

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

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Topco Scientific Co., Ltd. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Topco Scientific Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Topco Scientific Co., Ltd.
Chairman: Zhong-Liang Pan
Date: March 10, 2026



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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Topco Scientific Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Other Matter

We did not audit the financial statements for certain investments accounted for using equity method in the consolidated financial statements of the Group for 2025 and 2024. The investments accounted for using equity method constituted 6.27% and 7.04% of the total consolidated assets as of December 31, 2025 and 2024; and the share of profits of associates and joint ventures accounted for using equity method constituted 9.20% and 12.96% of profit before tax for the years ended December 31, 2025 and 2024, respectively. These financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amount of investments accounted for equity method, is based solely on the reports of the other auditors.

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025, on which we have issued unmodified opinions with emphasis on Other Matter paragraph. The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024, on which we have issued unmodified opinions with emphasis on Matter and Other Matter paragraph.

Key Audit Matters

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

1. Recognition of Operating Revenue

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

Description of Key Audit Matters:

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

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

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

How the matter was addressed in our audits:

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

Notes to Readers

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

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

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 6,828,704	16	5,162,017	14	2100	Short-term borrowings (note 6(m))	\$ 631,988	2	855,071	2
1110	Current financial assets at fair value through profit or loss (note 6(b))	261,988	1	321,019	1	2130	Current contract liabilities (note 6(w))	3,093,305	8	2,070,986	6
1140	Current contract assets (note 6(w))	1,596,662	4	1,586,101	4	2170	Notes and accounts payable	9,014,903	22	6,884,655	19
1170	Notes and accounts receivable, net (note 6(d))	10,027,084	24	8,398,425	22	2180	Accounts payable to related parties (note 7)	1,754,688	4	2,671,796	7
1180	Notes and accounts receivable due from related parties, net (notes 6(d) and 7)	152,352	-	129,585	-	2200	Accrued expenses and other payables	1,823,827	4	1,500,091	4
1476	Other current financial assets (notes 6(l) and 8)	296,994	1	270,105	1	2230	Current tax liabilities	556,331	1	426,940	1
1300	Inventories, net (note 6(e))	4,762,275	11	5,017,982	14	2250	Current provisions (note 6(q))	57,124	-	207,006	1
1479	Other current assets, others	801,126	2	706,940	2	2280	Current lease liabilities (note 6(p))	123,645	-	124,041	-
		<u>24,727,185</u>	<u>59</u>	<u>21,592,174</u>	<u>58</u>	2320	Long-term borrowings, current portion (note 6(n))	97,416	-	94,892	-
Non-current assets:						2321	Bonds payable, current portion(note 6(o))	298,078	1	-	-
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	984,850	2	630,832	2	2399	Other current liabilities	138,097	-	118,399	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,653,914	4	1,524,600	4			<u>17,589,402</u>	<u>42</u>	<u>14,953,877</u>	<u>40</u>
1550	Investments accounted for using equity method (notes 6(f), 6(g) and 6(t))	2,980,495	7	2,792,002	7	Non-Current liabilities:					
1600	Property, plant and equipment (notes 6(h) and 8)	10,117,156	24	9,243,738	25	2530	Bonds payable (note 6(o))	-	-	532,746	2
1755	Right-of-use assets (note 6(i))	639,311	2	571,051	2	2540	Long-term borrowings (note 6(n))	2,614,188	6	2,344,704	6
1760	Investment property, net (note 6(j))	126,292	-	131,717	-	2580	Non-current lease liabilities (note 6(p))	513,572	1	445,915	1
1780	Intangible assets (note 6(k))	335,512	1	353,806	1	2670	Deferred tax liabilities and others (note 6(t))	798,772	2	853,378	2
1840	Deferred tax assets (note 6(t))	66,107	-	58,876	-	2640	Non-current net defined benefit liability	139,121	1	137,779	1
1900	Other non-current assets (notes 6(l) and 8)	239,949	1	376,116	1			<u>4,065,653</u>	<u>10</u>	<u>4,314,522</u>	<u>12</u>
		<u>17,143,586</u>	<u>41</u>	<u>15,682,738</u>	<u>42</u>		Total liabilities	<u>21,655,055</u>	<u>52</u>	<u>19,268,399</u>	<u>52</u>
Total assets		<u>\$ 41,870,771</u>	<u>100</u>	<u>37,274,912</u>	<u>100</u>	Equity attributable to owners of parent (note 6(u)):					
						3110	Ordinary shares	1,923,546	5	1,910,393	5
						3200	Capital surplus	3,145,115	8	2,916,241	8
						3300	Retained earnings	13,645,742	32	11,760,485	31
						3400	Other equity	1,285,350	3	1,184,103	3
							Total equity attributable to owners of parent	<u>19,999,753</u>	<u>48</u>	<u>17,771,222</u>	<u>47</u>
						3610	Non-controlling interests	215,963	-	235,291	1
							Total equity	<u>20,215,716</u>	<u>48</u>	<u>18,006,513</u>	<u>48</u>
							Total liabilities and equity	<u>\$ 41,870,771</u>	<u>100</u>	<u>37,274,912</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
Operating Revenues: (notes 6(w) and 7)					
4110	Sales revenue	\$ 59,187,432	88	48,768,714	86
4520	Construction revenue	6,083,914	9	5,999,044	10
4800	Other operating revenue	<u>2,312,185</u>	<u>3</u>	<u>2,229,355</u>	<u>4</u>
	Operating revenue, net	<u>67,583,531</u>	<u>100</u>	<u>56,997,113</u>	<u>100</u>
Operating costs: (notes 6(e), 6(s), 6(x), 7 and 12)					
5110	Cost of sales	52,636,144	78	43,016,830	75
5500	Construction cost	5,281,603	8	5,322,951	9
5800	Other operating costs	<u>1,015,406</u>	<u>2</u>	<u>939,362</u>	<u>2</u>
		<u>58,933,153</u>	<u>88</u>	<u>49,279,143</u>	<u>86</u>
5910	Less: Unrealized profit (loss) from sales	<u>(1,379)</u>	<u>-</u>	<u>(4,255)</u>	<u>-</u>
	Gross profit	<u>8,651,757</u>	<u>12</u>	<u>7,722,225</u>	<u>14</u>
Operating expenses: (notes 6(d), 6(s), 6(x), 7 and 12)					
6100	Selling expenses	2,084,133	3	1,950,581	4
6200	Administrative expenses	2,055,430	3	1,761,607	3
6300	Research and development expenses	<u>52,016</u>	<u>-</u>	<u>66,644</u>	<u>-</u>
	Total operating expenses	<u>4,191,579</u>	<u>6</u>	<u>3,778,832</u>	<u>7</u>
	Net operating income	<u>4,460,178</u>	<u>6</u>	<u>3,943,393</u>	<u>7</u>
Non-operating income and expenses:					
7100	Interest income	89,072	-	79,638	-
7010	Other income (notes 6(b), 6(c) and 6(y))	179,500	-	166,265	-
7020	Other gains and losses, net (notes 6(b) and 6(y))	335,635	1	74,430	-
7050	Finance costs (notes 6(o) and 6(p))	(92,066)	-	(113,678)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	501,948	1	609,809	1
7670	Impairment loss (note 6(k))	<u>(10,962)</u>	<u>-</u>	<u>(30,401)</u>	<u>-</u>
		<u>1,003,127</u>	<u>2</u>	<u>786,063</u>	<u>1</u>
	Profit before tax	<u>5,463,305</u>	<u>8</u>	<u>4,729,456</u>	<u>8</u>
7950	Less: Income tax expenses (note 6(t))	<u>1,271,276</u>	<u>2</u>	<u>1,064,365</u>	<u>2</u>
	Profit	<u>4,192,029</u>	<u>6</u>	<u>3,665,091</u>	<u>6</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(2,299)	-	(4,681)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))	129,314	-	319,880	1
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that will not be reclassified to profit or loss (note 6(f))	-	-	182	-
8349	Less: income tax related to items that will not be reclassified to profit or loss	<u>(460)</u>	<u>-</u>	<u>(936)</u>	<u>-</u>
		<u>127,475</u>	<u>-</u>	<u>316,317</u>	<u>1</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(35,135)	-	170,585	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(f))	120	-	1,247	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(t))	<u>(6,992)</u>	<u>-</u>	<u>34,041</u>	<u>-</u>
		<u>(28,023)</u>	<u>-</u>	<u>137,791</u>	<u>-</u>
8300	Other comprehensive income	<u>99,452</u>	<u>-</u>	<u>454,108</u>	<u>1</u>
	Comprehensive income	<u>\$ 4,291,481</u>	<u>6</u>	<u>4,119,199</u>	<u>7</u>
	Profit, attributable to:				
8610	Attributable to owners of parent	\$ 4,180,447	6	3,655,935	6
8620	Attributable to non-controlling interests	<u>11,582</u>	<u>-</u>	<u>9,156</u>	<u>-</u>
		<u>\$ 4,192,029</u>	<u>6</u>	<u>3,665,091</u>	<u>6</u>
	Comprehensive income attributable to:				
	Attributable to owners of parent	\$ 4,279,855	6	4,109,656	7
	Attributable to non-controlling interests	<u>11,626</u>	<u>-</u>	<u>9,543</u>	<u>-</u>
		<u>\$ 4,291,481</u>	<u>6</u>	<u>4,119,199</u>	<u>7</u>
	Earnings per share: (note 6(v))				
9750	Basic net income per share	\$ <u>21.81</u>		\$ <u>19.29</u>	
9850	Diluted net income per share	\$ <u>21.40</u>		\$ <u>18.78</u>	

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Ordinary shares		Capital surplus	Legal reserve	Retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
	Ordinary shares	Certificate of entitlement to new shares from convertible bond			Unappropriated retained earnings	Total						
Balance at January 1, 2024	\$ 1,886,996	-	2,688,841	2,176,321	7,580,983	9,757,304	(90,453)	866,377	775,924	15,109,065	235,246	15,344,311
Profit for the year ended December 31, 2024	-	-	-	-	3,655,935	3,655,935	-	-	-	3,655,935	9,156	3,665,091
Other comprehensive income	-	-	-	-	(3,563)	(3,563)	137,335	319,949	457,284	453,721	387	454,108
Total comprehensive income	-	-	-	-	3,652,372	3,652,372	137,335	319,949	457,284	4,109,656	9,543	4,119,199
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	280,585	(280,585)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,698,296)	(1,698,296)	-	-	-	(1,698,296)	-	(1,698,296)
Other changes in capital surplus:												
Cash dividends from capital surplus	-	-	(188,700)	-	-	-	-	-	-	(188,700)	-	(188,700)
Conversion of convertible bonds	18,546	4,851	414,856	-	-	-	-	-	-	438,253	-	438,253
Changes in ownership interests in subsidiaries	-	-	1,244	-	-	-	-	-	-	1,244	-	1,244
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(9,498)	(9,498)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	49,105	49,105	-	(49,105)	(49,105)	-	-	-
Balance at December 31, 2024	1,905,542	4,851	2,916,241	2,456,906	9,303,579	11,760,485	46,882	1,137,221	1,184,103	17,771,222	235,291	18,006,513
Profit for the year ended December 31, 2025	-	-	-	-	4,180,447	4,180,447	-	-	-	4,180,447	11,582	4,192,029
Other comprehensive income	-	-	-	-	(1,839)	(1,839)	(27,968)	129,215	101,247	99,408	44	99,452
Total comprehensive income	-	-	-	-	4,178,608	4,178,608	(27,968)	129,215	101,247	4,279,855	11,626	4,291,481
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	370,148	(370,148)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(2,293,351)	(2,293,351)	-	-	-	(2,293,351)	-	(2,293,351)
Conversion of convertible bonds	7,885	5,268	228,874	-	-	-	-	-	-	242,027	-	242,027
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(30,954)	(30,954)
Balance at December 31, 2025	\$ 1,913,427	10,119	3,145,115	2,827,054	10,818,688	13,645,742	18,914	1,266,436	1,285,350	19,999,753	215,963	20,215,716

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 5,463,305	4,729,456
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	426,268	419,812
Amortization expense	56,454	61,135
Expected credit loss (gain)	26,306	(15,420)
Gain on financial assets and liabilities at fair value through profit or loss, net	(431,024)	(83,755)
Interest expense	92,066	113,678
Interest income	(89,072)	(79,638)
Dividends income	(103,997)	(80,285)
Share of profit of associates and joint ventures accounted for using equity method	(501,948)	(609,809)
Loss on disposal of property, plant and equipment, net	6,907	10,247
Impairment loss	10,962	30,401
Others	(30)	901
Total adjustments to reconcile profit	<u>(507,108)</u>	<u>(232,733)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in contract assets	(10,561)	139,902
Increase in notes and accounts receivable	(1,676,440)	(1,858,309)
Decrease (increase) in inventories	255,707	(875,188)
Decrease in financial assets at fair value through profit or loss	64,118	115,683
(Increase) decrease in other current assets	(109,161)	182,925
(Increase) decrease in other financial assets and others	(34,624)	7,986
Increase in other operating assets	(6,048)	-
Total changes in operating assets	<u>(1,517,009)</u>	<u>(2,287,001)</u>
Changes in operating liabilities:		
Increase in contract liabilities	1,022,319	760,320
Increase in notes and accounts payable	1,213,140	2,843,049
Increase in accrued expenses and other payables	324,235	346,880
Decrease in provisions	(149,882)	(95,897)
Increase in other current liabilities	19,698	7,194
(Decrease) increase in others	(957)	480
Total changes in operating liabilities	<u>2,428,553</u>	<u>3,862,026</u>
Total changes in operating assets and liabilities	<u>911,544</u>	<u>1,575,025</u>
Total adjustments	<u>404,436</u>	<u>1,342,292</u>
Cash inflow generated from operations	5,867,741	6,071,748
Interest received	84,897	78,087
Dividends received	416,030	384,393
Interest paid	(84,722)	(99,547)
Income taxes paid	(1,140,201)	(1,209,607)
Net cash flows from operating activities	<u>5,143,745</u>	<u>5,225,074</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(92,876)	(117,918)
Proceeds from disposal of financial assets at fair valued through profit or loss	156,440	240,819
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	171,605
Proceeds from capital reduction of financial assets at fair value through profit or loss	8,355	16,932
Acquisition of investments accounted for using equity method	-	(112,637)
Increase in prepayments for investments	(1,542)	-
Acquisition of property, plant and equipment	(1,157,284)	(4,358,398)
Proceeds from disposal of property, plant and equipment	5,911	792
Decrease (increase) in refundable deposits	81,727	5,739
Acquisition of intangible assets	(47,626)	(22,617)
Net cash received on disposal of subsidiaries	-	(4,375)
Increase in other non-current assets	32,625	(35,056)
Increase in restricted assets	39,040	(88,469)
Net cash flows used in investing activities	<u>(975,230)</u>	<u>(4,303,583)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(223,083)	(1,413,323)
Addition of long-term borrowings	746,900	2,052,810
Repayments of long-term borrowings	(474,892)	(987,229)
(Increase) decrease in guarantee deposits received	(39,715)	6,870
Payment of lease liabilities	(153,406)	(162,066)
Cash dividends paid	(2,293,351)	(1,886,996)
Changes in non-controlling interests	(31,009)	(7,783)
Net cash flows (used in) from financing activities	<u>(2,468,556)</u>	<u>(2,397,717)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(33,272)</u>	<u>153,390</u>
Net increase (decrease) in cash and cash equivalents	1,666,687	(1,322,836)
Cash and cash equivalents at the beginning of period	5,162,017	6,484,853
Cash and cash equivalents at the end of period	<u>\$ 6,828,704</u>	<u>5,162,017</u>

See accompanying notes to consolidated financial statements.

