

Taiwan Speciality Chemicals Corporation

Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors of Taiwan Speciality Chemicals Corporation:

Preface

We have reviewed the balance sheets of Taiwan Speciality Chemicals Corporation as of March 31, 2025 and 2024, and the statements of comprehensive income, changes in equity, and cash flows for the three-month periods then ended, as well as the notes to the individual financial statement (including the summary of significant accounting policies). The preparation and fair presentation of the individual financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission is the responsibility of the management. Our responsibility is to express a conclusion based on our review.

Scope

We conducted our review in accordance with Auditing Standard No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of individual financial statements consists primarily of inquiries (primarily directed to personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with generally accepted auditing standards, and accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual financial statements are not prepared, in all material respects, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission, so as to present fairly the financial position of Taiwan Speciality Chemicals Corporation as of March 31, 2025 and 2024, and its financial performance and cash flows for the three-month periods then ended.

KPMG

Taipei, Taiwan (Republic of China)

May 5, 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 review 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 Sheet

As of March 31, 2025, December 31, 2024, and March 31, 2024

Unit: NT\$1,000

Assets		2025.3.31		2024.12.31		2024.3.31						2025.3.31		2024.12.31		2024.3.31	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Current assets:																	
1100	Cash and Cash Equivalents (Note 6(1))	\$ 806,703	23	725,590	21	286,268	15										
1136	Financial Assets Measured at Amortized Cost – Current (Note 6(2))	1,000,000	29	1,000,000	30	-	-	2170	Accounts Payable	\$ 66,807	2	74,668	2	30,541	2		
1170	Notes and Accounts Receivable, Net (Note 6(3))	120,598	3	136,752	4	120,401	6	2201	Accrued Payroll and Bonuses	29,310	1	38,510	1	17,750	1		
1210	Other Receivables – Related Parties (Note 7)	255	-	135	-	206	-	2220	Other Payables – Related Parties (Note 7)	89	-	39	-	82	-		
130X	Inventories (Note 6(4))	188,935	5	154,472	5	105,553	6	2216	Dividends Payable (Note 6(13))	295,363	8	-	-	138,237	7		
1479	Other Current Assets – Others (Note 6(8))	18,436	1	17,200	-	7,612	-	2300	Other Current Liabilities (Notes 6(9) and (10))	42,768	1	39,903	1	28,623	1		
		2,134,927	61	2,034,149	60	520,040	27			434,337	12	153,120	4	215,233	11		
Non-current Assets:																	
1600	Property, Plant and Equipment (Notes 6(5) and 8)	1,304,098	38	1,311,884	39	1,352,464	71	2600	Other Non-current Liabilities (Note 6(9))	60	-	107	-	227	-		
1755	Right-of-use Assets (Note 6(6))	-	-	-	-	63	-			434,397	12	153,227	4	215,460	11		
1780	Intangible Assets (Note 6(7))	1,083	-	904	-	1,116	-										
1840	Deferred Income Tax Assets (Note 6(12))	22,827	1	36,958	1	36,958	2	3110	Common Stock Capital	1,476,816	43	1,476,816	44	1,382,366	72		
1990	Other Non-current Assets – Others (Note 6(8))	11,000	-	1,500	-	4,191	-	3200	Capital reserve	1,133,780	33	1,133,780	33	-	-		
		1,339,008	39	1,351,246	40	1,394,792	73	3350	Retained earnings	428,942	12	621,572	19	317,006	17		
Total Assets		\$ 3,473,935	100	3,385,395	100	1,914,832	100			3,039,538	88	3,232,168	96	1,699,372	89		
										\$ 3,473,935	100	3,385,395	100	1,914,832	100		
										Total Liabilities and Equity							

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

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

Taiwan Speciality Chemicals Corporation

Statement of Comprehensive Income

For the Three-month Periods Ended March 31, 2025 and 2024

Unit: NT\$1,000

		January to March 2025		January to March 2024	
		Amount	%	Amount	%
4000	Operating Revenue (Note 6(16))	\$ 219,619	100	216,934	100
5000	Operating Costs (Notes 6(4), (5), (11), and (17))	91,807	42	121,391	56
	Gross profit	127,812	58	95,543	44
	Operating Expenses (Notes 6(5), (6), (7), (11), (17), and 7):				
6100	Selling Expenses	2,711	1	4,630	2
6200	Administrative Expenses	12,391	5	11,409	5
6300	Research and Development Expenses	3,849	2	4,608	2
		18,951	8	20,647	9
	Net operating income	108,861	50	74,896	35
	Non-operating revenue and expense:				
7100	Interest Income (Note 6(18))	7,237	3	812	-
7010	Other Income (Notes 6(18) and 7)	727	-	969	-
7020	Other Gains and Losses (Notes 6(5) and (18))	38	-	4,350	2
		8,002	3	6,131	2
	Net income before tax	116,863	53	81,027	37
7950	Less: Income Tax Expense (Note 6(12))	14,131	6	-	-
	Net income of the current period	102,732	47	81,027	37
8300	Other current comprehensive income (net amount after tax) of the current period	-	-	-	-
8500	Total comprehensive income	<u>\$ 102,732</u>	<u>47</u>	<u>81,027</u>	<u>37</u>
	Earnings per Share (Unit: NT\$) (Note 6(15))				
9750	Basic Earnings per Share	<u>\$ 0.70</u>		<u>0.59</u>	
9850	Diluted Earnings per Share	<u>\$ 0.70</u>		<u>0.58</u>	

