Stock Code:4772

Taiwan Speciality Chemicals Corporation

Financial Statements

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

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Independent Auditors' Report

To the Board of Directors of Taiwan Speciality Chemicals Corporation:

Opinion

We have audited the financial statements of Taiwan Speciality Chemicals Corporation ("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its 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 Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

Revenue recognition

Please refer to note 4(12) for accounting policy and note 6(16) "Revenue from contracts with customers" of the financial statements for further information.

Description of key audit matter:

The Company's major revenues are the sales of speciality electronic-graded gases and chemicals. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. Because of different sales types and contract terms, it takes efforts to assess the timing of revenue recognition based on trade terms agreed with the customer. As such, we determined that revenue recognition is the key audit area that we focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in the proper period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, and 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 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 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 Company'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 Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 An-Chih Cheng and Yung-Hua Huang.

KPMG

Taipei, Taiwan (Republic of China)
February 17, 2025

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its 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 audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying 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 auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

Taiwan Speciality Chemicals Corporation

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 725,590	21	154,770	8
1136	Financial assets measured at amortized cost－current (note 6(2))	1,000,000	30	-	-
1170	Notes and accounts receivable, net (note 6(3))	136,752	4	120,612	7
1210	Other receivable－related parties (note 7)	135	-	141	-
130X	Inventories (note 6(4))	154,472	5	138,682	8
1479	Other current assets (note 6(8))	17,200	-	6,787	-
		2,034,149	60	420,992	23
	Non-current assets:				
1600	Property, plant and equipment (notes 6(5) and 8)	1,311,884	39	1,376,941	75
1755	Right-of-use assets (note 6(6))	-	-	110	-
1780	Intangible assets (note 6(7))	904	-	1,195	-
1840	Deferred tax assets (note 6(12))	36,958	1	36,958	2
1990	Other non-current assets (note 6(8))	1,500	-	4,149	-
		1,351,246	40	1,419,353	77
	Total assets	**$ 3,385,395**	**100**	**1,840,345**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2170	Accounts payable	$ 74,668	2	21,558	1
2201	Payroll and bonus payable	38,510	1	16,682	1
2220	Other payable－related parties (note 7)	39	-	42	-
2300	Other current liabilities (notes 6(9) and (10))	39,903	1	45,285	3
		153,120	4	83,567	5
	Non-Current liabilities:				
2600	Other non-current liabilities (notes 6(9) and (10))	107	-	196	-
	Total liabilities	153,227	4	83,763	5
	Equity (notes 6(13) and (14)):				
3110	Ordinary shares	1,476,816	44	1,382,366	75
3200	Capital surplus	1,133,780	33	-	-
3350	Retained earnings	621,572	19	374,216	20
	Total equity	3,232,168	96	1,756,582	95
	Total liabilities and equity	**$ 3,385,395**	**100**	**1,840,345**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Taiwan Speciality Chemicals Corporation

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings PerShare)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (note 6(16))	$ 873,964	100	553,523	100
5000	Operating costs (notes 6(4), (5), (11) and (17))	411,209	47	343,290	62
	Gross profit from operations	462,755	53	210,233	38
	Operating expenses (notes 6(5), (6), (7), (11), (17) and 7)**:**				
6100	Selling expenses	24,375	3	14,295	3
6200	Administrative expenses	55,267	6	39,826	7
6300	Research and development expenses	18,439	2	18,314	3
		98,081	11	72,435	13
	Net operating income	364,674	42	137,798	25
	Non-operating income and expenses:				
7100	Interest income (note 6(18))	10,862	1	1,113	-
7010	Other income (notes 6(18) and 7)	2,243	-	2,787	1
7020	Other gains and losses (notes 6(5), (18) and 7)	7,815	1	(2,495)	(1)
7050	Finance costs (note 6(18))	(1)	-	(4)	-
		20,919	2	1,401	-
	Income before income tax	385,593	44	139,199	25
7950	Less: Income tax benefit (note 6(12))	-	-	(16,454)	(3)
	Net income	385,593	44	155,653	28
8300	**Other comprehensive income**	-	-	-	-
8500	**Total comprehensive income**	**$ 385,593**	**44**	**155,653**	**28**
	Earnings per share (NT dollars) (note 6(15))				
9750	Basic earnings per share	**$ 2.74**		**1.13**	
9850	Diluted earnings per share	**$ 2.73**		**1.12**	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Taiwan Speciality Chemicals Corporation

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			
	Ordinary shares	**Capital surplus**	**Legal reserve**	**Unappropriated retained earnings**	**Total retained earnings**	**Total equity**
Balance at January 1, 2023	$ 1,382,366	-	19,445	293,119	312,564	1,694,930
Net income for the year	-	-	-	155,653	155,653	155,653
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	155,653	155,653	155,653
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	20,797	(20,797)	-	-
Cash dividends of ordinary share	-	-	-	(94,001)	(94,001)	(94,001)
Balance at December 31, 2023	1,382,366	-	40,242	333,974	374,216	1,756,582
Net income for the year	-	-	-	385,593	385,593	385,593
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	385,593	385,593	385,593
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	15,565	(15,565)	-	-
Cash dividends of ordinary shares	-	-	-	(138,237)	(138,237)	(138,237)
Capital increase by cash	94,450	1,131,802	-	-	-	1,226,252
Share-based employee compensation	-	1,978	-	-	-	1,978
Balance at December 31, 2024	**$ 1,476,816**	**1,133,780**	**55,807**	**565,765**	**621,572**	**3,232,168**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Taiwan Speciality Chemicals Corporation

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 operating activities:		
Income before income tax	$ 385,593	139,199
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	91,559	119,099
Amortization expenses	291	266
Interest expenses	1	4
Interest income	(10,862)	(1,113)
Share-based payments	1,978	-
Loss on disposal of property, plant and equipment	235	68
Recognition (reversal) of write-down of inventory	239	(428)
Recognition (reversal) of impairment loss on non-financial assets	5,000	(20)
Total adjustments	88,441	117,876
Changes in operating assets and liabilities:		
Notes and accounts receivable	(16,140)	(48,896)
Other receivable－related parties	6	(3)
Inventories	(16,029)	27,709
Other operating assets	(9,845)	(4,026)
Accounts payable	53,110	7,783
Other payable－related parties	(3)	(234)
Other current liabilities	33,460	(5,880)
Total changes in operating assets and liabilities	44,559	(23,547)
Total adjustments	133,000	94,329
Cash inflow generated from operations	518,593	233,528
Interest received	10,294	1,113
Interest paid	(1)	-
Net cash flows generated from operating activities	528,886	234,641
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(45,546)	(100,885)
Proceeds from disposal of property, plant and equipment	70	966
Decrease (increase) in refundable deposits	(254)	30
Acquisition of intangible assets	(150)	(330)
Increase in financial assets at amortized cost	(1,000,000)	-
Net cash flows used in investing activities	(1,045,880)	(100,219)
Cash flows from financing activities:		
Decrease in guarantee deposits	(89)	(59)
Cash dividends paid	(138,237)	(94,001)
Proceeds from capital increase by cash	1,226,252	-
Repayment of the principal portion of lease liabilities	(112)	(192)
Net cash flows from (used in) financing activities	1,087,814	(94,252)
Net increase in cash and cash equivalents	570,820	40,170
Cash and cash equivalents at beginning of period	154,770	114,600
Cash and cash equivalents at end of period	**$ 725,590**	**154,770**

See accompanying notes to financial statements.