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

TOPCO SCIENTIFIC CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

TOPCO SCIENTIFIC CO., LTD. (the “Company”) was incorporated on February 17, 1990, as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The Company relocated to its new premises at 6F., No. 176, Zhouzi Street, Neihu District, Taipei City in October 2025. The Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) engage in importing, exporting, trading, and acting as agent of various products, including (1) electronics products, electrical products, and mechanical product; (2) manufacturing technology and equipment for high-tech products, such as integrated circuit, optoelectronic devices, packaging material, and electronic component; (3) planning, design and installation of water purification, water wasting and recycling systems equipment; (4) selling related materials, providing integration services, and operating power station of solar energy; (5) wholesale of fishery products and cooperate with foreign fishing companies; (6) operating the tourism factory, restaurant, and retail sales of food products; (7) waste removal and disposal business; (8) environment-related engineering planning, assessment, supervision and monitoring and (9) setting up a sport center that operates and provides sport training programs. Please refer to note 14 for related segment information.

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

The consolidated financial statements were approved for issuance by the Board of Directors on March 10, 2026.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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”

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(Continued)

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

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

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

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

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

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

(ii) List of subsidiaries in the consolidated financial statements

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

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership		Description
			December 31, 2025	December 31, 2024	
The Company	Taiwan E&M System Inc. (Taiwan E&M)	Sales of electronic material	100.00%	100.00%	
"	Topco Group Ltd. (Topco Group)	Investment	100.00%	100.00%	
"	Topco International Investment Co., Ltd. (Topco International Investment)	Investment	100.00%	100.00%	
"	Topco Investment Co., Ltd. (Topco Investment)	Investment	100.00%	100.00%	
"	ECO Technical Services Co., Ltd. (Chien Yueh)	Water purification and construction of dust-proof room	100.00%	100.00%	
"	Anyong Biotechnology, Inc. (Anyong Biotechnology)	Aquaculture and strategic partnership with fish processing	100.00%	100.00%	
"	Anyong FreshMart, Inc. (Anyong FreshMart)	Wholesale and retail sales of fishery products and supermarket operation	100.00%	100.00%	
"	Jia Yi Energy Co., Ltd. (Jia Yi Energy)	Solar system engineering	88.76%	83.82%	The Company and Topco International Investment jointly held its entire shares.

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership		Description
			December 31, 2025	December 31, 2024	
The Company	Yilan Anyong Lohas, Co., Ltd. (Anyong Lohas)	Restaurant and retail sales of food products	100.00%	100.00%	
"	Topsience (s) Pte Ltd. (Topsience (s))	Sales of parts of semiconductor and optoelectronic industries	100.00%	100.00%	
"	Unitech New Energy Engineering Co., Ltd. (Unitech New Energy Engineering)	Environment-related engineering planning, assessment, supervision and monitoring	77.60%	77.60%	The Company and Chien Yueh held its 78.60% share jointly.
"	Topco Scientific USA Corp. (Topco Scientific USA)	Wholesale of semiconductor material	100.00%	100.00%	
"	Xports Sports Co. Ltd (Xports Sports)	Sport Training	100.00%	100.00%	
"	Topco Scientific (Japan) Co., Ltd. (Topco Japan)	Sales of facilities of semiconductor and clean room	100.00%	100.00%	
"	Yong Yue Advanced Engineering Sdn Bhd. (Yong Yue Advanced Engineering)	Mechanical, electrical and water treatment engineering	100.00%	100.00%	The Company was established in August 2024.
Topco Group	Asia Topco Holding Ltd. (Asia Cayman)	Investment	100.00%	100.00%	
"	Hong Kong Topco Trading Limited (Topco Trading)	Wholesale of semiconductor material and electronic material	100.00%	100.00%	
"	Topco Scientific Korea Co., Ltd. (Topco Korea)	Diamond cutting, wafers, trading	100.00%	100.00%	The Company was established in October 2024.
Asia Cayman	Asia Topco Investment Ltd. (Asia Topco)	Investment	100.00%	100.00%	
Asia Topco	Topco Scientific (Shanghai) Co., Ltd. (Topco Shanghai)	Wholesale of semiconductor material and electronic material	100.00%	100.00%	
"	Suzhou Topco Construction Ltd. (Topco Suzhou)	Water purification and cleanroom construction	100.00%	100.00%	
"	Topco Chemical (Z.F.T.Z.) Co., Ltd. (Topco Chemical)	Wholesale and sales of chemical products	100.00%	100.00%	
Topco Shanghai	Shanghai Chong Yao Trading Co., Ltd. (Shanghai Chong Yao)	Wholesale of semiconductor material and electronic material	98.00%	98.00%	Topco Shanghai and Topco Suzhou held its 100% shares jointly.
Topco Suzhou	Shanghai Chong Yao	Wholesale of semiconductor material and electronic material	2.00%	2.00%	
"	Topco Engineering (Suzhou) Ltd.. (Topco Engineering)	Water purification and cleanroom construction	100.00%	100.00%	

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership		Description
			December 31, 2025	December 31, 2024	
Topco Chemical	Chongling Chemical Product Trading (Z.F.T.Z.) Co., Ltd. (Chongling Chemical)	Wholesale and sales of chemical products	-%	70.00%	Chongling Chemical was liquidated in July 2025, and the liquidation and distribution of assets was completed in September 2025.
Topscience (s)	Topscience Vietnam Co., Ltd. (Topscience Vietnam)	Sales of parts of semiconductor and optoelectronic industries	100.00%	100.00%	
"	Anyong (s) Pte. LTD. (Anyong (s))	Wholesale and retail sales of fishery products	100.00%	100.00%	
"	Ping Yue Technologies SDN.BHD. (Ping Yue Technologies)	Sales of semiconductor material and equipment	100.00%	100.00%	
Topco International Investment	Cityspace International Co., Ltd. (Cityspace)	Wholesale and sales of cosmetic	66.67%	66.67%	
"	Kuan Yueh Technology Engineering Co., Ltd. (Kuan Yueh Technology)	Development of renewable energy projects; Configure pipeline construction and device installation	100.00%	100.00%	
"	Jia Yi Energy	Solar system engineering	11.24%	16.18%	
"	Kanbo Biomedical Co., Ltd. (Kanbo Biomedical)	Sales of health food products	-%	100.00%	The liquidation and distribution of assets was completed in May 2025.
"	Topchem Materials Corp. (Topchem Materials)	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	100.00%	100.00%	
"	Tai Ying Resource Industrial Corp. (Tai Ying Resource)	Waste Disposal Industry	65.42%	65.42%	Topco International Investment and Chien Yueh held its 66.80% shares jointly.
"	Topchip electronic Co. Ltd. (Topchip)	IC Design and Sales Company	100.00%	100.00%	
"	YAO YUE ENERGY CO., LTD. (YAO YUE ENERGY) (formerly known as Thermaltake green power)	Renewable-energy-based electricity retailing	-%	100.00%	To facilitate the Group's organizational restructuring, Jia Yi Energy acquired 100% equity interest in Thermaltake Green Power from Topco International Investment in April 2025.

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership		Description
			December 31, 2025	December 31, 2024	
Topco Investment	Top Energy Innovation Corporation Ltd. (Top Energy Innovation) (formerly known as Ding Yue Solar)	Development of renewable energy projects	-%	100.00%	To facilitate the Group's organizational restructuring, Jia Yi Energy acquired 100% equity interest in Top Energy Innovation from Topco Investment in July 2025.
"	Yun Yueh Technology Co., Ltd (Yun Yueh Technology)	Energy technology services	55.00%	55.00%	
"	Carenity Health Management Co., Ltd. (Carenity Health Management)	Management consulting services	68.06%	-%	The Company was invested in September 2025.
Jia Yi Energy	Jing Chen Energy Co., Ltd. (Jing Chen Energy)	Development of renewable energy projects.	100.00%	100.00%	
"	Jing Yang Energy Co., Ltd. (Jing Yang Energy)	"	100.00%	100.00%	
"	Jing Yueh Energy Co., Ltd. (Jing Yueh Energy)	"	100.00%	100.00%	
"	YAO YUE ENERGY	"	100.00%	-%	To facilitate the Group's organizational restructuring, Jia Yi Energy acquired 100% equity interest in Thermaltake green power from Topco International Investment in April 2025.
"	Top Energy Innovation	"	100.00%	-%	To facilitate the Group's organizational restructuring, Jia Yi Energy acquired 100% equity interest in Top Energy Innovation from Topco Investment in July 2025.
Taiwan E&M	Top Vacuum Co., Ltd. (Top Vacuum)	Vacuum pump equipment maintenance	60.00%	60.00%	
"	Toplight Advanced Co., Ltd. (Toplight Advanced)	OEM for laser cleaning machine	66.67%	66.67%	The Company was established in September 2024.
Chien Yueh	Tai Ying Resource	Waste Disposal Industry	1.38%	1.38%	
"	Unitech New Energy Engineering	Environment-related engineering planning, assessment, supervision and monitoring	1.00%	1.00%	

(Continued)

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

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership		Description
			December 31, 2025	December 31, 2024	
Topco Japan	Shunkawa Corporation (Shunkawa)	Import and export of semiconductor raw materials	100.00%	100.00%	
Tai Ying Resource	Tai Ying Global Trading Ltd.,Co (Tai Ying Global Trading)	International trading company	100.00%	100.00%	

(d) Foreign currencies

(i) Foreign currency transactions

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

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

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

(ii) Foreign operations

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

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

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

(Continued)

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

(g) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

(Continued)

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

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

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

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

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

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

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

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

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

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or tWA or higher per Taiwan Ratings'.

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

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

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

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

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

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

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

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

(Continued)

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instruments

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

3) Compound financial instruments

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

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

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

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

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(h) Inventories

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

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

(i) Investment in associates

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

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

(Continued)

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

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

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

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

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

(j) Investment property

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

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

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

(k) Property, plant and equipment

(i) Recognition and measurement

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

(Continued)

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

- 1) Buildings: 2~60 years
- 2) Building improvement: 2~10 years
- 3) Machine and others: 2~30 years

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

(iv) Reclassification to investment property

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

(l) Lease

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

(i) As a lessee

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

(ii) As a lessor

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

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

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

(m) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

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

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

(Continued)

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

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

(n) Impairment of non-financial assets

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

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

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

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

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

(o) Provisions

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

(i) Warranties

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

(ii) Onerous contracts

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

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

(p) Revenue from contracts with customers

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

(i) Sale of goods

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

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

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

(ii) Construction contracts

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

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

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

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

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

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

(iii) Commissions

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

(iv) Financing components

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

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

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

(iii) Short-term employee benefits

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

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

(r) Share-based payment

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

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

(s) Income taxes

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

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

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

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

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

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

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

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

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

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

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

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

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

- (t) Business combination

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

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

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

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

(u) Earnings per share

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

(v) Operating segments

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

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

There are no critical judgments in applying accounting policies that have significant effect on amount recognized in the financial statements.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(a) Revenue Recognition

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

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 14,437	14,334
Checking accounts and demand deposits	5,809,748	3,900,187
Time deposits	1,004,519	1,247,496
	<u>\$ 6,828,704</u>	<u>5,162,017</u>

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

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

	December 31, 2025	December 31, 2024
Mandatorily measured at fair value through profit or loss:		
Beneficiary certificate-Funds	\$ 261,961	321,019
Domestic listed stocks	105,388	149,983
Foreign listed stocks	175,964	72,406
Unlisted stocks and limited partnership	675,027	381,453
Foreign unlisted funds	28,471	26,580
Convertible bonds – embedded derivatives	27	410
	<u>\$ 1,246,838</u>	<u>951,851</u>
Current	\$ 261,988	321,019
Non-current	984,850	630,832
	<u>\$ 1,246,838</u>	<u>951,851</u>

(i) The gain or loss on valuation of financial assets at fair value of the Group for the years ended December 31, 2025 and 2024, was a gain of \$431,024 and \$83,755, respectively.

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- (ii) For the years ended December 31, 2025 and 2024, the dividends of \$17,465 and \$12,184, respectively, related to mandatorily measured at fair value through profit or loss, were recognized as other income by the Group, please refer to note 6(y).
- (iii) The Group's information of convertible bonds - embedded derivatives, please refer to note 6(o).
- (iv) The Group's information of market risk, please refer to note 6(z).
- (v) As of December 31, 2025 and 2024, the Group did not provide financial assets as collateral for its loans.
- (c) Non-current financial assets at fair value through other comprehensive income

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Equity investments at fair value through other comprehensive income		
Domestic listed stocks	\$ 201,569	179,347
Domestic unlisted stocks	<u>1,452,345</u>	<u>1,345,253</u>
	<u>\$ 1,653,914</u>	<u>1,524,600</u>

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

The Group sold part of the stocks designated as at fair value through other comprehensive income in the year ended 2024. The stocks sold had a fair value of \$171,605, and the Group transferred the foregoing cumulative gain on disposal of \$49,105 from other equity to retained earnings.

For the years ended December 31, 2025 and 2024, the dividends of \$86,532 and \$68,101, respectively, related to equity securities as at fair value through other comprehensive income, were recognized as other income by the Group, please refer to note 6(y).

During the years ended December 31, 2025 and 2024, the Group's unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income was a gain of \$129,314 and \$319,880, respectively.