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

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

Taiwan Speciality Chemicals Corporation

Statement of Changes in Equity

For the Three-month Periods Ended March 31, 2025 and 2024

Unit: NT\$1,000

	Common Stock Capital	Capital reserve	Legal Reserve	Retained earnings	Total	Total equity
				Unappropriated Earnings		
Balance as of January 1, 2024	<u>\$ 1,382,366</u>	<u>-</u>	<u>40,242</u>	<u>333,974</u>	<u>374,216</u>	<u>1,756,582</u>
Net income of the current period	-	-	-	81,027	81,027	81,027
Other Comprehensive Income for the Period	-	-	-	-	-	-
Total comprehensive income	-	-	-	81,027	81,027	81,027
Appropriation and Distribution of Earnings:						
Legal reserve set aside	-	-	15,565	(15,565)	-	-
Cash Dividends to Common Shareholders	-	-	-	(138,237)	(138,237)	(138,237)
Balance as of March 31, 2024	<u>\$ 1,382,366</u>	<u>-</u>	<u>55,807</u>	<u>261,199</u>	<u>317,006</u>	<u>1,699,372</u>
Balance as of January 1, 2025	<u>\$ 1,476,816</u>	<u>1,133,780</u>	<u>55,807</u>	<u>565,766</u>	<u>621,573</u>	<u>3,232,169</u>
Net income of the current period	-	-	-	102,732	102,732	102,732
Other Comprehensive Income for the Period	-	-	-	-	-	-
Total comprehensive income	-	-	-	102,732	102,732	102,732
Appropriation and Distribution of Earnings:						
Cash Dividends to Common Shareholders	-	-	-	(295,363)	(295,363)	(295,363)
Balance as of March 31, 2025	<u>\$ 1,476,816</u>	<u>1,133,780</u>	<u>55,807</u>	<u>373,135</u>	<u>428,942</u>	<u>3,039,538</u>

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

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

Taiwan Speciality Chemicals Corporation

Statement of Cash Flows

For the Three-month Periods Ended March 31, 2025 and 2024

Unit: NT\$1,000

	January to March 2025	January to March 2024
Cash Flows from Operating Activities:		
Profit Before Tax for the Period	\$ 116,863	81,027
Adjustments:		
Items of Income and Expense		
Depreciation Expense	18,846	29,939
Amortization Expense	75	79
Interest income	(7,237)	(812)
Loss on Disposal and Retirement of Property, Plant and Equipment	756	287
Inventory Valuation and Obsolescence Loss	2,755	10
Total Adjustments to Profit or Loss	15,195	29,503
Changes in Assets/Liabilities Related to Operating Activities:		
Notes and Accounts Receivable	16,154	211
Other Receivables – Related Parties	(120)	(65)
Inventories	(37,218)	33,119
Other Operating Assets	(124)	(754)
Accounts Payable	(7,861)	8,983
Other Payables – Related Parties	50	40
Other Current Liabilities	(11,719)	1,856
Total Net Changes in Assets and Liabilities Related to Operating Activities	(40,838)	43,390
Total Adjustments	(25,643)	72,893
Cash Inflows from Operating Activities	91,220	153,920
Interest Received	6,801	812
Income Tax Paid	(676)	(72)
Net Cash Inflows from Operating Activities	97,345	154,660
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment and Prepayments for Equipment	(16,034)	(23,132)
Decrease in Refundable Deposits	103	137
Acquisition of Intangible Assets	(254)	(150)
Net Cash Outflows from Investing Activities	(16,185)	(23,145)
Cash Flows from Financing Activities:		
Increase (Decrease) in Guarantee Deposits Received	(47)	31
Repayments of Lease Principal	-	(48)
Net Cash Outflows from Financing Activities	(47)	(17)
Net Increase in Cash and Cash Equivalents for the Period	81,113	131,498
Cash and Cash Equivalents at Beginning of Period	725,590	154,770
Cash and Cash Equivalents at End of Period	\$ 806,703	286,268

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

(English Translation of Financial Statements Originally Issued in Chinese)

Taiwan Speciality Chemicals Corporation

Notes to the Financial Statements

First Quarters of 2025 and 2024

(Unless otherwise specified, all amounts are expressed in thousands of New Taiwan Dollars)

1. Company History

Taiwan Speciality Chemicals Corporation (hereinafter referred to as "the Company") was incorporated on March 27, 2013, with the approval of the Ministry of Economic Affairs. The registered address is No. 1, Xisan Rd., Zhangbin Industrial Zone, Yupu Village, Xianxi Township, Changhua County, Taiwan. The Company's principal business activities are the manufacturing and sales of precision chemical materials.

The Company was listed and commenced trading on the Taipei Exchange on September 20, 2024.

2. Date and Procedure of Financial Report Approval

This financial report was approved and authorized for issuance by the Board of Directors on May 5, 2025.

3. Application of Newly Issued and Revised Standards and Interpretations

(1) Effects of Newly Issued and Revised Standards and Interpretations Endorsed by the Financial Supervisory Commission (FSC)

The Company has adopted the following newly revised International Financial Reporting Standards (IFRSs) starting from January 1, 2025, and there has been no material impact on the financial statements:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
- Amendments to IFRS 9 and IFRS 7 Financial Instruments – Classification and Measurement (Application Guidance of Section 4.1 of IFRS 9 and Related Disclosure Requirements of IFRS 7)

(2) Newly Issued and Revised Standards and Interpretations Not Yet Endorsed by the Financial Supervisory Commission

The following newly issued and amended standards and interpretations have been published by the International Accounting Standards Board but not yet endorsed by the Financial Supervisory Commission:

- 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
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation (Continued)

- Amendments to IFRS 9 and IFRS 7 Financial Instruments – Classification and Measurement (Application Guidance of Sections 3.1 and 3.3 of IFRS 9 and Related Disclosure Requirements of IFRS 7)
- Annual improvements to IFRS
- Amendments to IFRS 9 and IFRS 7 Power Purchase Agreements with Nature-based Suppliers

As of the date of issuance of this financial report, except for IFRS 17 Insurance Contracts and its related amendments, which are not applicable to the Company, the Company is still evaluating the impact of the remaining standards and interpretations and their effective dates on its financial position and operating results. The related impacts will be disclosed once the assessment is complete.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

This financial report has been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the “Preparation Guidelines”) and International Accounting Standard No. 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission (FSC). This financial report does not include all the necessary disclosures required in a complete set of annual financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations issued as Announcements endorsed by the FSC (hereinafter referred to as “IFRSs endorsed by the FSC”).