TAIWAN SPECIALITY CHEMICALS CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

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

1. Company history

Taiwan Speciality Chemicals Corporation (the "Company") was established on March 27, 2013, with the approval of the Ministry of Economic Affairs of the ROC, and its registered address is in No.1, Zhangbin W. 3rd Rd., Xianxi Township, Changhua County 507. The major business activities are the sale and produce of Precision Chemical materials. The Company has been listed on the Taipei Exchange since September 20, 2024.

2. Approval date and procedures of the financial statements:

These financial statements were authorized for issuance by the Board of Directors on February 17, 2025.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. (the "FSC") which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its 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"

(2) The impact of IFRS issued by the FSC but not yet effective

The Company 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 financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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 18 "Presentation and Disclosure in Financial Statements"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

As of the authorized date of this financial statements, except for IFRS 17 "Insurance Contracts" and its related amendments which are not relevant to the company, the company continues to evaluate the impact of the aforementioned other standards, amendments, interpretations, and related applicable periods on the financial condition and operating results. The relevant impacts will be disclosed upon completion of the evaluation.

4. Summary of material accounting policies:

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(1) Statement of compliance

The 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”).

(2) Basis of preparation

A. Basis of measurement

The financial statements have been prepared on a historical cost basis.

B. Functional and presentation currency

The Company’s functional currency is the currency of the main economic environment in which it operates. The financial statements is presented in the Company’s functional currency, New Taiwan Dollar (NTD). Except for those specifically indicated, all financial information presented in NTD is expressed in NTD thousand.

(3) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company 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.

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

The Company classifies asset as current under one of the following criteria, and all other assets are classified as non-current:

A. It is expected to be realized, or intends to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be realized within twelve months after the reporting;

D. 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 Company classifies liability as current under one of the following criteria, and all other liabilities are classified as non-current:

A. It is expected to settle in its normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting date;

D. The Company 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.

(5) Cash and cash equivalents

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

(6) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. 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. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the next reporting period.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions simultaneously and is not designated as at fair value through profit or loss (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 original recognition plus or minus accumulated amortization calculated using the effective interest method, adjusted for the amortized cost of any allowance for losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount

For the purpose of assessment, the principal is the fair value of the financial assets at the time of initial recognition. The interest consists of the following considerations: the time value of money, the credit risk associated with the amount of the outstanding principal in a specified period, and other basic lending risks, and cost and profit margins.

To assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount, the Company considers the terms of the financial instrument contract, including assessing whether the financial asset contains a contractual term that changes the timing or amount of the contractual cash flow, resulting in a failure to meet this condition. At the time of evaluation, the Company considers:

- Any contingency that would change the timing or amount of the contractual cash flow;

- The terms that may adjust the contractual coupon rate, including the characteristics of the variable interest rate;

- Early repayment and extension features; and

- The Company's claim is limited to terms of cash flows derived from particular assets (e.g. non-recourse characteristics).

(c) Impairment of financial assets

The Company recognizes a loss allowance for financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets, etc.).

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

- Debt securities that are determined to have low credit risk at the reporting date; and
- The credit risk of other debt securities and bank deposits (i.e., the risk of default on the expected duration of the financial instruments) has not increased significantly since the initial recognition.

The allowance for receivables and contract assets is measured at the amount of expected credit losses during the lifetime.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company 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 Company historical experience and informed credit assessment as well as forward looking information.

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

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the borrower is unlikely to pay its credit obligations to the Company in full.

The Company considers low credit risk because the counterparty of the transaction and the performance of other parties are financial institutions with investment grade or above.

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 Company 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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income 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 asset 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 Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amounts of write-offs based on whether there is a reasonable expectation of recovery. The Company 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 Company’s procedures for recovery of amounts due.

(d) Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

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

(b) Equity instrument

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.

(c) 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.

(d) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company 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.

(e) 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 Company 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.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted-average-cost method and includes expenditures incurred in acquiring, producing or processing the inventories and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, the 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 necessary to make the sale.

(8) Property, plant and equipment

A. Recognition and measurement

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

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 rofit or loss.

B. Subsequent cost

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

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line 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:

(a) Buildings: 5 to 30 years

(b) Machinery equipment and other equipment and leased asset: 5 to 10 years

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

(9) Leases

At inception of a contract, the Company 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.

A. As a lessee

The Company 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.

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 Company’ s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) 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:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee; or

(c) 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

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are 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.

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 Company 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.

The Company presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the consolidated balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and transportation equipment and leases of low-value subject assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

When the Company 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 Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(10) Intangible assets

A. Recognition and measurement

Other intangible assets that are acquired by the Company and have finite useful lives, including computer software, are measured at cost less accumulated amortization and any accumulated impairment losses.

B. 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 is recognized in profit or loss as incurred.

C. 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 (3 to 5 ears) of intangible assets, from the date that they are available for use.

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

(11) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories 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 cash-generating units ("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. Value in use is based on the estimated future cash flows,discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds itsrecoverable amount.

Impairment losses are recognized in profit or loss. And then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis

For non-financial 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 for the asset in prior periods.

(12) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company 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 Company' s main types of revenue are explained below:

A. Sale of goods- Precision Chemical materials

The Company engages mainly in the production and sale of Precision Chemical materials. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the distribution 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 Company has objective evidence that all criteria for acceptance have been satisfied.

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

B. Financing components

The Company 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 Company does not adjust any of the transaction prices for the time value of money.

(13) Employee Benefits

A. Defined contribution plans

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

B. 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 Company 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.

(14) Share Base Compensation

The equity-settled share-based payment agreements are recognized at the fair value on the grant date, with expenses recognized over the vesting period, which increases the corresponding equity. The recognized expense is adjusted based on the expected quantity of awards that satisfy service conditions and non-market vesting conditions; the final amount recognized is measured based on the quantity of awards that satisfy the service conditions and non-market vesting conditions at the vesting date. The grant date of the Company's share-based payments is the date when the Board of Directors approves the capital increase baseline date.