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

As of December 31, 2025 and 2024, the Group did not provide financial assets as collateral for its loans.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(d) Notes and accounts receivable (including related parties)

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	\$ 73,619	153,377
Accounts receivable from measured as amortized cost	10,159,573	8,402,703
Less: loss allowance	<u>(53,756)</u>	<u>(28,070)</u>
	<u>\$ 10,179,436</u>	<u>8,528,010</u>
Notes and accounts receivable, net	<u>\$ 10,027,084</u>	<u>8,398,425</u>
Notes and accounts receivable due from related parties, net	<u>\$ 152,352</u>	<u>129,585</u>

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

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 9,184,800	0.10%	9,082
Overdue 0-30 days	739,932	1.00%	7,393
Overdue 31-60 days	145,141	3.00%	4,352
Overdue 61-90 days	28,930	5.00%	1,446
Overdue over 91 days	<u>134,389</u>	23.43%	<u>31,483</u>
	<u>\$ 10,233,192</u>		<u>53,756</u>
	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 7,689,172	0.10%	7,485
Overdue 0-30 days	658,255	1.00%	6,571
Overdue 31-60 days	132,663	2.99%	3,965
Overdue 61-90 days	17,547	5.00%	878
Overdue over 91 days	<u>58,443</u>	15.69%	<u>9,171</u>
	<u>\$ 8,556,080</u>		<u>28,070</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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The movements in the allowance for notes and accounts receivable were as follows:

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 28,070	42,398
Impairment losses recognized	26,306	(15,545)
Amounts written off during the year as uncollectible	(672)	-
Foreign exchange gain	<u>52</u>	<u>1,217</u>
Balance at December 31	<u><u>\$ 53,756</u></u>	<u><u>28,070</u></u>

(e) Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Merchandise inventories	\$ 4,614,469	4,909,267
Work in progress	2,945	3,299
Raw materials	63,015	54,868
Goods in transits	<u>81,846</u>	<u>50,548</u>
	<u><u>\$ 4,762,275</u></u>	<u><u>5,017,982</u></u>

The details of the cost of sales were as follows:

	<u>2025</u>	<u>2024</u>
Cost of sales	\$ 52,582,464	43,010,383
Provision for inventory valuation loss and obsolescence	43,400	1,400
Loss on indemnity of inventory and others	<u>10,280</u>	<u>5,047</u>
	<u><u>\$ 52,636,144</u></u>	<u><u>43,016,830</u></u>

As of December 31, 2025 and 2024, the Group did not provide inventories as collateral for its loans.

(f) Investments accounted for using equity method

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The carrying amount of individually insignificant associates' equity	<u><u>\$ 2,980,495</u></u>	<u><u>2,792,002</u></u>
	<u>2025</u>	<u>2024</u>
Attributable to the Group:		
Profit from continuing operations	\$ 501,948	609,809
Other comprehensive income	<u>120</u>	<u>1,429</u>
Total comprehensive income	<u><u>\$ 502,068</u></u>	<u><u>611,238</u></u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (ii) As of December 31, 2025 and 2024, the Group did not provide any investments accounted for using equity method as collaterals for its loans.
- (g) Changes in ownership of subsidiaries
- (i) The Company acquired 77.06% of the shares of its subsidiary Unitech New Energy Engineering in 2021. According to the share purchase agreements, if Unitech New Energy Engineering's net profit meets the certain criteria in 2021 and 2022, the Company will pay \$20,888 at the settlement expiration of one year and two years to Unitech New Energy Engineering, respectively, totaling \$41,776. The investment payment amounting to \$20,888 and \$12,824 had been paid by the Company for the years ended December 31, 2023 and 2022, as of December 31, 2025, resulting in the remaining amount of \$8,064 to be recognized as accrued expenses and other payables in the balance sheet.
- (ii) The subsidiary of the Company, Topco Investment had disposed of 100% its equity-method holdings in associate Top Energy Innovation, which resulted in a decrease in the Company's share of Topco Investment's net equity by \$3 in July, 2025.
- (iii) The subsidiary of the Company, Topco International Investment, had disposed of 100% its equity-method holdings in associate YAO YUE ENERGY which resulted in a decrease in the Company's share of Topco International Investment's net equity by \$405 in April, 2025.
- (iv) The subsidiary of the Company, Jia Yi Energy had acquired 100% shares in the associates YAO YUE ENERGY and Top Energy Innovation, respectively, which resulted in an increase in the Company's share of Jia Yi Energy's net equity by \$408.
- (v) The associate of the Company, Fei Da Intelligent, which was accounted for using the equity method, increased capital and issued new shares in 2024. Due to the acquisition of new shares at a nonshareholding ratio, the net value of equity of Topco Investment that held by the Company decreased \$15 for the year ended December 31, 2024.
- (vi) The associate of the Company, Tai Ying Resource, which was accounted for using the equity method, increased capital and issued new shares in fourth quarter of 2024. Due to the acquisition of new shares at a non-shareholding ratio, the net value of equity of Chien Yueh that held by the Company decreased \$151 for the year ended December 31, 2024.
- (vii) The associate of the Company, Tai Ying Resource, which was accounted for using the equity method, increased capital and issued new shares in fourth quarter of 2024. Due to the acquisition of new shares at a non-shareholding ratio, the net value of equity of Topco International Investment that held by the Company increased \$1,410 for the year ended December 31, 2024.
- (viii) In summary, the above capital surplus increased by \$0 and \$1,244 for the years ended December 31, 2025 and 2024, respectively, due to the above transactions.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024 were as follows:

	<u>Land</u>	<u>Buildings and building improvement</u>	<u>Machinery and others</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 4,183,510	3,546,384	2,966,801	10,696,695
Additions	-	227,211	929,598	1,156,809
Disposal	-	(15,052)	(113,362)	(128,414)
Reclassifications	-	198,037	(200,697)	(2,660)
Effect of movements in exchange rates	(3,548)	659	767	(2,122)
Balance at December 31, 2025	<u>\$ 4,179,962</u>	<u>3,957,239</u>	<u>3,583,107</u>	<u>11,720,308</u>
Balance at January 1, 2024	\$ 767,044	1,616,019	2,713,356	5,096,419
Additions	2,558,919	1,402,551	365,345	4,326,815
Disposal	-	(5,867)	(104,691)	(110,558)
Reclassifications	852,100	526,733	(9,447)	1,369,386
Effect of movements in exchange rates	5,447	6,948	2,238	14,633
Balance at December 31, 2024	<u>\$ 4,183,510</u>	<u>3,546,384</u>	<u>2,966,801</u>	<u>10,696,695</u>
Depreciation and impairments loss:				
Balance at January 1, 2025	\$ -	455,564	997,393	1,452,957
Depreciation	-	60,677	205,643	266,320
Disposal	-	(15,052)	(100,544)	(115,596)
Reclassifications	-	-	(1,301)	(1,301)
Effect of movements in exchange rates	-	480	292	772
Balance at December 31, 2025	<u>\$ -</u>	<u>501,669</u>	<u>1,101,483</u>	<u>1,603,152</u>
Balance at January 1, 2024	\$ -	411,308	888,360	1,299,668
Depreciation	-	47,656	202,576	250,232
Disposal	-	(5,624)	(93,895)	(99,519)
Reclassification	-	-	(768)	(768)
Effect of movements in exchange rates	-	2,224	1,120	3,344
Balance at December 31, 2024	<u>\$ -</u>	<u>455,564</u>	<u>997,393</u>	<u>1,452,957</u>
Carrying amounts:				
Balance at December 31, 2025	<u>\$ 4,179,962</u>	<u>3,455,570</u>	<u>2,481,624</u>	<u>10,117,156</u>
Balance at January 1, 2024	<u>\$ 767,044</u>	<u>1,204,711</u>	<u>1,824,996</u>	<u>3,796,751</u>
Balance at December 31, 2024	<u>\$ 4,183,510</u>	<u>3,090,820</u>	<u>1,969,408</u>	<u>9,243,738</u>

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

As of December 31, 2025 and 2024, the Group provided property, plant and equipment as collateral for its long-term loans, please refer to note 8.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(i) Right-of-use assets

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and others</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 35,079	803,890	100,353	939,322
Additions	9,534	166,625	51,272	227,431
Reclassification	-	-	733	733
Disposals	(1,794)	(119,206)	(29,245)	(150,245)
Effect of movements in exchange rates	-	(344)	-	(344)
Balance at December 31, 2025	<u>\$ 42,819</u>	<u>850,965</u>	<u>123,113</u>	<u>1,016,897</u>
Balance at January 1, 2024	\$ 23,176	760,051	103,264	886,491
Additions	13,548	145,364	25,407	184,319
Reclassification	(1,645)	(104,594)	(28,318)	(134,557)
Effect of movements in exchange rates	-	3,069	-	3,069
Balance at December 31, 2024	<u>\$ 35,079</u>	<u>803,890</u>	<u>100,353</u>	<u>939,322</u>
Depreciation:				
Balance at January 1, 2025	\$ 8,282	305,247	54,742	368,271
Depreciation	6,008	119,356	28,058	153,422
Disposals	(1,794)	(113,171)	(29,245)	(144,210)
Effect of movements in exchange rates	-	103	-	103
Balance at December 31, 2025	<u>\$ 12,496</u>	<u>311,535</u>	<u>53,555</u>	<u>377,586</u>
Balance at January 1, 2024	\$ 6,216	275,090	54,668	335,974
Depreciation	3,711	131,833	27,370	162,914
Reclassification	(1,645)	(103,329)	(27,296)	(132,270)
Effect of movements in exchange rates	-	1,653	-	1,653
Balance at December 31, 2024	<u>\$ 8,282</u>	<u>305,247</u>	<u>54,742</u>	<u>368,271</u>
Carrying amount:				
Balance at December 31, 2025	<u>\$ 30,323</u>	<u>539,430</u>	<u>69,558</u>	<u>639,311</u>
Balance at January 1, 2024	<u>\$ 16,960</u>	<u>484,961</u>	<u>48,596</u>	<u>550,517</u>
Balance at December 31, 2024	<u>\$ 26,797</u>	<u>498,643</u>	<u>45,611</u>	<u>571,051</u>

(j) Investment property

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

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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The movements of investment property of the Group were as follows:

	Buildings
Cost:	
Balance at January 1, 2025	\$ 208,784
Effect of changes in foreign exchange rates	<u>1,835</u>
Balance at December 31, 2025	<u>\$ 210,619</u>
Balance at January 1, 2024	\$ 201,626
Effect of changes in foreign exchange rates	<u>7,158</u>
Balance at December 31, 2024	<u>\$ 208,784</u>
Accumulated depreciation and impairment losses:	
Balance at January 1, 2025	\$ 77,067
Depreciation	6,526
Effect of changes in foreign exchange rates	<u>734</u>
Balance at December 31, 2025	<u>\$ 84,327</u>
Balance at January 1, 2024	\$ 67,974
Depreciation	6,666
Effect of changes in foreign exchange rates	<u>2,427</u>
Balance at December 31, 2024	<u>\$ 77,067</u>
Carrying amount:	
Balance at December 31, 2025	<u>\$ 126,292</u>
Balance at January 1, 2024	<u>\$ 133,652</u>
Balance at December 31, 2024	<u>\$ 131,717</u>
Fair value:	
Balance at December 31, 2025	<u>\$ 237,257</u>
Balance at December 31, 2024	<u>\$ 253,907</u>

- (i) Parts of the Group's offices were leased to third parties. The fair value of the investment property is measured at the market price.
- (ii) As of December 31, 2025 and 2024, the Group did not provide any investment property as collateral for its loan.
- (iii) As of December 31, 2025 and 2024, the fair value parts of investment property of the Group were not valuated by qualified independent appraiser. Instead, they were assessed based on the market value of transaction price of the real estate in the adjacent area, and the inputs of levels of fair value hierarchy were classified to level 3.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(k) Intangible assets

	<u>Goodwill</u>	<u>Unrealized orders</u>	<u>Customer relationship</u>	<u>Others</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 195,850	21,298	87,569	49,089	353,806
Acquired by the Group	-	-	-	43,239	43,239
Acquired through the Group	4,387	-	-	-	4,387
Amortization	-	(21,298)	(12,538)	(22,618)	(56,454)
Impairment loss	(9,420)	-	-	-	(9,420)
Effect of changes in foreign exchange rates	-	-	-	(46)	(46)
Balance at December 31, 2025	<u>\$ 190,817</u>	<u>-</u>	<u>75,031</u>	<u>69,664</u>	<u>335,512</u>
Balance at January 1, 2024	\$ 226,251	42,957	100,107	70,664	439,979
Acquired by the Group	-	-	-	22,617	22,617
Reclassification	-	-	-	(18,524)	(18,524)
Amortization	-	(21,659)	(12,538)	(26,938)	(61,135)
Impairment loss	(30,401)	-	-	-	(30,401)
Effect of changes in foreign exchange rates	-	-	-	1,270	1,270
Balance at December 31, 2024	<u>\$ 195,850</u>	<u>21,298</u>	<u>87,569</u>	<u>49,089</u>	<u>353,806</u>

The Group obtained control over its subsidiaries in the previous years. The cost of acquisition that exceeds the fair value of identifiable net assets is recognized as goodwill. The goodwill recognized for the aforementioned transaction amounted to \$195,850. According to IAS 36, goodwill acquired in a business combination must be tested for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to each of the acquirer's cash-generating units that are expected to benefit from the synergies of the combination. Therefore, goodwill is tested for impairment by comparing the value-in-use of Tai Ying Resource with the carrying amount of its net assets to determine whether an impairment loss should be recognized.

As of December 31, 2025, the CGUs of the subsidiary Tai Ying Resource were determined based on their value in use. The cash flow estimate used in calculating the value in use was based on management's financial budgets for future years and was discounted using an annual discount rate of 12.41% for 2025, and the discount rate was estimated based on the weighted average cost of capital. Based on the impairment test results conducted by the Group, as of December 31, 2025, the recoverable amount of Tai Ying Resource's CGU was lower than its carrying amount; therefore, an impairment loss on goodwill of \$9,420 was recognized. The Group has reduced the impairment loss recognized by the carrying amount of the allocated goodwill of the aforementioned CGU and reported the impairment loss under non-operating income and expenses in the consolidated statement of comprehensive income.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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As of December 31, 2024, the CGUs of the subsidiary Tai Ying Resource were determined based on their value in use. The cash flow estimate used in calculating the value in use was based on management's financial budgets for future years and was discounted using an annual discount rate of 15.42% for 2024, and the discount rate was estimated based on the weighted average cost of capital. Based on the impairment test results conducted by the Group, as of December 31, 2024, the recoverable amount of Tai Ying Resource's CGU was lower than its carrying amount; therefore, an impairment loss on goodwill of \$30,401 was recognized. The Group has reduced the impairment loss recognized by the carrying amount of the allocated goodwill of the aforementioned CGU and reported the impairment loss under non-operating income and expenses in the consolidated statement of comprehensive income.