Except as otherwise stated below, the major accounting policies adopted in this interim financial report are consistent with those adopted in the financial statements for the year ended 2024. For related information, please refer to Note 4 of the 2024 financial statements.

(2) Income Tax

The Company measures and discloses income tax expense for the interim period in accordance with paragraph B12 of International Accounting Standard No. 34 “Interim Financial Reporting”. Income tax expense is calculated by applying the management’s best estimate of the annual effective tax rate to the pre-tax income for the interim reporting period and is fully recognized as the current period’s income tax expense.

Where income tax expense is recognized directly in equity or other comprehensive income, it is measured based on the temporary differences between the carrying amounts and tax bases of the related assets and liabilities for financial reporting purposes, using the tax rates

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation (Continued)

expected to be applied when the differences reverse.

5. Major Sources of Estimation Uncertainty, Judgments and Assumptions

When preparing this financial report in accordance with the Preparation Guidelines and International Accounting Standard No. 34 “Interim Financial Reporting” as endorsed by the FSC, management must make judgments and estimates about the future (including climate-related risks and opportunities), which affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing the parent company only financial statements, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty are consistent with those disclosed in Note 5 of the 2024 financial statements.

6. Description of Significant Accounting Items

Except as otherwise stated below, the descriptions of significant accounting items in this financial report do not differ materially from those disclosed in the 2024 financial statements. For related information, please refer to Note 6 of the 2024 financial statements.

(1) Cash and Cash Equivalents

	2025.3.31	2024.12.31	2024.3.31
Cash	\$ 50	50	50
Demand deposits	81,670	109,187	66,618
Time deposits	654,923	566,392	201,600
Short-term bills	70,060	49,961	18,000
	<u><u>\$ 806,703</u></u>	<u><u>725,590</u></u>	<u><u>286,268</u></u>

(2) Financial Assets Measured at Amortized Cost – Current

	2025.3.31	2024.12.31	2024.3.31
Time deposits	<u><u>\$ 1,000,000</u></u>	<u><u>1,000,000</u></u>	<u><u>-</u></u>

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

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

(3) Notes and Accounts Receivable, Net

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

	2025.3.31	2024.12.31	2024.3.31
Notes receivable	\$ 173	662	504
Accounts receivable	120,425	136,090	119,897
	<u>\$ 120,598</u>	<u>136,752</u>	<u>120,401</u>

The Company applies the simplified approach to estimate expected credit losses for all notes and accounts receivable. That is, expected credit losses are measured based on lifetime expected credit losses. For this purpose, notes and accounts receivable are grouped based on shared credit risk characteristics reflecting the customers' ability to pay all amounts due in accordance with the contractual terms, and forward-looking information has been incorporated. The analysis of expected credit losses on the Company's notes and accounts receivable is as follows:

	2025.3.31		
	Carrying amount of notes and accounts receivable	Weighted- average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	<u>\$ 120,598</u>	0%	<u>-</u>
	2024.12.31		
	Carrying amount of notes and accounts receivable	Weighted- average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	<u>\$ 136,752</u>	0%	<u>-</u>
	2024.3.31		
	Carrying amount of notes and accounts receivable	Weighted- average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	<u>\$ 120,401</u>	0%	<u>-</u>

(4) Inventories

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

	2025.3.31	2024.12.31	2024.3.31
Raw Materials and Supplies	\$ 7,753	9,118	3,896
Work in Progress	11,124	8,883	8,927
Finished Goods	91,132	75,397	69,783
Merchandise	78,926	61,074	22,947
	<u>\$ 188,935</u>	<u>154,472</u>	<u>105,553</u>

The amounts recognized as operating costs are as follows:

	January to March 2025	January to March 2024
Cost of goods sold	\$ 81,634	98,923
Inventory valuation loss	2,755	10
Unallocated fixed manufacturing overhead	9,950	21,584
Other operating costs	(2,532)	874
	<u>\$ 91,807</u>	<u>121,391</u>

As of March 31, 2025, December 31, 2024, and March 31, 2024, none of the Company's inventories were pledged as collateral.

(5) Property, Plant and Equipment

The movements in the cost and depreciation of the Company's property, plant and equipment are as follows:

	Land	Buildings and Structures	Machinery, Equipment and Others	Construction in Progress and Equipment Pending Inspection	Total
Cost:					
Balance as of January 1, 2025	\$ 797,910	503,399	445,005	562	1,746,876
Additions	-	-	4,629	7,187	11,816
Disposals	-	(1,748)	(4,060)	-	(5,808)
Reclassifications	-	-	1,237	(1,237)	-
Balance as of March 31, 2025	<u>\$ 797,910</u>	<u>501,651</u>	<u>446,811</u>	<u>6,512</u>	<u>1,752,884</u>
Balance as of January 1, 2024	\$ 797,910	500,456	900,942	28,540	2,227,848
Additions	-	745	1,260	3,697	5,702
Disposals	-	-	(27,805)	-	(27,805)