(15) Income tax

Income taxes comprise current taxes and deferred taxes. Except for items recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

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 that reflects uncertainty related to income taxes, if any. 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 not recognized except for the following:

A. temporary differences on the initial recognition of assets or 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, and does not result in an equivalent taxable or deductible temporary difference;

B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company 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

C. 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 reserve, using tax rates enacted or substantively enacted at the reporting date.

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

A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) 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.

(16) Earnings per share

The Company discloses 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, such as employee remuneration that could be settled in the form of stock. The Company's potential diluted ordinary share includes employee remuneration that has not been resolved by the Board of Directors and has been issued in the form of shares.

(17) Operating segment

An operating segment is a component of the Company 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 Company). Operating results of the operating segment are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these 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 Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

The financial statements do not include any accounting policies involving significant judgments, and the recognized amounts do not have significant impact.

The assumptions and estimates used in this financial report do not pose a significant risk of causing significant adjustments to the carrying amounts of assets and liabilities in the next financial year.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 50	50
Demand deposits	109,187	56,007
Time deposits	566,392	33,775
Repurchase bill	49,961	64,938
	$ 725,590	**154,770**

(2) Financial assets measured at amortized cost - current

	December 31, 2024	December 31, 2023
Time deposits	**$ 1,000,000**	**-**

The Company evaluates that it holds these assets to maturity to collect contractual cash flows, and that the cash flows from these financial assets are solely payments of principal and interest on the outstanding principal amount. Therefore, they are reported as financial assets measured at amortized cost.

For credit risk, please refer to note 6(19).

(3) Notes and accounts receivable, net

	December 31, 2024	December 31, 2023
Notes receivable	$ 662	2,264
Accounts receivable	136,090	118,348
	$ 136,752	**120,612**

The Company adopts the simplified approach to estimate expected credit losses for all notes and accounts receivable, using the lifetime expected credit loss measurement. For this measurement purpose, notes and accounts receivable are grouped based on common credit risk characteristics that represent the customer's ability to pay all amounts due according to the contractual terms, and forward-looking information has been incorporated. The expected credit loss analysis of the Company's notes and accounts receivable is as follows:

	December 31, 2024		
	Gross amount of accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	**$ 136,752**	0%	**-**

	December 31, 2023		
	Gross amount of accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	**$ 120,612**	0%	**-**

(4) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 9,118	3,717
Work in progress	8,883	2,057
Finished goods	75,397	98,088
Merchandises	61,074	34,820
	$ 154,472	**138,682**

Components of operating costs were as follows:

	For the year ended December 31, 2024	2023
Cost of goods sold	$ 342,853	226,257
Recognition (reversal of gain) of provisions for inventory valuation loss	239	(428)
Impairment loss of property, plant and equipment (reversal of gain) (note 6 (5))	5,000	(20)
Unallocated fixed manufacturing costs	64,451	126,719
Other operating costs	(1,334)	(9,238)
	$ 411,209	**343,290**

As of December 31, 2024 and 2023, the Company's inventories mentioned above were not pledged as collateral.

(5) Property, plant and equipment

For the years ended December 31, 2024 and 2023, the movements of cost, depreciation and impairment of the property, plant and equipment of the Company were as follows:

	Land	Buildings	Machinery and others	Construction in progress and equipment under installation	Total
Cost:					
Balance at January 1, 2024	$ 797,910	500,456	900,942	28,540	2,227,848
Additions	-	1,940	29,159	598	31,697
Disposals	-	(717)	(511,952)	-	(512,669)
Reclassification	-	1,720	26,856	(28,576)	-
Balance at December 31, 2024	**$ 797,910**	**503,399**	**445,005**	**562**	**1,746,876**
Balance at January 1, 2023	$ 797,910	440,404	1,088,026	67,864	2,394,204
Additions	-	33,582	12,764	31,072	77,418
Disposals	-	(2,282)	(241,492)	-	(243,774)
Reclassification	-	28,752	41,644	(70,396)	-
Balance at December 31, 2023	**$ 797,910**	**500,456**	**900,942**	**28,540**	**2,227,848**
Depreciation and impairment loss:					
Balance at January 1, 2024	$ -	130,727	720,180	-	850,907
Depreciation for the year	-	23,605	67,844	-	91,449
Impairment loss	-	510	4,490	-	5,000
Disposals	-	(717)	(511,647)	-	(512,364)
Balance at December 31, 2024	**$ -**	**154,125**	**280,867**	**-**	**434,992**
Balance at January 1, 2023	$ -	113,588	849,029	12,140	974,757
Depreciation for the year	-	19,421	99,489	-	118,910
Reversal of impairment loss	-	-	(20)	-	(20)
Disposals	-	(2,282)	(240,458)	-	(242,740)
Reclassification	-	-	12,140	(12,140)	-
Balance at December 31, 2023	**$ -**	**130,727**	**720,180**	**-**	**850,907**
Carrying amounts:					
Balance at December 31, 2024	**$ 797,910**	**349,274**	**164,138**	**562**	**1,311,884**
Balance at January 1, 2023	**$ 797,910**	**326,816**	**238,997**	**55,724**	**1,419,447**
Balance at December 31, 2023	**$ 797,910**	**369,729**	**180,762**	**28,540**	**1,376,941**

In the year of 2024, the Company evaluated certain production equipment and recognized an impairment loss of $5,000 thousand under operating costs due to the manufacturing process not meeting the demand and not being able to use the equipment.

In the year of 2023, the Company evaluated certain production equipment that underwent changes in production technology, and the impaired equipment was converted to process use, resulting in a reversal of impairment loss of $20 thousand, which was recognized as operating costs.

As of December 31, 2024 and 2023, for the restrictions on the Company's property, plant, and equipment, please refer to Note 8.

(6) Right-of-use assets

The Company leased transportation equipment. Information about leases for which the Company as a lessee was presented below:

	Trasportation equipment
Cost:	
Balance at January 1, 2024	$ 566
Disposals	(566)
Balance at December 31, 2024	**$ -**
Balance at January 1, 2023	$ 1,157
Disposals	(591)
Balance at December 31, 2023	**$ 566**
Accumulated depreciation:	
Balance at January 1, 2024	$ 456
Depreciation for the year	110
Disposals	(566)
Balance at December 31, 2024	**$ -**
Balance at January 1, 2023	$ 858
Depreciation for the year	189
Disposals	(591)
Balance at December 31, 2023	**$ 456**
Carrying amount:	
Balance at December 31, 2024	**$ -**
Balance at January 1, 2023	**$ 299**
Balance at December 31, 2023	**$ 110**

Please refer to note 6(10) for lease liabilities related to right-of-use assets.