The Group acquired the equity interest of its subsidiary, Carenity Health Management Co., Ltd. (Carenity Health Management), in September 2025. The excess of the purchase consideration over the fair value of the identifiable net assets acquired was recognized as goodwill. As of December 31, 2025, based on the impairment testing performed by the Group, the recoverable amount of the investment in Carenity Health Management exceeded its carrying amount; therefore, no impairment loss was recognized.

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

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

	December 31, 2025	December 31, 2024
Restricted assets	\$ 214,069	225,979
Other receivables	82,925	44,126
	<u>\$ 296,994</u>	<u>270,105</u>

As of December 31, 2025 and 2024, the restricted assets are coming from bank deposits of restricted purpose due to the construction contract conditions, guarantees for construction contracts, and sport training courses had been collected in advance, etc, please refer to note 8.

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

	December 31, 2025	December 31, 2024
Restricted assets	\$ 39,095	66,225
Refundable deposits	179,743	261,470
Prepayment of equipments	11,939	45,297
Others	9,172	3,124
	<u>\$ 239,949</u>	<u>376,116</u>

As of December 31, 2025 and 2024, the Group did provide any increase in restricted assets as collateral for its loan, please refer to note 8.

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(m) Short-term borrowings

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

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Unsecured bank loans	<u>\$ 631,988</u>	<u>855,071</u>
Unused credit lines	<u>\$ 14,121,035</u>	<u>13,020,591</u>
Range of interest rates	<u>1.81%~5.2%</u>	<u>1.68%~5.6%</u>

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

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

(n) Long-term borrowings

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

	<u>December 31, 2025</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	1.88%~2.565%	2027.12~2036.9	\$ 1,511,604
Secured bank loans	NTD	2.12%	2044.01	1,200,000
Less: current portion				<u>(97,416)</u>
Total				<u>\$ 2,614,188</u>
Unused credit lines				<u>\$ 320,000</u>
	<u>December 31, 2024</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	1.69%~2.60%	2025.10~2036.9	\$ 1,159,596
Secured bank loans	NTD	2.00%~2.12%	2044.1	1,280,000
Less: current portion				<u>(94,892)</u>
Total				<u>\$ 2,344,704</u>
Unused credit lines				<u>\$ 600,000</u>

(i) Issuance and repayments of long-term borrowings

The Group issued new long-term loans amounted to \$746,900 and \$2,052,810 in 2025 and 2024, respectively. The repayments amounted to \$474,892 and \$987,229 in 2025 and 2024, respectively.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (ii) As of December 31, 2025, the repayment schedule for the long-term borrowings was as follows:

Period	Amount
2026.1.1~2026.12.31	\$ 97,416
2027.1.1~2027.12.31	162,122
2028.1.1~2028.12.31	867,354
2029.1.1~2029.12.31	166,790
After 2030.1.1	1,417,922
	\$ 2,711,604

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

- (o) Convertible bonds payable

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

	December 31, 2025	December 31, 2024
Total convertible corporate bonds issued	\$ 1,000,000	1,000,000
Cumulative converted amount	(695,600)	(450,900)
Unamortized discounted corporate bonds payable	(5,983)	(15,476)
	298,417	533,624
Unamortized issuing costs of corporate bonds payable	(339)	(878)
Corporate bonds issued balance at year-end	\$ 298,078	532,746
Embedded derivatives — call option, include in current financial assets at fair value through profit or loss	\$ 27	-
Embedded derivatives — call option, include in non-current financial assets at fair value through profit or loss	\$ -	410
Equity component — conversion rights, include in capital surplus	\$ 17,967	32,411
	2025	2024
Embedded derivatives - call option, gains or losses at fair value, include in gain (losses) on financial assets (liabilities) at fair value through profit or loss	\$ (383)	410
Interest expenses	\$ (7,368)	(14,196)

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

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

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

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3) Redemption methods

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

4) Terms of conversion

- a) The debtors may opt to have its bonds converted into the Company's ordinary share at par value and at the conversion price at the time the conversion is requested, from the day following the expiration of three month after the issuance of the convertible corporate debt, up to the expiry date, except for the following:
- i) The period during which the transfer of ordinary shares of the Company is suspended in accordance with the law and the period commencing from the date on which the transfer of bonus share issued ceases.
 - ii) The date on which the transfer of cash dividends ceases or 15 business days before the date on which the transfer of shares of cash capital increase ceases, until the date of record for the distribution of the rights or benefits.
 - iii) The period starting from the date of record of the capital decrease and ends on the date prior to the trading of the reissuance shares after the capital decrease, where the conversion request is denied from the conversion cease date of changing par value of shares until the day before trading of reissuance shares with new shares.
 - iv) The conversion cease date of the changing of par value of shares mentioned in the previous paragraph which refers to one business day before the change of registration is applied to the Ministry of Economic Affairs.
- b) Conversion price: NT\$200 per share. However, due to the previous changes in the conversion prices at the dates of distribution of cash dividends, the conversion price beginning on July 7, 2025 had been adjusted from NT\$192.5 to NT\$184.1.
- (ii) The information on the Company's convertible options separated from its recognized liabilities was as follows:

The compounded interest present values of the convertible bond's face value	\$ 950,900
The embedded derivative asset at issuance – call option	(100)
The equity components at issuance	<u>59,200</u>
The total amount of the convertible bonds at issuance	<u><u>\$ 1,010,000</u></u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (iii) The above components of equity were recorded under capital surplus - conversion rights. The second unsecured convertible bond issuance costs were allocated to capital surplus - conversion rights at the total amount of \$174 in accordance with IFRSs.
- (iv) For the year ended December 31, 2024, the bondholders exercised their conversion rights for convertible bonds with a face value of \$450,900, which were converted into ordinary shares and bond conversion entitlement certificates of \$18,546 and \$4,851, respectively, offsetting the discount on the bonds payable of \$12,641. The capital surplus generated was recognized at \$414,856 (including the write-down on capital surplus - stock options of \$26,615 and the cash refund from fractional shares of \$6).
- (v) For the year ended December 31, 2025, the bondholders exercised their conversion rights for convertible bonds with a face value of \$244,700 thousand, which were converted into ordinary shares of \$7,885 thousand and bond conversion entitlement certificates of \$5,268 thousand, respectively, offsetting the discount on the bonds payable of \$2,664 thousand. The capital surplus generated was recognized at \$228,874 thousand (including the write down on capital surplus – recognized stock options of \$14,444 thousand and the cash refund from fractional shares of \$9). As of December 31, 2025, there was still a remaining face value of \$304,400 of corporate bonds that has not been converted. In addition to the above, the Group did not issue, repurchase, or repay any outstanding corporate bonds for the year ended December 31, 2025.

(p) Lease liabilities

The lease liabilities of the Group were as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 123,645</u>	<u>124,041</u>
Non-current	<u>\$ 513,572</u>	<u>445,915</u>

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

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest on lease liabilities	<u>\$ 9,484</u>	<u>9,079</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 27,451</u>	<u>22,536</u>
Expenses relating to short-term leases	<u>\$ 37,441</u>	<u>21,864</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 22,700</u>	<u>15,777</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	2025	2024
Total cash outflow for leases	\$ 250,482	231,322

(i) Real estate leases

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

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

(ii) Other leases

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

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

(q) Provisions

	Warranties	Onerous contracts	Total
Balance at January 1, 2025	\$ 151,836	55,170	207,006
Provisions made during the period	20,724	2,436	23,160
Provisions used during the period	(37,870)	-	(37,870)
Provisions reversed during the period	(92,043)	(39,433)	(131,476)
Effect of changes in foreign exchange rates	(3,696)	-	(3,696)
Balance at December 31, 2025	\$ 38,951	18,173	57,124
Balance at January 1, 2024	\$ 219,519	83,384	302,903
Provisions made during the period	30,777	35,337	66,114
Provisions used during the period	(99,975)	-	(99,975)
Provisions reversed during the period	(5,084)	(64,000)	(69,084)
Effect of changes in foreign exchange rates	6,599	449	7,048
Balance at December 31, 2024	\$ 151,836	55,170	207,006

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

(Continued)

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

(r) Operating leases

	December 31, 2025	December 31, 2024
Less than one year	\$ 5,441	8,951
Between one and two years	1,005	4,261
	\$ 6,446	13,212

Rental income from investment properties were \$8,768 and \$8,857 in 2025 and 2024, respectively, and recognized as other income in the consolidated statements of comprehensive income.

(s) Employee benefits

(i) Defined benefit plans

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

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ (278,688)	(268,580)
Fair value of plan assets	139,567	130,801
Net defined benefit liabilities	\$ (139,121)	(137,779)

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

1) Composition of plan assets

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

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$139,567 as of reporting date. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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

2) Movements in present value of defined benefit obligations

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

	<u>2025</u>	<u>2024</u>
Defined benefit obligation at January 1	\$ (268,580)	(249,275)
Current service costs and interest costs	(5,355)	(4,353)
Remeasurements of net defined benefit liabilities	(11,305)	(14,952)
Benefits paid	6,552	-
Defined benefit obligations at December 31	<u>\$ (278,688)</u>	<u>(268,580)</u>

3) Movements of defined benefit plan assets

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

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 130,801	116,657
Contributions paid by the employer	2,400	2,400
Expected return on plan assets	2,058	1,473
Remeasurements of net defined benefit liabilities	9,006	10,271
Benefits paid	(4,698)	-
Fair value of plan assets at December 31	<u>\$ 139,567</u>	<u>130,801</u>
Actual return on plan assets	<u>\$ 11,064</u>	<u>11,745</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Service cost	\$ 565	745
Net interest of net liabilities for defined benefit obligations	2,732	2,135
	<u>\$ 3,297</u>	<u>2,880</u>
Selling expenses	\$ -	-
Administrative expenses	3,297	2,880
	<u>\$ 3,297</u>	<u>2,880</u>

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

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

The Group's re-measurements of the net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Accumulated amount at January 1	\$ 60,485	55,804
Recognized during the period	<u>2,299</u>	<u>4,681</u>
Accumulated amount at December 31	<u><u>\$ 62,784</u></u>	<u><u>60,485</u></u>

- 6) Actuarial assumptions

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.750%	2.000%
Future salary increases rate	4.00%	4.00%

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

The weighted-average lifetime of the defined benefit plan is 11.28 years.

- 7) Sensitivity analysis

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

	Effects to the defined benefit obligation	
	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
December 31, 2025		
Discount rate	\$ (3,902)	4,012
Future salary increasing rate	3,819	(3,735)
December 31, 2024		
Discount rate	(4,149)	4,272
Future salary increasing rate	4,086	(3,991)

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

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

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

(ii) Defined contribution plans

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

The domestic Group entities recognized the pension costs under the defined contribution method amounting to \$59,315 and \$56,220 for the years ended December 31, 2025 and 2024, respectively. Payment was made to the Bureau of Labor Insurance.

Other subsidiaries recognized the pension expense, basic endowment insurance expense, and social welfare expenses amounting to \$24,120 and \$22,480 for the years ended December 31, 2025 and 2024, respectively.

(t) Income taxes

(i) Income tax expenses

1) The components of income tax were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 1,232,669	956,089
Surtax on unappropriated earnings	<u>51,898</u>	<u>41,348</u>
	1,284,567	997,437
Deferred tax expense		
Origination and reversal of temporary differences	<u>(13,291)</u>	<u>66,928</u>
	<u>(13,291)</u>	<u>66,928</u>
Current tax expense	<u>\$ 1,271,276</u>	<u>1,064,365</u>

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

	<u>2025</u>	<u>2024</u>
Items that may not be reclassified subsequently to profit or loss:		
Remeasurements from defined benefit plans	\$ (460)	(936)
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	<u>(6,992)</u>	<u>34,041</u>
	<u>\$ (7,452)</u>	<u>33,105</u>

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

- 3) Reconciliations of income tax and profit before tax for 2025 and 2024 were as follows:

	2025	2024
Profit before tax	<u>\$ 5,463,305</u>	<u>4,729,456</u>
Income tax calculated based on local tax rate of the Company	1,511,552	1,329,215
Tax exemption income, and domestic investment income, net	(246,731)	(244,045)
Effect of foreign dividend income and its applicable exchange rate difference	(14,269)	19,492
Changes in unrecognized deferred tax assets	630	15,223
Estimated difference adjustment and others	(1,376)	(3,092)
Surtax on unappropriated earnings	51,898	41,348
Surtax on unappropriated earnings practical adjustment	<u>(30,428)</u>	<u>(93,776)</u>
	<u>\$ 1,271,276</u>	<u>1,064,365</u>

- (ii) Deferred tax assets and liabilities

- 1) Unrecognized deferred tax assets and liabilities

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

	December 31, 2025	December 31, 2024
Tax effect of deductible temporary differences	<u>\$ 77,819</u>	<u>47,572</u>
Tax carryforward of unused tax losses	<u>295,275</u>	<u>355,750</u>
	<u>\$ 373,094</u>	<u>403,322</u>

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

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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As of December 31, 2025, the information of the Group's unused tax losses for which no deferred tax assets were recognized is as follows:

<u>Year of loss</u>	<u>Expiry year</u>	<u>Unused tax loss</u>
2016 (Assessed)	2026	\$ 120,684
2017 (Assessed)	2027	228,752
2018 (Assessed)	2028	174,734
2019 (Assessed)	2029	186,074
2020 (Assessed)	2030	127,709
2021 (Assessed)	2031	86,184
2022 (Assessed)	2032	122,288
2023 (Filed)	2033	134,217
2024 (Filed)	2034	154,361
2025 (Estimated)	2035	<u>141,371</u>
		<u><u>\$ 1,476,374</u></u>

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	<u>Defined benefit plan</u>	<u>Foreign investment loss under equity method</u>	<u>Exchange differences on translation of foreign financial statements</u>	<u>Others</u>	<u>Total</u>
Deferred tax assets:					
Balance at January 1, 2025	\$ 28,423	2,406	-	28,047	58,876
Recognized in profit or loss	179	1,135	-	5,457	6,771
Recognized in other comprehensive income	<u>460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>460</u>
Balance at December 31, 2025	<u>\$ 29,062</u>	<u>3,541</u>	<u>-</u>	<u>33,504</u>	<u>66,107</u>
Balance at January 1, 2024	\$ 27,391	4,578	21,510	22,199	75,678
Recognized in profit or loss	96	(2,172)	-	5,848	3,772
Recognized in other comprehensive income	<u>936</u>	<u>-</u>	<u>(21,510)</u>	<u>-</u>	<u>(20,574)</u>
Balance at December 31, 2024	<u>\$ 28,423</u>	<u>2,406</u>	<u>-</u>	<u>28,047</u>	<u>58,876</u>

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

	Foreign investment income under equity method	Exchange differences on translation of foreign financial statements	Others	Total
Deferred tax liabilities:				
Balance at January 1, 2025	\$ 649,912	12,531	16,540	678,983
Recognized in profit or loss	(26,493)	-	19,973	(6,520)
Recognized in other comprehensive income	-	(6,992)	-	(6,992)
Balance at December 31, 2025	<u>\$ 623,419</u>	<u>5,539</u>	<u>36,513</u>	<u>665,471</u>
Balance at January 1, 2024	\$ 578,475	-	17,277	595,752
Recognized in profit or loss	71,437	-	(737)	70,700
Recognized in other comprehensive income	-	12,531	-	12,531
Balance at December 31, 2024	<u>\$ 649,912</u>	<u>12,531</u>	<u>16,540</u>	<u>678,983</u>

(iii) The ROC tax authorities have examined the income tax returns of the Company, as well as Jing Chen Energy, Jing Yueh Energy, Jing Yang Energy, Kuan Yueh Technology, Kanbo Biomedical, Anyong Biotechnology, Anyong Fresh Mart, Topco International Investment, Topco Investment, Cityspace International, Top Energy Innovation, Xports Sports, YAO YUE ENERGY, Topchip, Yun Yueh Technology, Unitech New Energy Engineering, Tai Ying, Tai Ying Global Trading, Top Vacuum, Taiwan E&M, Jia Yi Energy, Anyong Lohas, Chien Yueh and Topchem Materials through 2023; the Company through 2022.