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

	Land	Buildings and Structures	Machinery, Equipment and Others	Construction in Progress and Equipment Pending Inspection	Total
Reclassifications	-	-	4,911	(4,911)	-
Balance as of March 31, 2024	<u>\$ 797,910</u>	<u>501,201</u>	<u>879,308</u>	<u>27,326</u>	<u>2,205,745</u>
Depreciation and Impairment:					
Balance as of January 1, 2025	\$ -	154,125	280,867	-	434,992
Depreciation for the period	-	5,916	12,930	-	18,846
Disposals	-	(992)	(4,060)	-	(5,052)
Balance as of March 31, 2025	<u>\$ -</u>	<u>159,049</u>	<u>289,737</u>	<u>-</u>	<u>448,786</u>
Balance as of January 1, 2024	\$ -	130,727	720,180	-	850,907
Depreciation for the period	-	5,795	24,097	-	29,892
Disposals	-	-	(27,518)	-	(27,518)
Balance as of March 31, 2024	<u>\$ -</u>	<u>136,522</u>	<u>716,759</u>	<u>-</u>	<u>853,281</u>
Carrying Amount:					
January 1, 2025	<u>\$ 797,910</u>	<u>349,274</u>	<u>164,138</u>	<u>562</u>	<u>1,311,884</u>
March 31, 2025	<u>\$ 797,910</u>	<u>342,602</u>	<u>157,074</u>	<u>6,512</u>	<u>1,304,098</u>
January 1, 2024	<u>\$ 797,910</u>	<u>369,729</u>	<u>180,762</u>	<u>28,540</u>	<u>1,376,941</u>
March 31, 2024	<u>\$ 797,910</u>	<u>364,679</u>	<u>162,549</u>	<u>27,326</u>	<u>1,352,464</u>

For restrictions on the Company's property, plant and equipment as of March 31, 2025, December 31, 2024, and March 31, 2024, please refer to Note 8.

(6) Right-of-Use Assets

	Transportation Equipment
Carrying Amount:	
January 1, 2025	<u>\$ -</u>
March 31, 2025	<u>\$ -</u>
January 1, 2024	<u>\$ 110</u>
March 31, 2024	<u>\$ 63</u>

The Company recognized no significant additions, impairments, or reversals of right-of-use assets for transportation equipment during the periods from January 1 to March 31, 2025 and 2024. For other related information, please refer to Note 6(6) of the 2024 Parent Company Only Financial Statements.

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

(7) Intangible Assets

	Computer Software
Carrying Amount:	
January 1, 2025	<u><u>\$ 904</u></u>
March 31, 2025	<u><u>\$ 1,083</u></u>
January 1, 2024	<u><u>\$ 1,195</u></u>
March 31, 2024	<u><u>\$ 1,116</u></u>

The Company recognized no significant additions, disposals, impairments, or reversals of intangible assets during the periods from January 1 to March 31, 2025 and 2024. For other related information, please refer to Note 6(7) of the 2024 Parent Company Only Financial Statements.

(8) Other Current Assets and Other Non-Current Assets

	2025.3.31	2024.12.31	2024.3.31
Prepayments for Equipment	\$ 9,815	212	3,294
Prepaid Expenses	13,437	12,292	5,596
Prepaid Insurance	2,227	1,460	1,795
Prepayments for Merchandise	-	1,626	-
Others	3,957	3,110	1,118
	<u><u>\$ 29,436</u></u>	<u><u>18,700</u></u>	<u><u>11,803</u></u>
Other Current Assets	\$ 18,436	17,200	7,612
Other Non-Current Assets	11,000	1,500	4,191
	<u><u>\$ 29,436</u></u>	<u><u>18,700</u></u>	<u><u>11,803</u></u>

(9) Other Current Liabilities and Other Non-Current Liabilities

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Payables for Equipment and Construction	\$ 14,929	9,544	9,045
Accrued Expenses	21,373	25,452	14,215
Others	<u>6,526</u>	<u>5,014</u>	<u>5,590</u>
	<u>\$ 42,828</u>	<u>40,010</u>	<u>28,850</u>
	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Other Current Liabilities	\$ 42,768	39,903	28,623
Other Non-Current Liabilities	<u>60</u>	<u>107</u>	<u>227</u>
	<u>\$ 42,828</u>	<u>40,010</u>	<u>28,850</u>

(10) Lease Liabilities

The carrying amounts of the Company's lease liabilities are as follows:

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Other Current Liabilities	<u>\$ -</u>	<u>-</u>	<u>64</u>

For maturity analysis, please refer to Note 6(19) Financial Instruments.

The amounts recognized in profit or loss for leases are as follows:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Short-term Lease Expenses	<u>\$ -</u>	<u>9</u>
Low-value Lease Asset Expenses (excluding short-term leases of low-value assets)	<u>\$ 56</u>	<u>56</u>

The amounts recognized in the statement of cash flows for leases are as follows:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Total Cash Outflows for Leases	<u>\$ 56</u>	<u>113</u>

The lease term for the transportation equipment leased by the Company is three years.

(11) Employee Benefits

The Company's defined contribution plan is in accordance with the Labor Pension Act, under which it contributes 6% of each employee's monthly wages to the individual pension accounts at the Bureau of Labor Insurance. Under this plan, once the Company has made the required contributions to the Bureau of Labor Insurance, it has no further legal or constructive obligations to pay additional amounts.

For the periods from January 1 to March 31, 2025 and 2024, the retirement pension

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation

(Continued)

expenses under the defined contribution plan were NT\$983 thousand and NT\$847 thousand, respectively, all of which have been contributed to the Bureau of Labor Insurance.

(12) Income Tax

- A. The details of the Company's income tax expense for the periods from January 1 to March 31, 2025 and 2024 are as follows:

	January to March 2025	January to March 2024
Income Tax Expense	\$ 14,131	-

- B. The Company's profit-seeking enterprise income tax returns have been assessed and approved by the tax authorities through 2022.

(13) Capital and Other Equity

Except as described below, there were no significant changes in capital and other equity during the periods from January 1 to March 31, 2025 and 2024. For related information, please refer to Note 6(13) of the 2024 Parent Company Only Financial Statements.

A. Capital Stock

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Company's authorized capital was NT\$4,000,000 thousand, with a par value of NT\$10 per share. Of this amount, NT\$100,000 thousand, divided into 10,000 thousand shares, was reserved for employee stock options. The number of shares issued and outstanding was 147,682 thousand shares, 147,682 thousand shares, and 138,237 thousand shares, respectively.

