795	(61,632)	(61,623)	Note 3
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	236,792	236,792	25,924	83.82%	202,252	11,695	11,675	Note 3
	Xiang Yueh	Taipei City	Waste disposal	-	91,170	-	0.00%	-	28	28	Note 3, Note 4
	Anyong Lohas	Yilan County	Restaurant and retail sales of food products	385,000	355,000	18,500	100.00%	33,997	(27,737)	(27,737)	Note 3
	Xsport Sports	Taipei City	Sports Training	180,508	145,508	18,500	100.00%	132,955	(19,907)	(19,907)	Note 3
	Unitech New Energy Engineering	Taipei City	Environment-related engineering planning, assessment, supervision and monitoring	434,560	434,560	776	77.60%	326,227	91,744	43,288	Note 3
	TOPCO SCIENTIFIC USA	USA	Wholesale of semiconductor material	152,011	152,011	10	100.00%	267,155	119,294	119,294	Note 3
	Topco Japan	Japan	Sales of facilities of semiconductor and clean room	86,714	77,367	50	100.00%	91,941	9,724	9,724	Note 3
	Yong Yue Advanced Engineering	Malaysia	Mechanical, electrical and water treatment engineering	20,987	-	2,860	100.00%	20,144	(64)	(64)	Note 3
								9,814,133		2,175,924	
Topco Group	Topco Trading	Hong Kong	Wholesale of semiconductor material	49,178 (USD1,500)	49,178 (USD1,500)	1,500	100.00%	84,171	26,148	Investment gains (losses) recognized by Topco Group	Note 3
	Asia Topco Holding	Cayman	Investment activities	655,700 (USD20,000)	655,700 (USD20,000)	20,000	100.00%	3,375,111	1,244,777	"	Note 3
	Topco Korea	Korea	Diamond cutting, wafers, trading	12,557 (USD383)	-	100	100.00%	11,347	(175)	"	Note 3
Asia Topco Holding	Asia Topco	Mauritius	Investment activities	655,700 (USD20,000)	655,700 (USD20,000)	20,000	100.00%	3,372,319	1,245,253	"	Note 3
Topsience (s)	Topsience Vietnam	Vietnam	Sales of parts of semiconductor and optoelectronic industries	107,330 (SGD4,448)	107,330 (SGD4,448)	-	100.00%	73,372	1,807	Investment gains (losses) recognized by Topsience (s)	Note 3
	Anyong (s)	Singapore	Wholesale and retail sales of fishery products	9,652 (SGD400)	6,419 (SGD 266)	400	100.00%	1,393	(4,545)	"	Note 3
	Ping Yue Technology	Malaysia	Sales of semiconductor material and equipment	23,092 (SGD957)	15,057 (SGD624)	3,146	100.00%	14,347	(3,820)	"	Note 3
Topco International Investment	Cityspace	Taipei City	Wholesale sales of cosmetics	12,000	12,000	1,267	66.67%	20,798	6,694	Investment gains (losses) recognized by Topco International Investment	Note 3
	Kuan Yueh Technology	Taipei City	Development of renewable energy projects / Configure pipeline construction and device installation	183,640	149,640	23,743	100.00%	259,852	13,720	"	Note 3
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	28,208	28,208	5,005	16.18%	52,264	11,695	"	Note 3
	Kanbo Biomedical	Taipei City	Sales of health food products	6,287	6,287	1,000	100.00%	1,333	(28)	"	Note 3
	Ruey Sheng Industrial Co., Ltd.	Samoa	Investment activities	4,197	4,197	142	36.00%	-	-	"	
	Topchem Materials	Taipei City	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	37,000	31,000	6,100	100.00%	108,691	28,506	"	Note 3
	Fortune	Taipei City	Clean up of waste and environmental management service	771	771	40	0.07%	607	99,090	"	
	Tai Ying Resource	Kaohsiung City	Clean up of waste	178,261	83,144	14,392	65.42%	156,514	(10,422)	"	Note 3
	EastWind Tsusho	Taipei City	Manufacturing and trading of electronic parts, etc.	5,000	5,000	500	25.00%	10,308	20,633	"	
	Topchip	Taipei City	IC Design and Sales Company	50,000	10,000	5,000	100.00%	71,526	21,475	"	Note 3
	Thermaltake green power	Taipei City	Sales of renewable energy	11,000	1,000	1,100	100.00%	11,858	922	"	Note 3
	Fong Rong Smart Machinery	Hsinchu City	Machinery manufacturing and repair industry	4,550	4,550	350	24.00%	8,119	21,244	"	
	Multi Rich Technology	Taichung City	Wholesale of fishery products	-	20,500	-	0.00%	-	3	Investment gains (losses) recognized by Topco Investment	Note 3, Note 5
	Ding Yue Solar	Taipei City	Development of renewable energy project	9,000	9,000	900	100.00%	3,731	28	"	Note 3
	Fei Da Intelligent Co., Ltd.	Taipei City	Manpower dispatch	8,875	8,875	725	13.00%	1,310	(9,383)	"	Note 2
Topco Investment	STARX INC.	Hsinchu City	Precision instrument manufacturing	8,000	8,000	8,626	26.00%	4,866	(2,596)	"	
	Yun Yueh Technology	Taichung City	Aquaculture and wholesale and sales of fishery products	555	555	60	55.00%	520	3	"	Note 3
	Great Talent Tech Co., Ltd.	Taipei City	Personnel training	5,000	5,000	500	31.00%	(2,513)	(12,566)	"	
	Chongmu Health Co., Ltd.	Taipei City	Healthcare System Consulting Service Platform	4,800	-	800	33.33%	4,758	(253)	"	