(u) Capital and other equities

(i) Common stock

As of December 31, 2025 and 2024, the total values of authorized ordinary shares were amounted to \$2,500,000 and \$2,200,000 (both including \$100,000 for the issuance of employee stock options). The number of authorized ordinary shares were 250,000 and 220,000 thousand shares, respectively, with par value of New Taiwan Dollars \$10 per share. As of that date 192,355 and 191,040 thousand of ordinary shares were issued, respectively. All issued shares were paid up upon issuance.

	Ordinary Shares	
	2025	2024
Balance on January 1	191,040	188,700
Conversion of convertible bonds	1,315	2,340
Balance on December 31	<u>192,355</u>	<u>191,040</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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The Group issued 2,340 thousand new shares to convertible bond holders who exercised their conversion rights at face value, with a total amount of \$23,397 for the year ended December 31, 2024. As of December 31, 2025, all relevant statutory registration procedures have been completed.

The Group issued 1,315 thousand new shares in 2025 to convertible bond holders who exercised their conversion rights at face value, with a total amount of \$13,153 thousand. As of December 31, 2025, the legal registration procedures for 1,012 thousand shares have not been completed; therefore, these shares recognized as certificates of entitlement to new shares from convertible bonds.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Capital premium	\$ 3,122,491	2,879,173
Convertible bonds-conversion options	17,967	32,411
Stock option-fair value differences of associates and joint ventures accounted under equity method	1,965	1,965
Changes in the equity ownership of the subsidiaries	2,270	2,270
Others	<u>422</u>	<u>422</u>
	<u>\$ 3,145,115</u>	<u>2,916,241</u>

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

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

(iii) Retained earnings

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

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

1) Legal reverse

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

2) Special reverse

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

3) Earnings distribution

The amount of cash dividends of appropriations of earnings for 2024 and 2023 had been approved in the Board meetings held on February 27, 2025 and February 29, 2024, respectively. The amount of other appropriation items of earnings for 2024 and 2023 had been approved in the regular shareholders' meetings held on May 29, 2024 and May 30, 2023, respectively. These earnings were appropriated as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount per share NT (Dollars)</u>	<u>Total amount</u>	<u>Amount per share NT (Dollars)</u>	<u>Total amount</u>
Dividends distributed to common shareholders:				
Cash dividends	\$ 11.99	<u><u>2,293,351</u></u>	9.0	<u><u>1,698,296</u></u>

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

On March 10, 2026, the Company's Board of Directors resolved to appropriate the 2025 earnings. These earnings were appropriated as follows:

	2025	
	Amount per share NT (Dollars)	Total amount
Dividends distributed to common shareholder:		
Cash dividends	\$ 13.5	2,603,218

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

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 46,882	1,137,221	1,184,103
Exchange differences on foreign operations:			
The Group	(27,968)	-	(27,968)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	129,215	129,215
Balance at December 31, 2025	\$ 18,914	1,266,436	1,285,350
Balance at January 1, 2024	\$ (90,453)	866,377	775,924
Exchange differences on foreign operations:			
The Group	137,335	-	137,335
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	319,949	319,949
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(49,105)	(49,105)
Balance at December 31, 2024	\$ 46,882	1,137,221	1,184,103

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

(v) Earnings per share

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

	2025	2024
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ <u>4,180,447</u>	<u>3,655,935</u>
Weighted-average number of outstanding ordinary shares (thousand)	<u>191,644</u>	<u>189,549</u>
Basic earnings per share (dollars)	\$ <u>21.81</u>	<u>19.29</u>
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ 4,180,447	3,655,935
The after-tax impact of interest on convertible bonds and other income or losses	<u>7,672</u>	<u>13,633</u>
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	\$ <u>4,188,119</u>	<u>3,669,568</u>
Weighted-average number of outstanding ordinary shares (thousand)	191,644	189,549
Effect of dilutive potential ordinary shares (thousand)		
Effect of employee share bonuses	2,364	4,236
Effect of conversion of convertible bonds	<u>1,719</u>	<u>1,600</u>
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>195,727</u>	<u>195,385</u>
Diluted earnings per share (dollars)	\$ <u>21.40</u>	<u>18.78</u>

(w) Revenue from contracts with customers

(i) Details of revenue

	2025			
	Semiconductor and electronics divisions	Environmental engineering divisions	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 27,810,352	1,565,074	1,784,979	31,160,405
China	28,041,134	3,466,912	-	31,508,046
Others	<u>3,919,149</u>	<u>957,801</u>	<u>38,130</u>	<u>4,915,080</u>
	<u>\$ 59,770,635</u>	<u>5,989,787</u>	<u>1,823,109</u>	<u>67,583,531</u>
Major products / services:				
Semiconductor and optoelectronic industries	\$ 59,770,635	-	-	59,770,635
Water purification and construction of dust-proof room	-	5,989,787	-	5,989,787
Others	-	-	1,823,109	1,823,109
	<u>\$ 59,770,635</u>	<u>5,989,787</u>	<u>1,823,109</u>	<u>67,583,531</u>

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

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

(ii) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable (including related parties)	\$ 10,233,192	8,556,080	6,697,771
Less: allowance for impairment	53,756	28,070	42,398
Total	\$ 10,179,436	8,528,010	6,655,373
Contract assets — construction	\$ 1,596,662	1,586,101	1,726,003
Contract liabilities — construction	\$ 2,143,381	1,387,818	853,781
Contract liabilities — unearned revenue	949,924	683,168	456,885
Total	\$ 3,093,305	2,070,986	1,310,666

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

The amounts of revenue recognized for the years ended December 31, 2025 and 2024 that were included in contract liability balance at the beginning of the period were \$625,907 and \$407,323, respectively.

The major change in the balance of contract assets and contract liabilities is due to the difference between the point at which the consolidated company transfers goods or service to customers to satisfy its performance obligations and the point at which customers pay. There were no significant changes during the years ended December 31, 2025 and 2024.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(x) Remuneration to employees, directors

On May 29, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 3% of the remainder shall be allocated as directors' remuneration, and not less than 4% (in shares or in cash) as employee remuneration, including a minimum of 8% to those base-level employees. The distribution shall also include those employees of the Company's subsidiaries who meet certain requirements.

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

For the years ended December 31, 2025 and 2024, the Company estimated its employees' remuneration amounting to \$440,370 and \$376,891, respectively, and the directors' remuneration amounting to \$110,092 and \$94,223, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses during the years ended December 31, 2025 and 2024. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee remuneration are calculated based on the closing price of the Company's ordinary shares on the day before the approval by the Board of Directors.

(y) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	<u>2025</u>	<u>2024</u>
Government grants	\$ 35,555	64,476
Dividends income	103,997	80,285
Rental income	21,821	9,421
Indemnity income	9,608	181
Others	8,519	11,902
	<u>\$ 179,500</u>	<u>166,265</u>

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

(ii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2025</u>	<u>2024</u>
Foreign currency exchange gains (losses), net	\$ (85,704)	8,451
Gains on financial assets at fair value through profit or loss, net	431,024	83,755
Losses on disposal of property, plant and equipment, net	(6,907)	(10,247)
Others	<u>(2,778)</u>	<u>(7,529)</u>
	<u>\$ 335,635</u>	<u>74,430</u>

(z) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration to credit risk

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

3) Receivables and debt securities

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

These financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. For the years ended December 31, 2025 and 2024, the loss allowance provisions were determined as follows:

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 14,480	14,355
Impairment loss	<u>-</u>	<u>125</u>
Balance at December 31	<u>\$ 14,480</u>	<u>14,480</u>

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

(ii) Liquidity risk

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
December 31, 2025					
Non-derivative financial liabilities					
Short-term and long-term bank loans	\$ 3,343,592	(3,752,411)	(791,714)	(219,896)	(2,740,801)
Notes and accounts payable (including related parties)	10,769,591	(10,769,591)	(10,769,591)	-	-
Accrued expenses and other payables	1,823,827	(1,823,827)	(1,823,827)	-	-
Lease liabilities (including current and non-current)	637,217	(681,417)	(132,454)	(111,948)	(437,015)
Bonds payable (including current portion)	298,078	(304,400)	(304,400)	-	-
Guarantee deposits received	124,463	(124,463)	-	-	(124,463)
	<u>\$ 16,996,768</u>	<u>(17,456,109)</u>	<u>(13,821,986)</u>	<u>(331,844)</u>	<u>(3,302,279)</u>
December 31, 2024					
Non-derivative financial liabilities					
Short-term and long-term bank loans	\$ 3,294,667	(3,768,215)	(1,006,671)	(148,612)	(2,612,932)
Notes and accounts payable (including related parties)	9,556,451	(9,556,451)	(9,556,451)	-	-
Accrued expenses and other payables	1,500,091	(1,500,091)	(1,500,091)	-	-
Lease liabilities (including current and non-current)	569,956	(613,412)	(132,025)	(87,822)	(393,565)
Bonds payable	532,746	(549,100)	-	(549,100)	-
Guarantee deposits received	164,178	(164,178)	-	-	(164,178)
	<u>\$ 15,618,089</u>	<u>(16,151,447)</u>	<u>(12,195,238)</u>	<u>(785,534)</u>	<u>(3,170,675)</u>

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

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

(in thousands)

	December 31, 2025			December 31, 2024			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
Financial assets							
USD	\$	142,768	USD/NTD= 31.43	4,487,198	99,559	USD/NTD= 32.785	3,264,042
USD		73,009	USD/CNY= 6.9907	2,294,687	82,180	USD/CNY= 7.3213	2,694,253
JPY		11,363,798	JPY/NTD= 0.2008	2,281,851	6,733,016	JPY/NTD= 0.2099	1,413,260
JPY		2,221,328	JPY/CNY= 0.0447	446,423	2,974,875	JPY/CNY= 0.0469	624,778
Financial liabilities							
USD	\$	129,381	USD/NTD= 31.43	4,066,445	89,643	USD/NTD= 32.785	2,938,946
USD		51,508	USD/CNY= 6.9907	1,618,906	82,351	USD/CNY= 7.3213	2,699,860
JPY		10,862,876	JPY/NTD= 0.2008	2,181,266	6,017,921	JPY/NTD= 0.2099	1,263,162
JPY		2,955,585	JPY/CNY= 0.0447	593,987	2,119,986	JPY/CNY= 0.0469	445,236

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, account and other receivables, current restricted assets, loans and borrowings, and account and other payables that are denominated in foreign currency. An appreciation (depreciation) of 5% of each major foreign currency against Group entities' functional currency as of December 31, 2025 and 2024 would have influenced the net profit before tax as follows. The analysis is performed on the same basis for both periods.

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

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
USD (against the NTD)		
Appreciation 5%	\$ 21,038	16,255
Depreciation 5%	(21,038)	(16,255)
USD (against the CNY)		
Appreciation 5%	33,789	(280)
Depreciation 5%	(33,789)	280
JPY (against the NTD)		
Appreciation 5%	5,029	7,505
Depreciation 5%	(5,029)	(7,505)
JPY (against the CNY)		
Appreciation 5%	(7,378)	8,977
Depreciation 5%	7,378	(8,977)

3) Foreign exchange gain and loss on monetary items

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

	<u>2025</u>	<u>2024</u>
Foreign exchange gains (losses) (including realized and unrealized portions)	\$ <u>(85,704)</u>	<u>8,451</u>

(iv) Interest rate analysis

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

	<u>Carrying amount</u>	
	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Variable rate instruments:		
Financial assets	\$ 6,150,477	4,323,139
Financial liabilities	3,232,509	3,284,667

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by the amounts listed below for the years ended December 31, 2025 and 2024, respectively, which would be mainly resulted from the bank savings, time deposits with variable interest rates, restricted assets with variable interest rates, and short-term and long-term borrowings with variable interest rates.