On July 8, 2024, the Company's Board of Directors resolved to conduct a cash capital increase prior to its initial listing, issuing 9,445 thousand new shares with a par value of NT\$10 per share. The minimum underwriting price in the competitive auction was NT\$88 per share. Shares were awarded based on the highest bid prices, and each successful bidder subscribed at their respective bid price. The weighted average price across all successful bids was NT\$137.99 per share. The public subscription price was NT\$110 per share. The record date for capital increase was September 18, 2024. The statutory registration procedures have been completed, and all proceeds totaling NT\$1,226,252 thousand have been collected. Additionally, in accordance with regulations, the Company recognized remuneration costs for employee subscription rights associated with the reserved portion of the cash capital

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation (Continued)

increase. For related information, please refer to Note 6(14).

B. Capital Surplus

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

	2025.3.31	2024.12.31	2024.3.31
Share Premium	\$ 1,131,802	1,131,802	-
Employee Stock Options	1,978	1,978	-
	<u>\$ 1,133,780</u>	<u>1,133,780</u>	<u>-</u>

C. Retained Earnings

Pursuant to the Company's Articles of Incorporation, earnings for the year shall first be used to pay taxes and offset accumulated losses. Thereafter, 10% shall be appropriated as legal reserve, unless the legal reserve has reached the amount of paid-in capital, in which case the appropriation is no longer required. If necessary, special reserves shall be appropriated or reversed in accordance with laws or the requirements of the competent authority. Any remaining earnings, along with unappropriated earnings from previous years, may be distributed. When earnings are to be distributed in cash, pursuant to Article 240, Paragraph 5 of the Company Act, the Board of Directors is authorized, with the approval of a majority of the attending directors at a meeting attended by at least two-thirds of all directors, to distribute all or part of the dividends to shareholders in the form of cash, and report to the shareholders' meeting. If the distribution is in the form of new shares, it shall be resolved at the shareholders' meeting. The Company will expand its business in the future. The distribution of profit shall take into account the Company's future capital expenditure budget and capital needs. The annual after-tax surplus shall be deducted from the legal reserve and special reserve with no less than 50% of after-tax profit being reserved for shareholder dividends; however, when the annual after-tax surplus is less than 5% of the paid-in capital after deducting the legal reserve and special reserve, it may not be distributed; the distribution of shareholder dividends can be made in cash or shares, of which the distribution ratio of cash dividends shall not be less than 50% of the total shareholder dividends.

For the net deduction of other interests accumulated in the previous period, the same amount of special reserve shall be withdrawn from the undistributed surplus of the previous period. If there is still any insufficiency, the amount included in the undistributed surplus of the current period from the current after-tax surplus plus items other than the current after-tax surplus shall be set aside for special reserve.

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation (Continued)

In accordance with Article 241 of the Company Act, for all or part of the legal reserve and additional paid-in capital, new shares or cash will be issued in proportion to the original shares held by shareholders, in the case of distribution in cash, the board of directors shall be authorized to make resolution by the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, which shall be submitted to the shareholders' meeting; in the case of distribution by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution.

On February 17, 2025 and February 19, 2024, the Board of Directors resolved to distribute cash dividends from the 2024 and 2023 earnings, respectively. The amount of dividends allocated to owners is as follows:

	2024		2023	
	Dividend per Share (NT\$)	Amount	Dividend per Share (NT\$)	Amount
Dividends Allocated to Owners of Ordinary Shares:				
Cash	\$ 2.00	<u><u>295,363</u></u>	1.00	<u><u>138,237</u></u>

(14) Share-Based 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. In accordance with Article 267 of the Company Act, 10% of the shares were reserved for subscription by employees of the Company. Any unsubscribed or forfeited shares by employees were authorized to be fully subscribed by specific persons at the issuance price, as designated by the Chairman.

For the shares reserved under Article 267 of the Company Act and subscribed by employees, the actual number of shares subscribed by employees in 2024 Q3 was 412 thousand. In accordance with IFRS 2 "Share-Based Payment," the fair value of the equity instruments granted shall be measured at the grant date. A compensation cost of NT\$1,978 thousand was recognized at the grant date.

The Company used the Black-Scholes option pricing model to estimate the fair value of the share-based payment at the grant date. The input assumptions of the model are as follows:

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

		Cash Capital Increase Reserved for Employee Subscription
		2024
Fair Value at Grant Date		4.80
Stock Price at Grant Date		113.95
Number of Shares Granted	412 thousand shares	
Issuance price		110
Option Life (Years)		0.019 year
Risk-Free Interest Rate (%)		1.2443%
(15)	Earnings Per Share	
	The calculation of basic earnings per share is as follows:	
		January to March 2025
		January to March 2024
	Basic Earnings per Share	
	Net Income Attributable to Owners of Ordinary Shares of the Company	\$ 102,732 81,027
	Weighted Average Number of Ordinary Shares Outstanding (in thousands)	147,682 138,237
	Basic Earnings Per Share (NT\$)	\$ 0.70 0.59
	Diluted Earnings per Share	
	Net Income Attributable to Owners of Ordinary Shares of the Company	\$ 102,732 81,027
	Weighted Average Number of Ordinary Shares Outstanding (in thousands)	147,682 138,237
	Effect of Potential Dilutive Ordinary Shares:	
	— Effect of Employee Compensation Settled in Shares	57 459
	Weighted Average Number of Ordinary Shares Outstanding (in thousands)	147,739 138,696
	Diluted Earnings Per Share (NT\$)	\$ 0.70 0.58
(16)	Revenue from Customer Contracts	
		January to March 2025
		January to March 2024
	Major Regional Market:	
	Taiwan	\$ 157,058 136,349
	Other- Asia regions	18,992 37,141

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

	<u>January to March 2025</u>	<u>January to March 2024</u>
America	42,117	41,672
Northeast Asia (Japan, Korea)	1,452	1,772
Total	<u>\$ 219,619</u>	<u>216,934</u>
Main Product:		
Precision Chemical Materials	\$ 219,619	216,934
Total	<u>\$ 219,619</u>	<u>216,934</u>

For disclosures on Accounts Receivable and Impairment, please refer to Note 6(3).