(7) Intangible assets

The Company's intangible assets is computer software. For the years ended December 31, 2024 and 2023, the cost and amortization of the intangible assets of the Company were as follows:

	Computer software
Cost:	
Balance at January 1, 2024	$ 1,510
Disposal	(91)
Balance at December 31, 2024	**$ 1,419**

		Computer software
Balance at January 1, 2023	$	1,408
Additions		480
Disposal		(378)
Balance at December 31, 2023	**$**	**1,510**
Amortization:		
Balance at January 1, 2024	$	315
Amortization for the year		291
Disposal		(91)
Balance at December 31, 2024	**$**	**515**
Balance at January 1, 2023	$	427
Amortization for the year		266
Disposal		(378)
Balance at December 31, 2023	**$**	**315**
Carrying amounts:		
Balance at December 31, 2024	**$**	**904**
Balance at January 1, 2023	**$**	**981**
Balance at December 31, 2023	**$**	**1,195**

For the years ended December 31, 2024 and 2023, the amortization expenses of intangibles assets were $291 thousand and $266 thousand, respectively, recognized as operating expense in the statements of comprehensive income.

(8) Other current and non-current assets

		December 31, 2024	**December 31, 2023**
Prepaid equipment	$	212	3,115
Prepaid expense		12,292	5,120
Prepaid insurance		1,460	1,504
Prepayment for materials		1,626	-
Others		3,110	1,197
	$	**18,700**	**10,936**
Other current assets	$	17,200	6,787
Other non-current assets		1,500	4,149
	$	**18,700**	**10,936**

(9) Other current and non-current liabilities

		December 31, 2024	December 31, 2023
Equipment and construction payable	$	9,544	26,446
Accrued expense		25,452	13,764
Others		5,014	5,271
	$	**40,010**	**45,481**
Other current liabilities	$	39,903	45,285
Other non-current liabilities		107	196
	$	**40,010**	**45,481**

(10) Lease liabilities

The carrying amounts of lease liabilities of the Company were as follows:

		December 31, 2024	December 31, 2023
Other current liabilities	**$**	**-**	**112**

For the maturity analysis, please refer to note 6(19) “Financial instruments”.

The amounts recognized in profit or loss were as follows:

		For the year ended December 31,	
		2024	2023
Interest on lease liabilities	**$**	**-**	**3**
Expenses relating to short-term leases	**$**	**10**	**-**
Expenses relating to leases of low value assets, excluding short term leases of low value asset	**$**	**229**	**230**

The amounts recognized in the statement of cash flows were as follows:

		For the year ended December 31,	
		2024	2023
Total cash outflow for leases	**$**	**351**	**422**

The lease period of the Company's leased transportation equipment is three years.

(11) Employee benefits

The Company contributes at the rate of 6% of each employee’ s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company’ s contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The pension costs incurred from contributions to the defined contribution plan were $3,600 thousand and $3,591 thousand for the years ended December 31, 2024 and 2023, respectively. Such contributions were made to the Bureau of the Labor Insurance, Ministry of Labor.

(12) Income tax

A. The components of income tax benefit in 2024 and 2023 were as follows:

	For the year ended December 31, 2024	2023
Deferred tax benefit	**$ -**	**(16,454)**

Reconciliations of income tax and income before income tax were as follows:

	For the year ended December 31, 2024	2023
Income before income tax	**$ 385,593**	**139,199**
Income tax using the Company's domestic tax rate	$ 77,119	27,840
Change in unrecognized temporary differences	(16,622)	(4,023)
Current year losses for which no deferred tax asset was recognized	(60,491)	(37,794)
Overestimated and underestimated in prior periods and others	(6)	(2,477)
Income tax benefit	**$ -**	**(16,454)**

B. Deferred tax assets

The deferred tax assets have not been recognized

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

	December 31, 2024	December 31, 2023
Carry-forwards of unused tax losses	$ 49,215	109,706
Tax effect of deductible temporary differences	14,146	30,768
	$ 63,361	**140,474**

According to the R.O.C. Income Tax Act, the previous 10 years' losses can be deducted from the current year's net income before the tax authorities approve the loss deduction. The deferred tax assets have not been recognized in respect of the aforementioned temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize the temporary differences.

As of December 31, 2024, the Company's carry-forwards of unused tax losses were as described below:

Year of loss	Unused tax losses	Expiry date
2018 (examined and assessed)	$ 53,317	2028
2019 (examined and assessed)	192,758	2029
	$ 246,075	

Recognized deferred tax assets and liabilities:

	January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2023	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024
Deferred tax assets:							
Tax losses	$ 20,504	16,454	-	36,958	-	-	36,958

C. The Company's income tax returns for the years through 2022 have been examined and approved by the R.O.C. income tax authorities.

(13) Capital and other equity

A. Share capital

As of December 31, 2024 and 2023, the Company's authorized capital amounted to NTD4,000,000 thousand, with a par value of $10 per share, of which $100,000 thousand, divided into 10,000 thousand shares, is reserved for the employee stock options. The shares issued and outstanding were 147,682 thousand shares and 138,237 thousand shares, respectively. On July 8, 2024, the Board of Directors resolved to conduct a capital increase by issuing 9,445 thousand new shares before the initial listing on the stock exchange, with a par value of $10 per share. The minimum underwriting price in the auction was $88 per share, awarded to the highest bidders, with each bidder subscribing at their bid price. The weighted average price of the awarded bids was $137.99 per share, and the public subscription price was $110 per share. The Company set September 18, 2024, as the base date for the capital increase and completed the legal registration procedures, receiving a total of $1,226,252 thousand for all issued shares. Additionally, the Company has recognized the share-based compensation cost for the cash capital increase reserved for the employees' subscription of shares according to regulations. For related information, please refer to note 6(14).

B. Capital Surplus

The details of the Company's capital surplus balance are as follows：

	December 31, 2024	December 31, 2023
Share issuance premium	$ 1,131,802	-
Employee stock options	1,978	-
	$ 1,133,780	**-**

According to the Company Act, capital surplus must first be used to offset losses before it can be distributed as new shares or cash dividends to shareholders in proportion to their original shareholdings, using the realized capital surplus. The realized capital surplus, includes the premium received from issuing shares in excess of the par value and the income from received donations. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus that can be transferred to capital each year shall not exceed 10% of the paid-in capital.