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(In Thousands of New Taiwan Dollars and foreign currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of Ownership	Carrying Value			
Jia Yi energy	Jing Chen Energy	Taipei City	Development of renewable energy project	71,050	71,050	7,586	100.00%	75,700	4,636	Investment gains (losses) recognized by Jia Yi energy	Note 3
	Jing Yang Energy	Taipei City	"	86,497	86,497	8,795	100.00%	69,687	552	"	Note 3
	Jing Yueh Energy	Taipei City	"	92,160	92,160	9,624	100.00%	99,946	4,496	"	Note 3
Taiwan E&M	Top Vacuum	Hsinchu City	Vacuum pump equipment maintenance	45,035	45,035	6,000	60.00%	84,235	27,031	Investment gains (losses) recognized by Taiwan E&M	Note 3
	Equator Materials Corporation	Taichung City	Manufacture and sales of fine chemical materials	50,000	-	5,000	41.67%	45,983	(9,641)	"	
	Toplight Advanced Co., Ltd.	Hsinchu City	Laser cleaning factory and OEM business	20,000	-	2,000	66.67%	18,961	(1,558)	"	Note 3
Chien Yueh	Tai Ying Resource	Kaohsiung City	Clean up of waste	6,261	6,261	305	1.38%	3,803	(10,422)	Investment gains (losses) recognized by Chien Yueh	Note 3
	Unitech New Energy Engineering	Taipei City	Environment-related engineering planning, assessment, supervision and monitoring	5,600	5,600	10	1.00%	4,204	91,744	"	Note 3
	Reset Resource Technologies	Kaohsiung City	Clean up of waste	50,000	-	5,000	25.00%	45,943	(16,230)	"	
Topco Japan	Shunkawa	Japan	Import and export of semiconductor raw materials	62,970 (JPY300,000)	20,990 (JPY100,000)	30 -	100.00%	76,037 (JPY362,251)	17,534 (JPY82,628)	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	100.00%	12,696	(704)	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: In June 2024, Xiang Yueh acquired a court approval letter for liquidation where all the relevant procedures and distribution of the remaining assets had been completed on October 21, 2024.

Note 5: Multi Rich Technology had completed for liquidation procedures in April 2024.

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 December 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	288,180 (USD 8,790) (Note 4)	Note 1	-	-	-	-	808,325 (USD 25,177)	100%	808,325 (USD 25,177)	1,909,726 (USD 58,250)	2,420,706 (USD 75,398)
Shanghai Chong Yao	"	58,214 (CNY 13,000)	Note 5	Note 5	-	-	-	11,796 (CNY 2,648)	100%	11,796 (CNY 2,648)	97,231 (CNY 21,713)	-
Topco Suzhou	Water purification and construction of dust-proof room	346,669 (USD 10,574) (Note 4)	Note 1	-	-	-	-	178,090 (USD 5,547)	100%	178,090 (USD 5,547)	989,812 (USD 30,191)	169,582 (USD 5,282)
Topco Chemical	Wholesale and sales of chemical products	23,474 (USD 716) (Note 4)	Note 1	-	-	-	-	259,286 (USD 8,076)	100%	259,286 (USD 8,076)	450,859 (USD 13,752)	406,394 (USD 12,658)
Topco Engineering	Water purification and construction of dust-proof room	89,561 (CNY 20,000)	Note 6	Note 6	-	-	-	3,452 (CNY 775)	100%	3,452 (CNY 775)	103,124 (CNY 23,029)	-
Shanghai Perfect Microelectronics	IC Design Company	8,956 (CNY 2,000)	Note 9	-	-	-	-	(85) (CNY (19))	49%	(40) (CNY (9))	4,653 (CNY 1,039)	-
Xinchongxin Technology	Used equipment refurbishment services	13,779 (CNY 3,077)	Note 12	-	-	-	-	(6,963) (CNY (1,563))	35%	(2,437) (CNY (547))	5,387 (CNY 1,203)	-
Wuxi super sunrise material	Semiconductor wafer cassette recycling and cleaning service	134,341 (CNY 30,000)	Note 10	-	-	-	-	18,669 (CNY 4,191)	20%	3,622 (CNY 813)	40,436 (CNY 9,030)	-
Chongling Chemical	Wholesale and sales of chemical products	44,780 (CNY 10,000)	Note 11	-	-	-	-	584 (CNY 131)	70%	410 (CNY 92)	31,691 (CNY 7,077)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
99,994 (USD 3,050) (Note 7)	758,383 (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 Shanghai Perfect Microelectronics, Xinchongxin Technology, Wuxi super sunrise material and Chongling Chemical 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 1:32.7850 and CNY 1:4.478, respectively, as of December 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 subsidiaries 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 : Chongling 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 subsidiaries Topco Shanghai, Qingfu Song and Jinping Zhang which held 35%, 55% and 10% of the capital contribution, respectively.

(iii) Significant transactions:

For year ended December 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".