(17) Employee and Director Compensation

According to the Company's Articles of Incorporation, if there is profit for the year, no less than 1% shall be allocated as employee compensation and no more than 1% as director compensation. However, if the Company still has accumulated losses, such losses shall be covered first before any such allocations.

For the periods from January 1 to March 31 of 2025 and 2024, the estimated amounts of employee remuneration were NT\$4,260 thousand and NT\$2,950 thousand, respectively, and the estimated amounts of director remuneration were NT\$600 thousand and NT\$420 thousand, respectively. These estimates were based on the pre-tax net profit for the respective periods, before deducting employee and director remuneration, multiplied by the percentages specified in the Company's Articles of Incorporation. The amounts are recognized under operating costs or operating expenses for the relevant periods. If the actual distribution in the following year differs from the estimates, the difference shall be accounted for as a change in accounting estimate and recognized in profit or loss for the following year. If the Board of Directors resolves to distribute employee remuneration in the form of shares, the basis for calculating the share-based remuneration shall be the net asset value in the financial statements of the previous year.

For fiscal years 2024 and 2023, the estimated employee remuneration amounted to NT\$14,140 thousand and NT\$5,070 thousand, respectively, and the estimated director and supervisor remuneration amounted to NT\$2,020 thousand and NT\$720 thousand, respectively. Relevant information can be found on the Market Observation Post System. There were no significant differences between the aforementioned estimates and the resolutions of the Company's Board of Directors.

(18) Non-Operating Income and Expenses

A. Interest Income

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

	January to March 2025	January to March 2024
Interest from Bank Deposits	<u>\$ 7,237</u>	<u>812</u>

B. Other Income

	January to March 2025	January to March 2024
Rental Income	\$ 375	399
Others	352	570
	<u>\$ 727</u>	<u>969</u>

C. Other Gains and Losses

	January to March 2025	January to March 2024
Foreign Exchange Gain (Loss)	\$ 794	4,637
Loss on Disposal of Property, Plant, and Equipment	(756)	(287)
	<u>\$ 38</u>	<u>4,350</u>

(19) Financial Instruments

A. Credit Risk

(a) Exposure to Credit Risk

The carrying amounts of financial assets represent the maximum exposure to credit risk.

(b) Concentration of Credit Risk

The Company's major customers are related to the silicon wafer industry. The Company typically grants credit limits to customers based on approved credit lines; therefore, its credit risk is primarily influenced by the silicon wafer industry. As of March 31, 2025, December 31, 2024, and March 31, 2024, accounts receivable (including related parties) from two customers accounted for 77%, 72%, and 57% of the total balance, respectively. Although there is a concentration of credit risk, the Company regularly assesses the collectability of accounts receivable and provides appropriate allowances for doubtful accounts.

B. Liquidity Risk

The following table presents an analysis of the contractual maturities of financial liabilities. The amounts include estimated interest but exclude the effects of netting arrangements.

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation

(Continued)

	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>Within 6 Months</u>	<u>6-12 Months</u>	<u>1-2 Years</u>	<u>2-5 Years</u>	<u>Over 5 Years</u>
March 31, 2025							
Non-Derivative Financial Liabilities							
Accounts Payable	\$ 66,807	(66,807)	(66,807)	-	-	-	-
Accrued Payroll and Bonuses	29,310	(29,310)	(29,310)	-	-	-	-
Other Payables-Related Parties	89	(89)	(89)	-	-	-	-
Other Payables (classified under Other Current Liabilities)	36,302	(36,302)	(36,302)	-	-	-	-
Dividends Payable	295,363	(295,363)	(295,363)	-	-	-	-
Guarantee Deposits Received (classified under Other Non-Current Liabilities)	60	(60)	-	-	(60)	-	-
Remuneration Payable to Directors and Supervisors (classified under Other Current Liabilities)	5,320	(5,320)	(5,320)	-	-	-	-
	<u>\$ 433,251</u>	<u>(433,251)</u>	<u>(433,191)</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>-</u>
	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>Within 6 Months</u>	<u>6-12 Months</u>	<u>1-2 Years</u>	<u>2-5 Years</u>	<u>Over 5 Years</u>
December 31, 2024							
Non-Derivative Financial Liabilities							
Accounts Payable	\$ 74,668	(74,668)	(74,668)	-	-	-	-
Accrued Payroll and Bonuses	38,510	(38,510)	(38,510)	-	-	-	-
Other Payables-Related Parties	39	(39)	(39)	-	-	-	-
Other Payables (classified under Other Current Liabilities)	34,996	(34,996)	(34,996)	-	-	-	-
Guarantee Deposits Received (classified under Other Non-Current Liabilities)	107	(107)	-	-	(107)	-	-
Remuneration Payable to Directors and Supervisors (classified under Other Current Liabilities)	4,180	(4,180)	(4,180)	-	-	-	-
	<u>\$ 152,500</u>	<u>(152,500)</u>	<u>(152,393)</u>	<u>-</u>	<u>(107)</u>	<u>-</u>	<u>-</u>
March 31, 2024							
Non-Derivative Financial Liabilities							
Accounts Payable	\$ 30,541	(30,541)	(30,541)	-	-	-	-
Accrued Payroll and Bonuses	17,750	(17,750)	(17,750)	-	-	-	-
Other Payables-Including Related Parties	82	(82)	(82)	-	-	-	-
Other Payables (classified under Other Current Liabilities)	23,260	(23,260)	(23,260)	-	-	-	-
Dividends Payable	138,237	(138,237)	(138,237)	-	-	-	-
Lease Liabilities-Current	64	(64)	(64)	-	-	-	-
Guarantee Deposits Received (classified under Other Non-Current Liabilities)	227	(227)	-	-	(227)	-	-
Remuneration Payable to Directors and Supervisors (classified under Other Current Liabilities)	3,590	(3,590)	(3,590)	-	-	-	-
	<u>\$ 213,751</u>	<u>(213,751)</u>	<u>(213,524)</u>	<u>-</u>	<u>(227)</u>	<u>-</u>	<u>-</u>

The Company does not expect the timing of the cash flows analyzed by maturity

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation (Continued)

to occur significantly earlier, nor the actual amounts to differ significantly.