C. Retained earnings

The Company's Articles of Incorporation stipulate that Company has a surplus for the year, after paying taxes and making up for accumulated losses, 10% of the surplus is allocated as the legal reserve. However, no amount needs to be allocated when the legal reserve has reached the total amount of paid-in capital. After allocating or reversing the special reserve in accordance with the law or regulations of the competent authority, if necessary, if there is still any earnings remaining, it may be combined with undistributed earnings in the previous year and the Board of Directors may prepare an earnings distribution proposal. When earnings are distributed in cash, the Board of Directors is authorized to distribute all or a part of the earnings in cash by adopting a resolution approved by the majority of directors in a board meeting with two-thirds or more of all directors in attendance in accordance with Article 240, Paragraph 5 of the Company Act, and the distribution shall be reported to the shareholders' meeting. When the dividends are distributed by issuing new shares, it shall be submitted to the shareholders' meeting for resolution before being distributed. The Company's dividend policy will be in line with business development and expansion in the future. The distribution of earnings must take into account the Company's future capital expenditure budget and funding needs. After allocating legal reserve and special reserve from earnings each year, no less than 50% of distributable earnings shall be distributed as dividends to shareholders. However, if the net profit, after deducting the legal reserve and special reserve, is less than 5% of the paid-in capital, the Company may choose to not distribute dividends. Dividends may be distributed to shareholders in cash or stock, in which cash dividends may not be less than 50% of all dividends.

Regarding the cumulative net amount of other deductions from equity, a special reserve of the same amount should be set aside from the undistributed earnings of the preceding period. If the amount is still insufficient, a special reserve will be set aside from the current net income plus the amount of items other than the current net income included in the undistributed earnings of the current period.

In accordance with Article 241 of the Company Act, the Company may distribute its legal reserve and capital reserve, in whole or in part, by issuing new shares or cash to shareholders in proportion to their original shares. When distributing in cash, the Company shall proceed only after the Board is authorized by adopting a resolution of the Board of Directors with the presence of at least two-thirds of the directors and a majority of the directors present, and shall report the resolution to the shareholders' meeting. When the dividends are distributed by issuing new shares, a resolution shall be submitted to the shareholders' meeting for approval.

On February 17, 2025 the earnings distribution proposal for the year of 2024 was approved by the Board of Directors of the Company. The plan to distribute the 2023 earnings will need to be approved in the shareholders' meeting of the Company. On May 20, 2023, the general meeting of shareholders resolved the amount of cash dividends for the 2022 profit distribution. The amount of dividends distributed to owners is as follows:

	For the year ended December 31,					
	2024		2023		2022	
	Allotment rate (NT dollar)	Amount	Allotment rate (NT dollar)	Amount	Allotment rate (NT dollar)	Amount
Dividends distributed to ordinary shareholder:						
Cash dividends	$ 2.00	295,363	1.00	138,237	0.68	94,001

(14) Share-base payment

Cash capital increase reserved for employee subscription

On July 8, 2024, the Company's Board of Directors resolved to issue 9,445 thousand new shares through a cash capital increase, reserving 10% of the shares for preferential subscription by employees according to Article 267 of the Company Act. If employees waive or under-subscribe their shares, the chairman is authorized to negotiate with specific persons to subscribe at the issue price. Of the shares reserved for employees under Article 267 of the Company Act, employees actually subscribed for 412 thousand shares in the third quarter of 2024. According to IFRS 2 'Share-based Payment,' the fair value of the equity instruments granted must be measured at the grant date and the remuneration cost of $1,978 thousand should be recognized on the grant date.

The Company uses the Black-Scholes option valuation model to estimate the fair value of the share-based payments at the grant date. The input values for the model are as follows:

	Cash Capital Increase Reserved for Employee Subscription
	2024
Fair value at grant date	4.80
Stock price at grant date	113.95
Number of Grants	412 thousand shares
Issue price	110
Option term (Years)	0.019 Years
Risk-free interest rate (%)	1.2443 %

(15) Earnings per share

The Company's basic earnings per share are calculated as follows:

	For the year ended December 31, 2024	2023
Basic earnings per share		
Net Income attributable to the owner of the Company	**$ 385,593**	**155,653**
Weighted average number of ordinary shares outstanding during the year (in thousands of shares)	**140,946**	**138,237**
Basic earnings per share (NT dollars)	**$ 2.74**	**1.13**
Diluted earnings per share		
Net Income attributable to the owner of the Company	**$ 385,593**	**155,653**
Weighted average numbers of ordinary shares outstanding during the year	140,946	138,237
Effect of dilutive potential ordinary shares:		
－Effect of employee stock remuneration	136	476
Weighted average number of ordinary shares outstanding (in thousands of shares)	**141,082**	**138,713**
Diluted earnings per share (NT dollars)	**$ 2.73**	**1.12**

(16) Revenue from contracts with customers

	For the year ended December 31, 2024	2023
Primary geographical markets:		
Taiwan	$ 578,923	408,392
Asia-other	175,808	117,145
America	107,428	23,272
Northeast Asia (Japan and Korea)	10,439	4,714
Europe	1,366	-
Total	**$ 873,964**	**553,523**
Major product categories		
Specialty chemical materials	$ 873,311	553,523
Other	653	-
Total	**$ 873,964**	**553,523**

For details on accounts receivables and allowance for impairment, please refer to note 6(3).

(17) Remuneration to employees, directors and supervisors

According to the Company's Articles of Incorporation, if there is a profit in any given year, no less than 1% should be allocated for employees' compensation and no more than 1% for directors' compensation. However, if the Company still has accumulated losses, the amount needed to cover the losses should be reserved before making any allocations.

For the years ended December 31, 2024 and 2023, the Company accrued employee compensation of $14,140 thousand and $5,070 thousand, respectively, and director compensation of $2,020 thousand and $720 thousand, respectively. These amounts were estimated based on the Company's pre-tax profit before deducting employee and director compensation for the respective periods and multiplied by the distribution ratio for employee and director compensation stipulated in the Company's Articles of Incorporation. These amounts were reported as operating cost or expenses for the respective periods. If there is any difference between the actual distribution amounts and the estimated amounts in the following year, the difference will be accounted for as a change in accounting estimates and recognized as profit or loss in the following year. If the Board of Directors resolves to distribute employee compensation in the form of stock, the basis for calculating stock compensation is the net value of the financial statements for the previous year. There was no significant difference between the employee and director compensation amounts resolved by the board of directors and the estimated amounts in the Company's financial reports for 2024 and 2023. For related information, please refer to the Market Observation Post System.