	2025	2024
Interest rate increased by 0.25%	\$ 7,295	2,596
Interest rate decreased by 0.25%	(7,295)	(2,596)

(v) Fair value of financial instruments

1) Evaluation process and fair value hierarchy

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

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

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

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

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

2) Fair value hierarchy

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	December 31, 2025				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Convertible bonds — embedded derivatives	\$ 27	-	-	27	27
Non-derivative financial assets mandatorily measured at fair value through profit or loss—beneficiary certificate funds	261,961	261,961	-	-	261,961
Non-derivative financial assets mandatorily measured at fair value through profit or loss—domestic listed stocks	105,388	105,388	-	-	105,388
Non-derivative financial assets mandatorily measured at fair value through profit or loss—foreign listed stocks	175,964	175,964	-	-	175,964
Non-derivative financial assets mandatorily measured at fair value through profit or loss—unlisted stocks and limited partnership	675,027	369,209	-	305,818	675,027
Non-derivative financial assets mandatorily measured at fair value through profit or loss—foreign unlisted funds	<u>28,471</u>	-	-	28,471	28,471
Subtotal	<u>1,246,838</u>				
Financial assets at fair value through other comprehensive income	<u>1,653,914</u>	206,712	-	1,447,202	1,653,914
Financial assets measured at amortized cost					
Cash and cash equivalents	6,828,704	-	-	-	-
Notes and accounts receivable (including related parties)	10,179,436	-	-	-	-
Other current financial assets	296,994	-	-	-	-
Other non-current assets (refundable deposits and pledged asset-time deposits)	<u>218,838</u>	-	-	-	-
Subtotal	<u>17,523,972</u>				
Total	<u>\$ 20,424,724</u>				

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	December 31, 2025				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Long-term and short-term bank loans	\$ 3,343,592	-	-	-	-
Notes and accounts payable (including related parties)	10,769,591	-	-	-	-
Accrued expenses and other payables	1,823,827	-	-	-	-
Lease liabilities (including current and non-current)	637,217	-	-	-	-
Bonds payable (including current portion)	298,078	-	-	-	-
Guarantee deposits received	<u>124,463</u>	-	-	-	-
Total	<u>\$ 16,996,768</u>				
	December 31, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Convertible bonds - embedded derivatives	\$ 410	-	-	410	410
Non-derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate funds	321,019	321,019	-	-	321,019
Non-derivative financial assets mandatorily measured at fair value through profit or loss-domestic listed stocks	149,983	149,983	-	-	149,983
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign listed stocks	72,406	72,406	-	-	72,406
Non-derivative financial assets mandatorily measured at fair value through profit or loss-unlisted stocks and limited partnership	381,453	99,756	-	281,697	381,453
Non-derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>26,580</u>	-	-	26,580	26,580
Subtotal	<u>951,851</u>				

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	December 31, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income	\$ <u>1,524,600</u>	186,800	-	1,337,800	1,524,600
Financial assets measured at amortized cost					
Cash and cash equivalents	5,162,017	-	-	-	-
Notes and accounts receivable (including related parties)	8,528,010	-	-	-	-
Other current financial assets	270,105	-	-	-	-
Other non-current assets (refundable deposits and pledged assets-time deposits)	<u>327,695</u>	-	-	-	-
Subtotal	<u>14,287,827</u>				
Total	<u>\$ 16,764,278</u>				
Financial liabilities measured at amortized cost					
Long-term and short-term bank loans	\$ 3,294,667	-	-	-	-
Notes and accounts payable (including related parties)	9,556,451	-	-	-	-
Accrued expenses and other payables	1,500,091	-	-	-	-
Lease liabilities (including current and non-current)	569,956	-	-	-	-
Bonds payable	532,746	-	-	-	-
Guarantee deposits received	<u>164,178</u>	-	-	-	-
Total	<u>\$ 15,618,089</u>				

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

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

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

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

4) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

b) Derivative financial instruments

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

5) Transfers between levels

The Group's equity holdings of Beiley Biofund Inc. shares were classified as financial assets measured at fair value through profit or loss; the fair value of these financial assets as of December 31, 2024, was \$79,982. As of December 31, 2024, the investment was classified as Level 3 because the company's shares had no quoted market prices and their fair value was measured using significant unobservable inputs. Beiley Biofund Inc. began to trade as an emerging stock in December 2025, resulting in active market quotes; consequently, its fair value measurement was reclassified from Level 3 to Level 1.

6) Reconciliation of Level 3 fair value

	Financial assets at fair value through profit or loss			Financial assets at fair value through other comprehensive income	Total
	Derivative financial assets - convertible bonds	Equity investment without quoted price	Debt investment without quoted price	Equity investment without quoted price	
Balance at January 1, 2025	\$ 410	54,161	254,116	1,337,800	1,646,487
Total gains and losses recognized:					
In profit	(383)	(2,788)	40,600	-	37,429
In other comprehensive income	-	-	-	109,402	109,402
Purchased	-	4,204	72,333	-	76,537
Proceeds of capital reduction of investment	-	-	(8,355)	-	(8,355)
Reclassify from level 3	-	-	(79,982)	-	(79,982)
Balance at December 31, 2025	<u>\$ 27</u>	<u>55,577</u>	<u>278,712</u>	<u>1,447,202</u>	<u>1,781,518</u>
Balance at January 1, 2024	\$ -	-	241,485	1,135,291	1,376,776
Total gains and losses recognized:					
In profit	410	7,161	4,063	-	11,634
In other comprehensive income	-	-	-	202,509	202,509
Purchased	-	47,000	25,500	-	72,500
Proceeds of capital reduction of investment	-	-	(16,932)	-	(16,932)
Balance at December 31, 2024	<u>\$ 410</u>	<u>54,161</u>	<u>254,116</u>	<u>1,337,800</u>	<u>1,646,487</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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For the years ended December 31, 2025 and 2024, the total gains and losses that were included in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income” were as follows:

	Nine months ended December 31, 2025	Nine months ended December 31, 2024
Total gains and losses recognized:	<u>\$ 146,831</u>	<u>214,143</u>
In profit or loss, and presented in “other gains and losses”	<u>\$ 37,429</u>	<u>11,634</u>
In other comprehensive income, and presented in “unrealized gains and losses on financial assets at fair value through other comprehensive income”	<u>\$ 109,402</u>	<u>202,509</u>

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

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

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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The quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter relationships between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income – equity investment without quoted price	Comparable market approach	Price Book ratio multiples. (8.07~106.7 and 8.18~93.68 respectively, on December 31, 2025 and 2024)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% all on December 31, 2025 and 2024)	The higher the Lack of Marketability discount rate is, the lower the fair value will be.
	Net asset value method	Net asset value method	Inapplicable
Financial assets at fair value through profit or loss – debt investment without quoted price	Net asset value method	Net asset value method	Inapplicable
Financial assets at fair value through profit or loss – equity investment without quoted price	Comparable market approach	Price Book ratio multiples. (3.00~50.57 and 28.04~50.00, respectively, on December 31, 2025 and 2024)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% all on December 31, 2025 and 2024)	The higher the Lack of Marketability discount rate is, the lower the fair value will be.
Financial assets at fair value through profit or loss – convertible bonds redemption right	Binomial convertible bonds pricing models	Volatility (31.33% and 27.24% respectively, on December 31, 2025 and 2024)	The higher the volatility, the higher the fair value will be.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- 8) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

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

	Input	Move up or down	Impacts of fair value change on net income or loss		Impacts of fair value change on other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2025						
Financial assets at fair value through profit or loss						
Equity investment without quoted price	P/B ratio	5%	\$ <u>4,279</u>	<u>(4,279)</u>	<u>-</u>	<u>-</u>
	Lack of marketability discount	5%	\$ <u>5,349</u>	<u>(5,349)</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income						
Equity investment without quoted price	P/B ratio	5%	\$ <u>-</u>	<u>-</u>	<u>72,417</u>	<u>(72,297)</u>
	Lack of marketability discount	5%	\$ <u>-</u>	<u>-</u>	<u>90,450</u>	<u>(90,450)</u>
December 31, 2024						
Financial assets at fair value through profit or loss						
Equity investment without quoted price	P/B ratio	5%	\$ <u>2,707</u>	<u>(2,706)</u>	<u>-</u>	<u>-</u>
	Lack of marketability discount	5%	\$ <u>3,386</u>	<u>(3,384)</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income						
Equity investment without quoted price	P/B ratio	5%	\$ <u>-</u>	<u>-</u>	<u>66,842</u>	<u>(66,842)</u>
	Lack of marketability discount	5%	\$ <u>-</u>	<u>-</u>	<u>83,612</u>	<u>(83,612)</u>

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

(aa) Financial risk management

(i) Briefings

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

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

(Continued)

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

(ii) Structure of risk management

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

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

(iii) Credit risk

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

1) Accounts receivable and other receivables

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

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

2) Investments

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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3) Guarantees

Pursuant to the Group's policies, it is only permissible to provide financial guarantees to subsidiaries, companies that the Group has business with, and the investees, based on the percentage of ownership by each shareholder. As of December 31, 2025 and 2024, no the guarantees provided to non-subsidiaries were outstanding. The guarantees provided to subsidiaries please refer to note 13(a).

(iv) Liquidity risk

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

Loans and borrowings from the bank is an important source of liquidity for the Group. The Group's unused credit line were amounted to \$14,121,035 and \$13,020,591 as of December 31, 2025 and 2024, respectively.

(v) Market risk

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

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

1) Currency risk

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

2) Interest rate risk

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

3) Other price risk

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(ab) Capital management

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

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

As of December 31, 2025 and 2024, the liability ratios were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total liabilities	\$ 21,655,055	19,268,399
Total assets	41,870,771	37,274,912
Liability ratio	52 %	52 %

As of December 31, 2025, there were no changes in the Group's approach to capital management.

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

The Group's investing and financial activities, which did not affect its current cash flow in the years ended December 31, 2025 and 2024, included the acquisition of right-of-use assets through lease and conversion of convertible bonds to ordinary shares. Please refer to notes 6(i) and 6(o) for details.

Reconciliations of liabilities arising from financing activities were as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Non-cash changes</u>				<u>December 31, 2025</u>
			<u>Additions of leases</u>	<u>Cancellation of leases</u>	<u>Foreign exchange movement</u>	<u>Others</u>	
Short term borrowings	\$ 855,071	(223,083)	-	-	-	-	631,988
Long term borrowings	2,439,596	272,008	-	-	-	-	2,711,604
Bonds payable	532,746	-	-	-	-	(234,668)	298,078
Lease liabilities	569,956	(153,406)	227,431	(6,036)	(728)	-	637,217
Guarantee deposits received	164,178	(39,715)	-	-	-	-	124,463
Total liabilities from financing activities	<u>\$ 4,561,547</u>	<u>(144,196)</u>	<u>227,431</u>	<u>(6,036)</u>	<u>(728)</u>	<u>(234,668)</u>	<u>4,403,350</u>

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(7) Related-party transactions:

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Topco Quartz Products Co., Ltd. (Topco Quartz)	An associate
Eastwind Tsusho Inc. (Eastwind Tsusho)	An associate
Fong Rong Smart Machinery Co., Ltd. (Fong Rong Smart Machinery)	An associate
Wuxi Super Sunrise Material Co., Ltd. (Wuxi Super Sunrise Material)	An associate
Xinchongxin Technology (Xinchongxin)	An associate
Equator Materials Corporation (Equator)	An associate
Chongmu Health (Chongmu)	An associate
Topco Athletic Training Performance Development Association	Other related party
Maniflod Technology Co., LTD. (Maniflod Technology)	The Group is the corporate director of the related party
Shin-Etsu Handotai Taiwan Co., Ltd. (Shin-Etsu Handotai Taiwan)	The Company is the corporate director of the related party
Shin-Etsu Opto Electronic Co., Ltd. (Shin-Etsu Opto Electronic)	The Company is the corporate director of the related party

(b) Transactions with key management personnel

Key management personnel compensation comprised:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 411,823	359,389
Post-employment benefits	3,737	3,346
	<u>\$ 415,560</u>	<u>362,735</u>

(c) Significant transactions with related party

(i) Sales

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

	<u>2025</u>	<u>2024</u>
Associates	\$ 62,099	8,145
Other related parties	13,283	12,826
	<u>\$ 75,382</u>	<u>20,971</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- 2) The amounts of significant construction revenue and rendering of services by the Group to related parties were as follows:

	2025	2024
Associates:		
Topco Quartz	\$ 307,814	338,251
Other associates	7,515	2,158
Other related parties:		
Shin-Etsu Handotai Taiwan	400,886	416,424
Other related parties	1,199	320
	\$ 717,414	757,153

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

(ii) Purchases

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

	2025	2024
Associates	\$ 1,473,278	1,479,902
Other related parties:		
Shin-Etsu Handotai Taiwan	6,273,373	7,724,520
Other related parties	1,737	2,009
	\$ 7,748,388	9,206,431

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

(iii) Donation Expenses

For the years ended December 31, 2025 and 2024, the Group donated the amount of \$35,000 in both years to the other related parties of the Company, Topco Athletic Training Performance Development Association, and recognized as operating expenses in statements of comprehensive income.

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

(iv) Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Associates:		
Accounts receivable	Topco Quartz	\$ 62,029	54,152
Accounts receivable	Other associates	13,985	62
	Other related parties:		
	Shin-Etsu Handotai		
Accounts receivable	Taiwan	76,234	75,304
	Other related		
Accounts receivable	parties	104	67
		<u>\$ 152,352</u>	<u>129,585</u>

(v) Payables to related parties

The payables to related parties were as follows:

<u>Accounts</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Associates:		
Accounts payable	Topco Quartz	\$ 287,820	257,066
Accounts payable	Other associates	37,805	23,251
	Other related parties:		
	Shin-Etsu Handotai		
Accounts payable	Taiwan	1,428,334	2,391,134
	Other related		
Accounts payable	parties	729	345
		<u>\$ 1,754,688</u>	<u>2,671,796</u>

(vi) Leases

On July 31, 2025, the Group rented an office from its associate, Topco Quartz. A three-year lease contract was signed, in which the rent fee is determined based on market rates, with a total contract value of \$2,889. For the year ended December 31, 2025, the Group recognized the amount of \$17 as interest expenses. As of December 31, 2025, the balance of lease liabilities amounted to \$2,417.