C. Foreign Exchange Risk

(a) Exposure to Exchange Rate Risk

The Company's financial assets and liabilities exposed to significant foreign exchange rate risk are as follows:

	2025.3.31				2024.12.31			2024.3.31		
	Foreign Currency	Exchange rate	NTD		Foreign Currency	Exchange rate	NTD	Foreign Currency	Exchange rate	NTD
<u>Financial Assets</u>										
<u>Monetary</u>										
<u>Items</u>										
USD	\$	2,123	33.205	70,494	2,353	32.785	77,143	3,153	32.000	100,896
<u>Financial</u>										
<u>Liabilities</u>										
<u>Monetary</u>										
<u>Items</u>										
USD		1,561	33.205	51,833	1,748	32.785	57,308	654	32.000	20,928

(b) Sensitivity Analysis

The Company's exchange rate risk primarily arises from cash and cash equivalents, accounts receivable, and other receivables denominated in foreign currencies, resulting in foreign exchange gains or losses upon translation. Assuming a 5% depreciation or appreciation of the New Taiwan Dollar (NTD) against the U.S. Dollar (USD), with all other variables holding constant, the Company's profit before tax for the periods from January 1 to March 31 of 2025 and 2024 would have increased or decreased by NT\$933 thousand and NT\$3,998 thousand, respectively. The same basis was applied for both periods.

(c) Exchange Gains or Losses on Monetary Items

Exchange gains or losses (including realized and unrealized) on the Company's monetary items, translated into the functional currency, are presented below along with exchange rate information:

	January to March 2025		January to March 2024	
	Exchange Gains or Losses	Average Exchange Rate	Exchange Gains or Losses	Average Exchange Rate
NTD	\$ 794	32.8968	4,637	31.4447

D. Interest Rate Analysis

The Company's interest rate risk on financial assets and liabilities is explained

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation (Continued)

in the liquidity risk management section of this note.

Assuming a 0.25% increase or decrease in interest rates, with all other variables held constant, the Company's profit before tax for the periods from January 1 to March 31 of 2025 and 2024 would have increased or decreased by NT\$51 thousand and NT\$42 thousand, respectively, due to the variable interest rates on cash and cash equivalents.

E. Fair Value

(a) Types and Fair Value of Financial Instruments

The carrying amounts and fair values of the Company's financial assets and liabilities (including fair value hierarchy information, and excluding financial instruments not measured at fair value whose carrying amounts approximate fair value, as well as lease liabilities for which fair value disclosure is not required under regulations) are presented as follows:

2025.3.31					
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at Amortized Cost					
Cash and Cash Equivalents	\$ 806,703	-	-	-	-
Financial Assets Measured at Amortized Cost – Current	1,000,000	-	-	-	-
Notes and Accounts Receivable, Net	120,598	-	-	-	-
Other Receivables – Related Parties	255	-	-	-	-
	<u>\$ 1,927,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

		2025.3.31				
		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial Liabilities						
Measured at Amortized Cost						
Accounts Payable	\$	66,807	-	-	-	-
Accrued Payroll and Bonuses		29,310	-	-	-	-
Other Payables-Related Parties		89	-	-	-	-
Other Payables (classified under Other Current Liabilities)						
		36,302	-	-	-	-
Dividends Payable		295,363	-	-	-	-
Guarantee Deposits Received (classified under Other Non-Current Liabilities)						
		60	-	-	-	-
Remuneration Payable to Directors and Supervisors (classified under Other Current Liabilities)						
		5,320	-	-	-	-
	\$	433,251	-	-	-	-

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

2024.12.31					
	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	-	-	-	-
	<u>\$ 1,862,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities					
Measured at Amortized Cost					
Accounts Payable	\$ 74,668	-	-	-	-
Accrued Payroll and Bonuses	38,510	-	-	-	-
Other Payables-Related Parties	39	-	-	-	-
Other Payables (classified under Other Current Liabilities)	34,996	-	-	-	-
Guarantee Deposits Received (classified under Other Non-Current Liabilities)	107	-	-	-	-
Remuneration Payable to Directors and Supervisors (classified under Other Current Liabilities)	4,180	-	-	-	-
	<u>\$ 152,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

2024.3.31					
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at Amortized Cost					
Cash and Cash Equivalents	\$ 286,268	-	-	-	-
Notes and Accounts Receivable, Net	120,401	-	-	-	-
Other Receivables – Related Parties	206	-	-	-	-
	<u>\$ 406,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities					
Measured at Amortized Cost					
Accounts Payable	\$ 30,541	-	-	-	-
Accrued Payroll and Bonuses	17,750	-	-	-	-
Other Payables-Related Parties	82	-	-	-	-
Dividends Payable	138,237	-	-	-	-
Other Payables (classified under Other Current Liabilities)	23,260	-	-	-	-
Lease Liabilities-Current	64	-	-	-	-
Remuneration Payable to Directors and Supervisors (classified under Other Current Liabilities)	3,590	-	-	-	-
	<u>\$ 213,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(20) Financial Risk Management

There have been no significant changes to the Company's financial risk management objectives and policies compared to those disclosed in Note 6(20) of the 2024 financial statements.