(18) Non-operating income and expenses

A. Interest income

	For the year ended December 31,	
	2024	2023
Interest income	**$ 10,862**	**1,113**

B. Other income

	For the year ended December 31,	
	2024	2023
Rent income	$ 1,560	1,773
Others	683	1,014
	$ 2,243	**2,787**

C. Other gains and losses

	For the year ended December 31,	
	2024	2023
Losses on disposal of property, plant and	$ (235)	(68)
Foreign exchange gain (losses)	8,050	(2,427)
	$ 7,815	**(2,495)**

D. Finance costs

	For the year ended December 31,	
	2024	**2023**
Interest expenses on lease liabilities	$ -	3
Others	1	1
	$ 1	**4**

(19) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The main customers of the Company are from the silicon wafer and related industries. The Company generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Company is mainly influenced by the silicon wafer industry. As of December 31, 2024 and 2023, 72% of the Company's accounts receivable (including related parties) were from the 2 customers. Although there is a potential for concentration of credit risk, the Company routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024							
Non-derivative financial liabilities							
Accounts payable	$ 74,668	(74,668)	(74,668)	-	-	-	-
Payroll and bonus payable	38,510	(38,510)	(38,510)	-	-	-	-
Other payable-related parties	39	(39)	(39)	-	-	-	-
Other accrued expense (other current liabilities)	34,996	(34,996)	(34,996)	-	-	-	-
Guarantee deposits received (other current liabilities)	107	(107)	-	-	(107)	-	-
Accrued remuneration of directors (other current liabilities)	4,180	(4,180)	(4,180)	-	-	-	-
	$ 152,500	**(152,500)**	**(152,393)**	**-**	**(107)**	**-**	**-**

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable	$ 21,558	(21,558)	(21,558)	-	-	-	-
Payroll and bonus payable	16,682	(16,682)	(16,682)	-	-	-	-
Other payable-related parties	42	(42)	(42)	-	-	-	-
Other accrued expense (other current liabilities)	40,210	(40,210)	(40,210)	-	-	-	-
Current lease liabilities	112	(112)	(96)	(16)	-	-	-
Guarantee deposits received (other current liabilities)	196	(196)	-	-	(196)	-	-
Accrued remuneration of directors (other current liabilities)	2,630	(2,630)	(2,630)	-	-	-	-
	$ 81,430	(81,430)	(81,218)	(16)	(196)	-	-

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

C. Currency risk

(a) Exposure to foreign currency risk

The Company’s significant exposure to foreign currency risk was as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary Items						
USD	$ 2,353	32.785	77,143	3,534	30.705	108,511
Financial liabilities						
Monetary Items						
USD	1,748	32.785	57,308	548	30.705	16,826

(b) Sensitivity analysis

The Company’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, and other accounts receivable those are denominated in foreign currency. A weakening (strengthening) of 5% of the NTD against the USD, as of December 31, 2024 and 2023, would have increased or decreased the net income before income tax by $992 thousand and $4,584 thousand, respectively. The analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

Due to the diversity of the Company' s currencies, the exchange gains and losses of monetary items are disclosed on an aggregated basis. The foreign exchange gains (losses) (including realized and unrealized) for the years ended 2024 and 2023 were $8,050 thousand and $(2,427) thousand, respectively.

D. Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Company's financial assets and financial liabilities.

As of December 31, 2024 and 2023, the Company adopted cash and cash equivalent with variable interest rates. If the interest rates had increased or decreased by 0.25%, the Company's net income before income tax would have increased or decreased by $273 thousand and $140 thousand, for the years ended December 31, 2024 and 2023, respectively, assuming all other variable factors remain constant.

E. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Company' s financial assets and liabilities (including the information on fair value hierarchy, except for financial instruments not measured at fair value whose carrying amounts are reasonably close to the fair value, and lease liabilities, for which disclosure of fair value information is not required by the regulations) are as follows:

	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 725,590	-	-	-	-
Financial assets measured at amortized cost-current	1,000,000	-	-	-	-
Notes and accounts receivable, net	136,752	-	-	-	-
Other receivables-related parties	135	-	-	-	-
	$ 1,862,477	**-**	**-**	**-**	**-**

	December 31, 2024				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities measured with amortized costs					
Accounts payable	$ 74,668	-	-	-	-
Payroll and bonus payable	38,510	-	-	-	-
Other payable-related parties	39	-	-	-	-
Other accrued expense (other current liabilities)	34,996	-	-	-	-
Guarantee deposits received (other current liabilities)	107	-	-	-	-
Accrued remuneration of directors (other current liabilities)	4,180	-	-	-	-
	$ 152,500	**-**	**-**	**-**	**-**

	December 31, 2023				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 154,770	-	-	-	-
Notes and accounts receivable, net	120,612	-	-	-	-
Other accounts receivable-related parties	141	-	-	-	-
	$ 275,523	**-**	**-**	**-**	**-**
Financial liabilities measured with amortized costs					
Accounts payable	$ 21,558	-	-	-	-
Payroll and bonus payable	16,682	-	-	-	-
Other payable-related parties	42	-	-	-	-
Other accrued expense (other current liabilities)	40,210	-	-	-	-
Current lease liabilities	112	-	-	-	-
Refundable deposit (other current liabilities)	196	-	-	-	-
Accrued remuneration of directors (other current liabilities)	2,630	-	-	-	-
	$ 81,430	**-**	**-**	**-**	**-**

(20) Financial risk management

A. Overview

The financial instrument that the Company is using is exposed to the following risks:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company’ s objectives, policies and processes for measuring and managing the above mentioned risks.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company adopts a comprehensive risk management and control system to identify all risks of the Company, including market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's market risk management objectives are to achieve optimal risk positions, maintain appropriate liquidity positions, and centrally manage all market risks under due consideration of the economic environment, competition conditions, and market value risks.

The Board of Directors has overall responsibility for supervising the Company's financial risk management structure. The Company's financial accounting department provides services to various businesses and conducts financial market operations. Important financial activities are reviewed after review by the Board of Directors. During the implementation of the financial plan, the Company must comply with the relevant financial risk management and division of authorities and responsibilities related to the financial operation procedures.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk mainly arises from the Company's accounts receivable from customers and investments in securities, please refer to note 6(19).

D. Liquidity risk

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

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company'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.

(a) Currency risk

Some of the Company's transactions are denominated in USD and CNY. Therefore, the Company adopts a natural hedge strategy for its exposure to exchange rate risk arising from transactions denominated in non-functional currencies.

(b) Interest risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments due to changes in market interest rates, or the risk of changes in the cash flow of financial instruments caused by changes in market interest rates. The risk of interest rate exposure of financial assets and financial liabilities of the Company is described in the liquidity risk management of this note.

(21) Capital management

The Company's capital management goal is to protect the ability to continue as a going concern, to continue to provide stakeholders' remuneration and other stakeholders' interests, and to maintain an optimal capital structure to reduce capital costs.

In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, reduce capital and return funds received from shareholders, issue new shares or sell assets to settle liabilities.