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

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Subject</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other current financial assets	Guarantees for construction contracts, warranties, coupons, credit card readers, and fees received in advance for sport training courses	\$ 214,069	225,616
Other non-current assets – time deposits	Lease for plant, and guarantees for long term borrowings	39,095	66,225
Property, plant and equipment	Guarantees for long term borrowings	<u>5,323,911</u>	<u>5,334,597</u>
		<u>\$ 5,577,075</u>	<u>5,626,438</u>

(9) Commitments and contingencies:

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Commitments for construction contracts	<u>\$ 3,126,821</u>	<u>2,921,423</u>
Bank guarantees to construction contracts	<u>\$ 1,066,222</u>	<u>1,773,771</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unused and outstanding letters of credit	<u>\$ 1,490,275</u>	<u>1,233,984</u>

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

(10) Losses Due to Major Disasters: None**(11) Subsequent Events: None**

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

(12) Other:

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

By item	2025			2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	516,722	2,400,363	2,917,085	449,815	2,148,961	2,598,776
Labor and health insurance	61,511	114,954	176,465	55,857	107,315	163,172
Pension	13,731	73,001	86,732	11,532	70,048	81,580
Remuneration of directors	-	111,271	111,271	-	95,312	95,312
Others	16,928	106,902	123,830	16,601	119,478	136,079
Depreciation	180,245	246,023	426,268	168,792	251,020	419,812
Amortization	2,073	54,381	56,454	2,492	58,643	61,135

(13) Other disclosures:

- (a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2025:

- (i) Loans to other parties: Please refer to table 1.
 - (ii) Guarantees and endorsements for other parties: Please refer to table 2.
 - (iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to table 3.
 - (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to table 4.
 - (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
 - (vi) Business relationships and significant intercompany transactions: Please refer to table 5.
- (b) Information on investees: Please refer to table 6.
- (c) Information on investment in mainland China:
- (i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to table 7.
 - (ii) Limitation on investment in Mainland China: Please refer to table 7.
 - (iii) Significant transactions: Please refer to table 7.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(14) Segment information:

(a) General information

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

(b) Reportable segments and operating segment information

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

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

	Semiconductor and electronics division	Environmental engineering group	Other divisions	Adjustment and elimination	Total
2025					
Revenue					
Revenue from external customers	\$ 59,770,635	5,989,787	1,823,109	-	67,583,531
Revenue from segments	1,098,965	454,454	230,118	(1,783,537)	-
Interest income	-	-	-	-	-
Total revenue	<u>\$ 60,869,600</u>	<u>6,444,241</u>	<u>2,053,227</u>	<u>(1,783,537)</u>	<u>67,583,531</u>
Interest expense	59,266	3,942	28,858	-	92,066
Depreciation and amortization	217,569	7,864	257,289	-	482,722
Share of profit of equity-accounted investees (associates and jointly controlled entities)	-	-	501,948	-	501,948
Reportable segment profit or loss	<u>\$ 4,113,481</u>	<u>379,665</u>	<u>970,159</u>	<u>-</u>	<u>5,463,305</u>
2024					
Revenue					
Revenue from external customers	\$ 49,292,513	5,948,551	1,756,049	-	56,997,113
Revenue from segments	782,773	224,039	227,388	(1,234,200)	-
Interest income	-	-	-	-	-
Total revenue	<u>\$ 50,075,286</u>	<u>6,172,590</u>	<u>1,983,437</u>	<u>(1,234,200)</u>	<u>56,997,113</u>
Interest expense	73,879	11,262	28,537	-	113,678
Depreciation and amortization	233,431	7,196	240,320	-	480,947
Share of profit of equity-accounted investees (associates and jointly controlled entities)	-	-	609,809	-	609,809
Reportable segment profit or loss	<u>\$ 3,731,532</u>	<u>289,457</u>	<u>708,467</u>	<u>-</u>	<u>4,729,456</u>

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

(c) Industry information

(i) Product and service information

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

(ii) Geographical information

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

1) Revenue from external customers:

Location	2025	2024
Taiwan	\$ 31,160,405	26,198,819
China	31,508,046	26,493,609
Other countries	4,915,080	4,304,685
	<u>\$ 67,583,531</u>	<u>56,997,113</u>

2) Non-current assets:

	2025	2024
Taiwan	\$ 10,975,352	9,927,460
Other countries	443,773	421,273
	<u>\$ 11,419,125</u>	<u>10,348,733</u>

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

(iii) Information about major customers

Sales to individual customer constituting over 10% of the total revenue in the consolidated statements of comprehensive income of 2025 and 2024 are summarized as follows:

	2025	2024
A Company	<u>\$ 15,228,426</u>	<u>11,911,643</u>

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

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Loans to other parties:
(2025/12/31)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business	Reasons for short-term financing	Allowance for bad	Collateral	Individual funding loan limits	Maximum limit of fund financing
1	Topco Trading	Topscience Vietnam Co., Ltd.	Other current financial assets related parties		78,575	78,575	78,575	5.00%	Short-term financing		Operating demand		N/A	141,869	212,803

Note 1: Foreign currency amounts are translated to New Taiwan Dollars at the exchange rate at the end of the financial reporting date.
 Note 2: According to the Company's "Operational Procedures for Lending of Capital to Others", the total amount of loans to a single enterprise shall not exceed 100%, respectively, of the net monetary amount of the financial reports of the latest month when transaction occurs, and the amount is \$141,869.
 Note 3: According to the Company's "Operational Procedures for Lending of Capital to Others", the total amount of loans to others shall not exceed 150%, respectively, of the net monetary amount of the financial reports of the latest month when transaction occurs, and the amount is \$212,803.
 Note 4: The aforementioned transactions had been written-off upon the preparation of the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:
(2025/12/31)

No.	Name of guarantor	Counter-party of guarantee and		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Return or reimbursement amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Reason company/endorsements/third parties on behalf of	Endorsements/guarantees to third parties on	Endorsements/guarantees to third parties on	Endorsements/guarantees to third parties on	Endorsements/guarantees to third parties on
		Name	Relationship with the Company												
10	The Company	Topco Shanghai	(Note 2)	(Note 4)	307,215	100,400	-	-	0.50%	(Note 5)	Y	N	N	N	Y
"	"	Unitech New Energy Engineering	(Note 2)	(Note 4)	553,960	453,960	137,213	-	2.27%	(Note 5)	Y	N	N	N	N
"	"	Chuan Yuach	(Note 2)	(Note 4)	2,045,000	2,045,000	254,208	-	10.23%	(Note 5)	Y	N	N	N	N
"	"	Jia Yi Energy	(Note 2)	(Note 4)	387,132	207,132	70,132	-	1.04%	(Note 5)	Y	N	N	N	N
"	"	Jing Chen Energy	(Note 2)	(Note 4)	79,810	54,810	21,908	-	0.27%	(Note 5)	Y	N	N	N	N
"	"	Jing Yang Energy	(Note 2)	(Note 4)	128,830	128,830	109,899	-	0.64%	(Note 5)	Y	N	N	N	N
"	"	Jing Yuch Energy	(Note 2)	(Note 4)	159,834	159,834	142,825	-	0.80%	(Note 5)	Y	N	N	N	N
"	"	Kuan Yuch Technology	(Note 2)	(Note 4)	1,196,984	1,196,984	568,172	-	5.98%	(Note 5)	Y	N	N	N	N
"	"	Topscience(s)	(Note 2)	(Note 4)	852,395	638,640	341,490	-	3.19%	(Note 5)	Y	N	N	N	N
"	"	Topchem Materials	(Note 2)	(Note 4)	100,000	-	-	-	0.00%	(Note 5)	Y	N	N	N	N
"	"	Topscience Vietnam Co., Ltd.	(Note 2)	(Note 4)	722,890	722,890	92,760	-	3.61%	(Note 5)	Y	N	N	N	N
"	"	Topchip	(Note 2)	(Note 4)	565,631	505,591	351,087	-	2.33%	(Note 5)	Y	N	N	N	N
"	"	Topco Scientific USA	(Note 2)	(Note 4)	125,720	125,720	-	-	0.63%	(Note 5)	Y	N	N	N	N
"	"	YAO YUE ENERGY	(Note 2)	(Note 4)	59,800	59,800	3,983	-	0.30%	(Note 5)	Y	N	N	N	N
"	"	Yang Yue Advanced Engineering	(Note 2)	(Note 4)	293,540	157,150	-	-	0.79%	(Note 5)	Y	N	N	N	N
"	"	Ping Yue Technologies	(Note 2)	(Note 4)	36,693	31,430	-	-	0.16%	(Note 5)	Y	N	N	N	N
"	"	Xports Sports	(Note 2)	(Note 4)	80,000	80,000	35,000	-	0.40%	(Note 5)	Y	N	N	N	N
"	"	Top Energy Innovation	(Note 2)	(Note 4)	689,135	689,135	522,135	-	3.45%	(Note 5)	Y	N	N	N	N
"	"	Tai Ying Resource Grac&Partners, Architects and Planners	(Note 3)	(Note 6)	70,000	70,000	40,000	-	0.35%	(Note 5)	Y	N	N	N	N
1	Chien Yuch	New Asia Construction & Development Corp.	(Note 3)	(Note 6)	7,544,000	7,544,000	7,544,000	-	37.72%	(Note 6)	N	N	N	N	N
2	Jia Yi Energy	Jing Yuch Energy	(Note 2)	(Note 7)	585	585	585	-	0.00%	(Note 7)	N	N	N	N	N
"	"	Kuan Yuch Technology	(Note 2)	(Note 7)	18,740	18,740	18,740	-	0.09%	(Note 7)	N	N	N	N	N
3	Xports Sports	Solomon Technology Corporation	(Note 9)	(Note 10)	48,000	48,000	48,000	-	0.24%	(Note 10)	N	N	N	N	N
4	Topco Suzhou	Topscience Vietnam Co., Ltd.	(Note 8)	(Note 11)	208,563	208,563	208,563	-	1.04%	(Note 11)	N	N	N	N	N
"	"	Shanghai Weijing Water Treatment Engineering Co., Ltd.	(Note 3)	(Note 11)	128,586	128,586	128,586	-	0.64%	(Note 11)	N	N	N	N	Y

Note 1: The Company is coded as "0", and its subsidiaries are coded consecutively in a numerical order starting from "1".
 Note 2: Investee companies which have 50% of ordinary shares, directly or indirectly, owned by the Company.
 Note 3: For the needs of the contracted work, the company is mutually insured by the contract between peers or co-founders.
 Note 4: According to the Company's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$19,999,753, which is the net value of the Company's latest financial reports.
 Note 5: According to the Company's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for others shall not exceed \$31,999,605, which is 160% of the net value of the Company's latest financial reports.
 Note 6: According to the Chien Yuch's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$16,519,140 and \$27,531,900, which is 30-50 times of the net value of the Chien Yuch's latest financial reports.
 Note 7: According to the Jia Yi Energy's "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$48,780 and \$97,561, which is 10-20 times of the net value of the Jia Yi Energy's latest financial reports.
 Note 8: The company that directly or indirectly holds more than 90% of the company's voting shares.
 Note 9: A company with which the corporation engages business.
 Note 10: According to the Xports Sports "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$152,371, which is 100% of the net value of the company's latest financial reports.
 Note 11: According to the Topco Suzhou "Operational Procedures for Making Endorsements/Guarantees", the maximum amount of endorsements/guarantees for a single enterprise shall not exceed \$21,898,400, which is 2500% of the net value of the company's latest financial reports.
 Note 12: Due to the early renewal of the endorsement guarantee contract, the Company's endorsement guarantee to Chien Yuch, Kuan Yuch Technology/Unitech New Energy Engineering /Topchip, Topco Scientific USA and YAO YUE ENERGY was double-calculated in the amount NTD 700,000, NTD 300,000, NTD 50,000, USD 3,300, USD2,000 and NTD 28,800, respectively.

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(iii) Material securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures)

(2025/12/31)

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the year	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
	Stock:								
The Company	Shin-Etsu Opto Electronic	The Company is its company director	Non-current financial assets at fair value through other comprehensive income	2,000	133,120	10	133,120	2,000	
"	Shin-Etsu Handotai Taiwan	"	"	12,000	1,280,400	8	1,280,400	12,000	
"	SOLAR APPLIED MATERIALS TECHNOLOGY CORP.	None	"	2,550	169,575	0.43	169,575	2,550	
"	Barits Biofund, Inc.	"	Non-current financial assets at fair value through profit or loss	7,216	144,318	3.52	144,318	7,399	
"	Shih Her Technologies Inc.	"	"	429	85,439	0.69	85,439	540	
"	Guangxin Venture Capital Co., Ltd.	"	"	10,000	118,900	6.67	118,900	10,000	
"	Belite Bio, Inc.	"	"	35	175,964	0.11	175,964	35	
"	Fu You Private Equity Fund Limited Partner	"	"	5,000	70,700	5.00	70,700	5,000	
"	Lin Bioscience, Inc.	"	"	485	192,536	0.59	192,536	506	
	Fund:								
Taiwan E&M	Mega Diamond Money Market Fund	None	Current financial assets at fair value through profit or loss	4,176	55,451	-	55,451	4,176	
"	UPAMC James Bond Money Market	"	"	2,850	50,330	-	50,330	2,850	
"	Taishin Ta-Chong Money Market Fund	"	"	3,330	50,108	-	50,108	3,330	

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

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTS100 million or 20% of the capital stock:
(2025/12/31)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Topco Quartz	The Company's investment accounted for using equity method	Purchase	804,193	2.2%	Net 60 days from the end of the month of delivery	-	-	Accounts payable (249,361)	(3.8%)	
"	Topco Shanghai	The subsidiary of the Company	Sale	(298,950)	(0.70%)	Net 60 days from the end of the month of delivery	-	-	Accounts receivable 44,714	0.70%	Note
Topco Shanghai	Shin Etsu Handotai Taiwan	The parent company of the company is its company director	Purchase	6,036,299	54.7%	Net 90 days from the end of the month of delivery	-	-	Accounts payable (1,384,754)	(65.4%)	
"	Wuxi Super Sunrise An Material	The Company's investment accounted for using equity method	Purchase	155,378	1.4%	Net 90 days from the end of the month of delivery	-	-	Accounts payable (24,957)	(1.2%)	
TOPCO SCIENTIFIC USA	Topco Quartz	The Company's investment accounted for using equity method	Purchase	412,662	28.0%	Net 60 days from the end of the month of delivery	-	-	Accounts payable (34,498)	(22.3%)	
"	Shin Etsu Handotai Taiwan	The parent company of the company is its company director	Purchase	118,822	8.1%	Net 60 days from the end of the month of delivery	-	-	Accounts payable (11,958)	(7.7%)	
Topchip	Topco Shanghai	The subsidiary of the Company	Sale	(629,209)	(96.4%)	Net 15 days from the end of the month of delivery	-	-	Accounts receivable 35,336	99.50%	Note

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

(v) Business relationships and significant intercompany transactions:

(2025/12/31)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Terms	
0	The Company	Topco Shanghai	1	Accounts Receivable	44,714	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.11%
"	"	"	1	Sales Revenue	298,950	"	0.44%
"	"	Shunkawa	1	Sales Revenue	67,929	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.10%
1	Jia Yi Energy	Kuan Yueh Technology	3	Accounts Receivable	13,354	Based on the agreement between both parties	0.03%
"	"	"	3	Operating Revenue	72,276	"	0.11%
"	"	"	3	Advance Construction Receipts	12,718	"	0.03%
2	Taiwan E&M.	Topsience (s)	3	Operating Revenue	26,354	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.04%
3	Topchem Materials	The Company	2	Accounts Receivable	10,878	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.03%
"	"	"	2	Operating Revenue	31,503	"	0.05%
4	Anyong Fresh Mart	The Company	2	Operating Revenue	10,224	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.02%
5	Anyong Biotechnology	Anyong Fresh Mart	3	Operating Revenue	32,322	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.05%
6	Anyong Lohas	Anyong Fresh Mart	3	Operating Revenue	25,358	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.04%
7	Tai Ying Resource	Chien Yueh	3	Operating Revenue	47,880	There is no significant difference of price to general customers. The collection period is net 10 days from the end of the month of delivery.	0.07%
8	Chien Yueh	The Company	2	Advance Construction Receipts	13,500	Based on the agreement between both parties	0.03%
"	"	"	2	Construction Revenue	156,708	"	0.23%
"	"	Xsport Sports	3	Construction Revenue	24,978	Based on the agreement between both parties	0.04%
"	"	Top Energy Innovation	3	Advance Construction Receipts	43,524	Based on the agreement between both parties	0.10%
"	"	"	3	Construction Revenue	62,190	"	0.09%
"	"	"	3	Accounts Receivable	45,700	"	0.11%
9	Topchip	Topco Shanghai	3	Accounts Receivable	35,336	There is no significant difference of price to general customers. The collection period is net 15 days from the end of the month of delivery.	0.08%
"	"	"	3	Sales Revenue	629,209	"	0.93%
10	Topco Suzhou	Topsience Vietnam	3	Accounts Receivable	236,597	Based on the agreement between both parties	0.56%
"	"	"	3	Advance Construction Receipts	329,789	"	0.79%
"	"	"	3	Construction Revenue	201,957	"	0.30%
11	Kuan Yueh Technology	YAO YUE ENERGY	3	Operating Revenue	56,264	Based on the agreement between both parties	0.08%
12	TOPCO SCIENTIFIC USA	The Company	2	Operating Revenue	17,129	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.03%

Note 1: The numbers filled in as follows:

1. 0 represents the Company.