(21) Capital Management

The Company's capital management objectives, policies, and procedures are

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation (Continued)

consistent with those disclosed in the 2024 financial statements; furthermore, the aggregate quantitative data for items subject to capital management have not significantly changed from those disclosed in the 2024 financial statements. For relevant information, please refer to Note 6(21) of the 2024 financial statements.

(22) Non-Cash Investing and Financing Activities

Reconciliation of Liabilities Arising from Financing Activities is as follows:

	2025.1.1	Cash flow	Non-cash Changes	2025.3.31
Guarantee Deposits Received	\$ 107	(47)	-	60
Total Liabilities Arising from Financing Activities	<u>\$ 107</u>	<u>(47)</u>	<u>-</u>	<u>60</u>

	2024.1.1	Cash flow	Non-cash Changes	2024.3.31
Guarantee Deposits Received	\$ 196	31	-	227
Lease Liabilities (Current and Non-current)	112	(48)	-	64
Total Liabilities Arising from Financing Activities	<u>\$ 308</u>	<u>(17)</u>	<u>-</u>	<u>291</u>

7. Related Party Transactions

(1) Parent Company and Ultimate Controlling Party

Sino-American Silicon Products Inc. (hereinafter referred to as "SAS") is the Company's parent company and the ultimate controlling party of the group to which the Company belongs. As of March 31, 2025, SAS held 28.52% of the Company's ordinary shares. SAS has prepared consolidated financial statements for public use.

(2) Names of Related Parties and Their Relationships

Related parties with whom the Company had transactions during the reporting period are as follows:

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
SAS	Parent Company
Sunrise Pv Four Co. (hereinafter referred to as "Sunrise")	Subsidiary of the Parent Company, SAS
GlobalWafers Co., Ltd. (hereinafter referred to as "GlobalWafers")	Subsidiary of the Parent Company, SAS

(3) Significant Transactions with Related Parties

A. Leases

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

The Company has entered into lease agreements with related parties for factory parking lots and rooftop space. Details of rental income are as follows:

<u>Type of Related Party</u>	<u>January to March 2025</u>	<u>January to March 2024</u>
Other Related Party — Sunrise	<u>\$ 289</u>	<u>242</u>

The Company leased factory parking lots and rooftop space to Sunrise. As of March 31, 2025; December 31, 2024; and March 31, 2024, rental receivables amounted to NT\$224 thousand, NT\$135 thousand, and NT\$174 thousand, respectively, and were recorded under other receivables—related parties.

B. Others

- (a) Related parties provided other services to the Company, including legal retainer fees and miscellaneous purchases. The related other expenses and payables to related parties are detailed as follows:

<u>Type of Related Party</u>	<u>January to March 2025</u>	<u>January to March 2024</u>
Parent Company	<u>\$ 84</u>	<u>78</u>

<u>Account Title</u>	<u>Type of Related Party</u>	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Other Payables— Related Parties	Parent Company	<u>\$ 89</u>	<u>39</u>	<u>82</u>

- (b) The Company provided other services to related parties, including miscellaneous income. The related other income is detailed as follows:

<u>Type of Related Party</u>	<u>January to March 2025</u>	<u>January to March 2024</u>
Other Related Party — GlobalWafers	<u>\$ 30</u>	<u>30</u>

As of March 31, 2025; December 31, 2024; and March 31, 2024, other receivables arising from the above transactions amounted to NT\$31 thousand, NT\$0 thousand, and NT\$32 thousand, respectively, and were recorded under other receivables—related parties.

(4) Transactions with Key Management Personnel

Remuneration of key management personnel includes:

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

	January to March 2025	January to March 2024
Short-term Employee Benefits	\$ 10,158	6,318
Post-employment Benefits	257	215
	\$ 10,415	6,533

8. Pledged Assets

Details of the carrying amounts of the Company's restricted assets are as follows:

Name of Asset	Pledged Collateral	2025.3.31	2024.12.31	2024.3.31
Land	Long-term Borrowings	\$ -	-	797,910
Buildings and Structures	Long-term Borrowings	-	-	287,753
		\$ -	-	1,085,663

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The Company has entered into several equipment purchase contracts with suppliers. As of March 31, 2025; December 31, 2024; and March 31, 2024, the unpaid contractual amounts under existing agreements were NT\$44,895 thousand, NT\$8,744 thousand, and NT\$4,815 thousand, respectively.

10. Significant Losses from Disasters: None.

11. Significant Subsequent Events: None.

12. Others

Summary of Employee Benefit Expenses, Depreciation, and Amortization by Function is as follows:

By Nature	January to March 2025			January to March 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expenses						
Salaries	16,193	10,502	26,695	12,059	9,984	22,043
Labor and Health Insurance Expenses	1,539	737	2,276	1,280	760	2,040
Pension Expenses	636	347	983	511	336	847
Other Employee Benefit Expenses	826	733	1,559	693	759	1,452
Depreciation Expense	16,790	2,056	18,846	27,769	2,170	29,939
Amortization Expense	8	67	75	8	71	79

Notes to the Financial Statements of Taiwan Speciality Chemicals Corporation
(Continued)

13. Disclosure of Other Notes

(1) Information on Significant Transactions:

- A. Loans to Others: None.
- B. Endorsements and Guarantees for Others: None.
- C. Significant Marketable Securities Held at Period End (Excluding Investments in Subsidiaries, Associates, and Joint Ventures): None.
- D. Sales or Purchases with Related Parties Amounting to NT\$100 Million or 20% of Paid-in Capital or More: None.
- E. Receivables from Related Parties Amounting to NT\$100 Million or 20% of Paid-in Capital or More: None.

(2) Information on Reinvestment Activities: None.

(3) Information on Investments in Mainland China: None.

14. Segment Information

The Company has only one reportable operating segment, which is primarily engaged in the research, development, and sale of specialty chemical materials. Segment profit and loss, segment assets, and segment liabilities are consistent with the financial statements. Please refer to the balance sheet and the statement of comprehensive income for further details.