The Company is the same as its peers, which controls capital on the basis of the debt-to-capital ratio. The ratio is calculated as net debt divided by total equity. The net debt is the total liabilities shown in the balance sheet minus cash and cash equivalents, and the total equity is all components of equity (including share capital, capital surplus, retained earnings and other equity interests).

The Company's debt to equity ratios at the end of the reporting periods were as follows:

		December 31, 2024	**December 31, 2023**
Total liabilities	$	153,227	83,763
Less: cash and cash equivalents		(725,590)	(154,770)
Net debts	**$**	**(572,363)**	**(71,007)**
Total equity	**$**	**3,232,168**	**1,756,582**
Debt-to-equity ratio		**(17.71)%**	**(4.04)%**

Decrease in debt-to-equity ratio as of December 31, 2024, due to capital increase by cash.

(22) Investing and financing activities not affecting current cash flow

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Others	December 31, 2024
Guarantee deposits received	$ 196	(89)	-	107
Current and non-current lease liabilities	112	(112)	-	-
Total liabilities from financing activities	**$ 308**	**(201)**	**-**	**107**

	January 1, 2023	Cash flows	Others	December 31, 2023
Guarantee deposits received	$ 255	(59)	-	196
Current and non-current lease liabilities	301	(192)	3	112
Total liabilities from financing activities	**$ 556**	**(251)**	**3**	**308**

7. Related-party transactions:

(1) Parent company and ultimate controlling company

Sino-American Silicon Product Inc. (“SAS”) is both the parent company and the ultimate controller of the Company. As of December 31, 2024, it owns 28.52% of all shares of the Company’s common stock, and has issued the consolidated financial statements available for public use.

(2) Names and relationship with related parties

The followings are entities that have had transactions with the Company during the periods covered in the financial statements:

Name of related party	Relationship with the Company
Sino-American Silicon Products Inc. (“SAS”)	The parent company
Sunrise PV Four Co., Ltd. (Sunrise PV Four)	SAS's subsidiary
GlobalWafers Co., Ltd (“GWC”)	SAS's subsidiary

(3) Significant transactions with related parties

A. Lease

The Company has entered into a factory car park and roof lease contract with related parties, and the details of the rent revenue are as follows:

Categories	For the year ended December 31, 2024	2023
Other related parties-Sunrise PV Four	**$ 1,088**	**1,085**

The Company leased the factory car park and roof to Sunrise PV Four. As of December 31, 2024 and 2023, the rent receivables which were recognized as other receivable-related parties, amounted to $135 thousand and $141 thousand,, respectively.

B. Others

(a) The related parties charged the Company for other services, including legal work appointment, and miscellaneous purchase, etc. Details of related other expenses and payables to related parties were as follows:

Categories	For the year ended December 31, 2024	For the year ended December 31, 2023
Parent company	$ 520	285
Other related parties-GWC	-	81
	$ 520	**366**

Items	Categories	December 31, 2024	December 31, 2023
Other payable-related parties	Parent company	**$ 39**	**42**

(b) The Company provided other services for related parties, details of miscellaneous income and other related income are included are as follows:

Categories	For the year ended December 31, 2024	For the year ended December 31, 2023
Other related parties-GWC	**$ 30**	**22**

(4) Key management personnel compensation

Key management personnel compensation comprised:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Short-term employee benefits	$ 22,799	20,288
Post-employment benefits	958	915
	$ 23,757	**21,203**

8. Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Purpose of pledge	December 31, 2024	December 31, 2023
Land	Long-term borrowings	$ -	797,910
Buildings	Long-term borrowings	-	296,381
		$ -	**1,094,291**

9. Commitments and contingencies:

The Company signed a number of equipment purchase contracts with manufacturers. As of December 31, 2024 and 2023, the contracted unpaid amounts are $8,744 thousand and $10,165 thousand, respectively.

10. Losses Due to Major Disasters: None

11. Subsequent Events: None

12. Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the year ended December 31,					
	2024			2023		
By funtion / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	57,202	43,179	100,381	40,230	30,340	70,570
Labor and health insurance	5,540	3,133	8,673	5,202	3,034	8,236
Pension	2,222	1,378	3,600	2,132	1,459	3,591
Remuneration of directors	-	4,475	4,475	-	2,785	2,785
Others	3,130	2,042	5,172	2,396	2,053	4,449
Depreciation	83,096	8,463	91,559	108,882	10,217	119,099
Amortization	30	261	291	-	266	266

The additional information on the number of employees and employee welfare expenses for the fiscal years 2024 and 2023 is as follows:

	2024	2023
Number of Employees	111	108
Number of directors who were not employee	8	7
Average employee benefit costs	$ 1,144	860
Average employee salary expenses	$ 975	699
Adjust of average employee salary expenses	39.48 %	

The information on the Company's compensation policy (including directors, managers, and employees) is as follows:

(1) Director Compensation: Based on the Company's annual profits, director compensation is allocated. The Company may decide the distribution of director compensation to non-independent directors based on their level of participation and contribution to the Company's operations. In addition to the fixed remuneration for functional committee members, the Company may allocate compensation to independent directors based on the Company's operational status and the level of participation and contribution of independent directors to the Company's operations. The total amount of compensation allocated to directors under the aforementioned two categories shall not exceed the maximum amount stipulated in the Company's Articles of Incorporation, and must be reviewed and approved by the Compensation Committee before being submitted to the board of directors for the resolution.

(2) Employee Salaries and Compensation: According to the Company's salary policy, compensation is determined based on a comprehensive consideration of job position, education, experience, skills, potential development, difficulty and responsibility of the work performed. According to the Company's "Employee Compensation Allocation Management Rules," employee compensation is allocated based on the Company's annual profits and is distributed according to grade, title, and performance for the year.

(3) Manager Salaries and Compensation: Referring to the salary level of managers in the market and the Company's salary control regulations, reasonable and competitive salaries and compensation are determined based on each manager's job position, grade, professional ability, and responsibilities, and are submitted for the discussion and resolution of the Compensation Committee before being submitted to the board of directors for approval. According to the Company's " Employee Compensation Allocation Management Rules," employee compensation is allocated based on the Company's annual profits and is distributed according to grade, title, and performance for the year. According to the Company's " Manager Salaries and Compensation Management Rules," the Chairman proposes the allocation amount to the Compensation Committee based on the overall performance of the managers in terms of their contribution to the Company's overall operations. The determination of the manager compensation is submitted for discussion and resolution by the Compensation Committee before being submitted to the board of directors for approval.

13. Other disclosures:

(1) Information on significant transactions: None

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): None.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock: None.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

I. Trading in derivative instruments: None.

(2) Information on investees: None

The following is the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China): None.

(3) Information on investment in mainland China: None

(4) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
SINO-AMERICAN SILICON PRODUCTS INC.	42,123,354	28.52 %
WINTECH INNOVATION CO., LTD	7,765,517	5.25 %

Note: The information in this table about major shareholders is calculated by the Central Depository Company as of the last business day of each quarter. It includes data on shareholders holding 5% or more of the total outstanding common and preferred shares, including treasury shares, that have completed dematerialized registration. The share capital recorded in the Company's financial reports may differ from the actual number of shares that have completed dematerialized registration due to differences in the basis of calculation or other factors.

14. Segment information:

(1) General information

The Company's reportable operating segment consists of a single department, which is mainly engaged in the research, development and sales of specialty electronic-graded gases and chemicals. In addition, the information of departmental profit and loss, departmental assets and departmental liabilities is consistent with the financial report. Please refer to the balance sheet and comprehensive income statement.

(2) Products and services information

The Company's production and sales of fine precision chemical materials all come from external customers. For relevant information, please refer to note 6(16) of the revenue from the customer contract.

(3) Geographical information

A. For the Company's revenue from external customers, please refer to note 6(16) for the revenue information of customer contracts. The Company's revenue is classified based on the geographic location of the customer or the location of the agent's registered office, while non-current assets are classified based on the geographic location of the asset.

B. Non-current assets:

Geographical information	December 31, 2024	December 31, 2023
Non-current assets:		
Taiwan	$ **1,314,288**	**1,382,395**

(4) Main Client Information

The clients that accounted for 10% or more of the Company's operating revenue as follow:

	For the year ended December 31,	
	2024	2023
Client A	$ 424,576	309,707
Client E	157,159	110,817
Client G	102,813	20,341
Client F	94,208	46,812
	$ **778,756**	**487,677**

Taiwan Speciality Chemicals Corporation

Statement of cash and cash equivalents

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Petty cash and cash on hand	$ 50
Repurchase bill		49,961
Bank deposits	Demand deposits	104,029
	Time deposits	550,000
	Foreign currency time deposits (USD: 500,000)	16,392
	Foreign currency deposits (USD: 157,325)	5,158
	Subtotal	675,579
	Total	**$ 725,590**

Note: Foreign currency exchange rates at the balance sheet date are as follows:

USD exchange rate: 32.785

Statement of trade receivables

Customer Name	Description	Amount
Accounts Receivable:		
Company A	Operating revenues	$ 72,926
Company C	Operating revenues	11,607
Company F	Operating revenues	25,666
Company E	Operating revenues	13,340
Company D	Operating revenues	10,936
Others (individual amount does not exceed 5%)	Operating revenues	2,277
		$ 136,752

Taiwan Speciality Chemicals Corporation

Statement of inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

	Amount		
Items	**Cost**	**Net realizable value**	**Remark**
Raw materials	$ 9,475	9,118	Net realizable value based on market price
Work in progress	8,883	8,883	Net realizable value based on market price
Finished goods and products	75,397	413,652	Net realizable value based on market price
Merchandise	61,314	101,862	Net realizable value based on market price
Less: Allowance for loss	(597)	-	
	$ 154,472	533,515	

Statement of other current assets

Please refer to note 6(8) of the financial statements for relevant information of other current assets and other non-current assets.

Statement of changes in property, plant and equipment

Please refer to note 6(5) of the financial statements for relevant information of property, plant and equipment.

Taiwan Speciality Chemicals Corporation

Statement of changes in right-of-use assets

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(6) of the financial statements for relevant information of changes in right-of-use assets.

Statement of changes in intangible assets

Please refer to note 6(7) of the financial statements for relevant information of changes in intangible assets.

Statement of trade payables

(Expressed in thousands of New Taiwan Dollars)

Names of suppliers	Amount
Accounts payable:	
Supplier E	$ 26,157
Supplier B	24,276
Supplier F	8,511
Supplier G	6,205
Others (individual amount does not exceed 5%)	9,519
	$ 74,668

Taiwan Speciality Chemicals Corporation

Statement of other current liabilities

December 31, 2024

Please refer to note 6(9) of the financial statements for relevant information of other current liabilities and other non-current liabilities.

Statement of operating revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Sales volume	Amount
Specialty chemicals	129,651 KG & 748 CYL	$ 873,311
Others		653
		$ 873,964

Taiwan Speciality Chemicals Corporation

Statement of operating costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Beginning inventory - goods	$ 34,906
Add: Purchase in this period	167,202
Less: Inventories at the end of the period	(61,314)
Transfer of sale expenses	(456)
Cost of goods purchased and sold	140,338
Raw material consumption	
Beginning raw materials	3,989
Add: Material purchased in this period	73,062
Miscellaneous enter warehouse	1,681
Less: Ending raw materials	(9,475)
Raw materials required by the department	(39,086)
Consumption of raw materials in this period	30,171
Direct labor	30,262
Manufacturing expenses	123,177
Manufacturing cost	183,610
Add: Beginning WIP goods	2,057
Miscellaneous enter warehouse	5,025
Less: Ending WIP goods	(8,883)
Costs of finished goods	181,809
Add: Beginning finished goods	98,088
Miscellaneous enter warehouse	662
Less: Ending finished goods	(75,397)
Transfer of sale expenses	(1,767)
Miscellaneous required	(880)
Cost of finished goods sold	202,515
Cost of goods sold	342,853
Add: Other operating costs	(1,334)
Provisions for inventory valuation loss	239
Unallocated fixed manufacturing costs	64,451
Recognition of the impairment loss of fixed assets	5,000
Total operating costs	**$ 411,209**

Taiwan Speciality Chemicals Corporation

Statement of selling expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount
Import/export expenses		$ 6,814
Shipping expenses		6,617
Salary expenses		6,045
Insurance expenses		1,475
Others (summary of individual amount not exceeding 5%)		3,424
		$ 24,375

Statement of administrative expenses

Items	Description	Amount
Salary expenses		$ 37,347
Utilities expenses		6,825
Professional service fees		3,215
Others (summary of individual amount not exceeding 5%)		7,880
		$ 55,267

Taiwan Speciality Chemicals Corporation

Research and development expenses

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount
Salary expenses		$ 10,815
Depreciation		6,003
Miscellaneous purchases		921
Others (summary of individual amount not exceeding 5%)		700
		$ 18,439

Statement of the net amount of other revenues and gains and expenses and losses

Please refer to note 6(18) of the financial statements for relevant information of the net amount of other revenues and gains and expenses and losses.

Taiwan Speciality Chemicals Corporation

Statement of finance costs

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(18) of the financial statements for relevant information of finance costs.

Summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function

Please refer to note 12 of the financial statements for relevant information of employee benefits, depreciation, and amortization expenses.