2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

1 represents the transactions from the parent company to its subsidiaries.

2 represents the transactions between the subsidiaries and the parent company.

3 represents the transactions between subsidiaries.

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

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(vi) Information on investees:

The following is the information on investees for the year ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars and foreign currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Highest balance during the year		Net income (losses) of investee	Share of profits/losses of investee	Note	
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of Ownership	Carrying Value	Shares/Units (thousands)	Percentage of ownership				
The Company	Topco Quartz	Hsinchu County	Manufacture and repair of quartz equipment, quartz tube e.g.	99,232	99,232	13	40.00%	2,628,216	13	40.00%	1,268,272	502,374		
	Taiwan E&M	Hsinchu City	Sales of electronic material	425,000	425,000	42,500	100.00%	550,844	42,500	100.00%	69,565	69,564	Note 3	
	Fortune	Taipei City	Clean up of waste and environmental management service	149,600	149,600	14,960	24.93%	212,064	14,960	24.93%	93,033	23,193		
	Topco Group	Samoa	Investment activities	714,206	714,206	22,432	100.00%	3,283,037	22,432	100.00%	1,176,446	1,176,446	Note 3	
	Topsience (s)	Singapore	Sales of parts of semiconductor and optoelectronic industries	411,513	411,513	6,577	100.00%	741,888	6,577	100.00%	71,181	82,047	Note 3	
	Topco International Investment	Taipei City	Investment activities	535,000	535,000	72,771	100.00%	790,298	72,771	100.00%	96,939	96,939	Note 3	
	Topco Investment	Taipei City	Investment activities	350,000	315,000	22,509	100.00%	104,650	22,509	100.00%	(15,969)	(15,969)	Note 3	
	Chien Yueh	Taipei City	Water purification and construction of dust-proof room	475,000	475,000	53,829	100.00%	488,957	53,829	100.00%	121,421	94,536	Note 3	
	Anyong Biotechnology	Kaohsiung City	Aquaculture and strategic partnership with fish processing	590,629	590,629	20,000	100.00%	89,918	20,000	100.00%	(34,714)	(34,714)	Note 3	
	Winfull Biotech Co., Ltd.	Tainan City	Manufacture of organic fertilizer	35,000	35,000	3,500	39.33%	-	3,500	39.33%	-	-		
	Anyong Fresh Mart.	Taipei City	Wholesale and retail sales of fishery products and supermarket operation	749,350	749,350	24,500	100.00%	77,424	24,500	100.00%	(44,394)	(44,371)	Note 3	
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	372,792	236,792	39,524	88.76%	358,446	39,524	88.76%	28,440	19,835	Note 3	
	Anyong Lohas	Yilan County	Restaurant and retail sales of food products	385,000	385,000	18,500	100.00%	13,762	18,500	100.00%	(20,235)	(20,235)	Note 3	
	Xsport Sports	Taipei City	Sports Training	240,508	180,508	24,500	100.00%	152,371	24,500	100.00%	(40,584)	(40,584)	Note 3	
	Unitech New Energy Engineering	Taipei City	Environment-related engineering planning, assessment, supervision and monitoring	434,560	434,560	776	77.60%	274,111	776	77.60%	61,748	20,305	Note 3	
	TOPCO SCIENTIFIC USA	USA	Wholesale of semiconductor material	152,011	152,011	10	100.00%	360,699	10	100.00%	103,722	103,722	Note 3	
	Topco Japan	Japan	Sales of facilities of semiconductor and clean room	86,714	86,714	50	100.00%	84,840	50	100.00%	(3,233)	(3,233)	Note 3	
	Yong Yue Advanced Engineering	Malaysia	Mechanical, electrical and water treatment engineering	20,987	20,987	2,860	100.00%	18,249	2,860	100.00%	(2,882)	(2,882)	Note 3	
	Topco Group	Topco Trading	Hong Kong	Wholesale of semiconductor material	47,145 (USD1,500)	47,145 (USD1,500)	1,500	100.00% 0.00%	141,869	1,500	100.00%	60,671	Investment gains (losses) recognized by Topco Group	Note 3
		Asia Topco Holding	Cayman	Investment activities	628,600 (USD20,000)	628,600 (USD20,000)	20,000	100.00%	3,109,154	20,000	100.00%	1,118,115	"	Note 3
Topco Korea		Korea	Diamond cutting, wafers, trading	12,038 (USD383)	12,038 (USD383)	100	100.00%	8,771	100	100.00%	(2,334)	"	Note 3	
Asia Topco Holding	Asia Topco	Mauritius	Investment activities	628,600 (USD20,000)	628,600 (USD20,000)	20,000	100.00%	3,107,142	20,000	100.00%	1,118,775	"	Note 3	
Topsience (s)	Topsience Vietnam	Vietnam	Sales of parts of semiconductor and optoelectronic industries	108,754 (SGD4,448)	108,754 (SGD4,448)	-	100.00%	77,727	-	100.00%	10,000	Investment gains (losses) recognized by Topsience (s)	Note 3	
	Anyong (s)	Singapore	Wholesale and retail sales of fishery products	9,780 (SGD400)	9,780 (SGD400)	400	100.00%	362	400	100.00%	(1,024)	"	Note 3	
	Ping Yue Technology	Malaysia	Sales of semiconductor material and equipment	23,399 (SGD957)	23,399 (SGD957)	3,146	100.00%	14,021	3,146	100.00%	(1,096)	"	Note 3	
Topco International Investment	Cityspace	Taipei City	Wholesale sales of cosmetics	12,000	12,000	1,267	66.67%	20,295	1,267	66.67%	5,270	Investment gains (losses) recognized by Topco International Investor	Note 3	
	Kuan Yueh Technology	Taipei City	Development of renewable energy projects / Configure pipeline construction and device installation	183,640	183,640	24,978	100.00%	276,761	24,978	100.00%	16,909	"	Note 3	
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	28,208	28,208	5,005	11.24%	56,053	5,005	11.24%	28,440	"	Note 3	
	Kanbo Biomedical	Taipei City	Sales of health food products	-	6,287	-	0.00%	-	-	0.00%	2	"	Note 4	
	Ruey Sheng Industrial Co., Ltd.	Samoa	Investment activities	4,197	4,197	142	36.02%	-	142	36.02%	-	"		
	Topchem Materials	Taipei City	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	37,000	37,000	6,100	100.00%	108,394	6,100	100.00%	25,359	"	Note 3	
	Fortune	Taipei City	Clean up of waste and environmental management service	771	771	40	0.07%	595	40	0.07%	93,033	"		
	Tai Ying Resource	Kaohsiung City	Clean up of waste	178,261	178,261	14,392	65.42%	144,858	14,392	65.42%	(9,307)	"	Note 3	
	EastWind Tsusho	Taipei City	Manufacturing and trading of electronic parts, etc.	5,000	5,000	500	25.00%	6,610	500	25.00%	3,328	"		
	Topchip	Taipei City	IC Design and Sales Company	50,000	50,000	5,000	100.00%	91,152	5,000	100.00%	38,953	"	Note 3	
	Thermaltake green power	Taipei City	Sales of renewable energy	-	11,000	-	0.00%	-	-	0.00%	4,743	"	Note 3	
	Fong Rong Smart Machinery	Hsinchu City	Machinery manufacturing and repair industry	4,550	4,550	473	24.00%	5,711	473	24.00%	(3,306)	"		
Topco Investment	Top Energy Innovation	Taipei City	Development of renewable energy project	-	9,000	-	0.00%	-	-	0.00%	(1,396)	Investment gains (losses) recognized by Topco Investment	Note 3	
	Fei Da Intelligent Co., Ltd.	Taipei City	Manpower dispatch	8,875	8,875	725	13.16%	(83)	725	13.16%	(803)	"	Note 2	
	STARX INC.	Hsinchu City	Precision instrument manufacturing	8,000	8,000	8,626	26.06%	4,681	8,626	26.06%	(664)	"		
	Yun Yueh Technology	Taichung City	Energy technology services	555	555	60	55.00%	522	60	55.00%	4	"	Note 3	
	Great Talent Tech Co., Ltd.	Taipei City	Personnel training	5,000	5,000	250	17.85%	(3,322)	250	17.85%	(2,105)	"		
	Chongmu Health Co., Ltd.	Taipei City	Healthcare System Consulting Service Platform	4,800	4,800	800	33.33%	2,387	800	33.33%	(2,039)	"		
	Careny Health Management Co., Ltd.	Taipei City	Healthcare System Consulting Service Platform	35,000	-	2,042	68.06%	34,642	2,042	68.06%	(547)	"	Note 3	

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Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Highest balance during the year		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of Ownership	Carrying Value	Shares/Units (thousands)	Percentage of ownership			
Jia Yi energy	Jing Chen Energy	Taipei City	Development of renewable energy project	71,050	71,050	7,586	100.00%	74,092	7,586	100.00%	(1,608)	Investment gains (losses) recognized by Jia Yi energy	Note 3
	Jing Yang Energy	Taipei City	"	86,497	86,497	8,795	100.00%	80,811	8,795	100.00%	10,778	"	Note 3
	Jing Yueh Energy	Taipei City	"	92,160	92,160	9,624	100.00%	101,046	9,624	100.00%	4,861	"	Note 3
	YAO YUE ENERGY	Taipei City	Sales of renewable energy	12,891	-	1,100	100.00%	15,829	1,100	100.00%	4,743	"	Note 3
	Top Energy Innovation	Taipei City	Development of renewable energy project	139,755	-	14,500	100.00%	138,335	14,500	100.00%	(1,396)	"	Note 3
Taiwan E&M	Top Vacuum	Hsinchu City	Vacuum pump equipment maintenance	45,035	45,035	6,000	60.00%	87,245	6,000	60.00%	29,100	Investment gains (losses) recognized by Taiwan E&M	Note 3
	Equator Materials Corporation	Taichung City	Manufacture and sales of fine chemical materials	50,000	50,000	5,000	41.67%	33,194	5,000	41.67%	(30,687)	"	
	Toplight Advanced Co., Ltd.	Hsinchu City	Laser cleaning factory and OEM business	20,000	20,000	2,000	66.67%	13,807	2,000	66.67%	(7,731)	"	Note 3
Chien Yueh	Tai Ying Resource	Kaohsiung City	Clean up of waste	6,261	6,261	305	1.38%	3,158	305	1.38%	(9,307)	Investment gains (losses) recognized by Chien Yueh	Note 3
	Unitech New Energy Engineering	Taipei City	Environmentrelated engineering planning, assessment, supervision and monitoring	5,600	5,600	10	1.00%	3,532	10	1.00%	61,748	"	Note 3
	Reset Resource Technologies	Kaohsiung City	Clean up of waste	50,000	50,000	5,000	25.00%	42,039	5,000	25.00%	(15,612)	"	
Topco Japan	Shunkawa	Japan	Import and export of semiconductor raw materials	60,240 (JPY300,000)	60,240 (JPY300,000)	30	100.00%	68,880 (JPY343,030)	30	100.00%	2,246 (JPY10,778)	Investment gains (losses) recognized by Topco Japan	Note 3
Tai Ying Resource	Tai Ying Global Trading	Kaohsiung City	International Trading	15,000	15,000	1,500	100.00%	11,968	1,500	100.00%	(728)	Investment gains (losses) recognized by Tai Ying Resource	Note 3

Note 1: The amounts in foreign currencies were translated into New Taiwan Dollars at the exchange rates at the ending date of the reporting period.
Note 2: The Group holds a seat of director of Fei Da Intelligent and has significant influence. As a result, the Group accounted it for using the equity method.
Note 3: The aforementioned transactions had been write-off the preparation of the consolidated financial statements.
Note 4: The liquidation of assets was completed in September 2025.

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(vii) Information on investment in Mainland China:

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

(In Thousands of US Dollars and CNY)

Name of investee	Main businesses and products	Total amount of paid in capital (Note 3)	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025 (Note 3)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025 (Note 3)	Net income (losses) of the investee	Percentage of ownership	Highest balance during the year		Investment gains (losses) (Note 2)	Book value (Note 3)	Accumulated remittance of earnings in current period
					Outflow	Inflow				Shares/Units (thousands)	Percentage of ownership			
Topco Shanghai	Wholesale of electronic material and equipment	276,270 (USD 8,790) (Note 4)	Note 1	-	-	-	840,980 (USD 26,980)	100%	-	100%	840,980 (USD 26,980)	1,890,703 (USD 60,156)	3,217,388 (USD 103,219)	
Shanghai Chong Yao	-	58,448 (CNY 13,000)	Note 5	Note 5	-	-	27,838 (CNY 6,424)	100%	-	100%	27,838 (CNY 6,424)	126,504 (CNY 28,137)	-	
Topco Suzhou	Water purification and construction of dust-proof room	332,341 (USD 10,574) (Note 4)	Note 1	-	-	-	146,439 (USD 4,698)	100%	-	100%	146,439 (USD 4,698)	875,923 (USD 27,869)	418,963 (USD 13,441)	
Topco Chemical	Wholesale and sales of chemical products	22,504 (USD 716) (Note 4)	Note 1	-	-	-	130,262 (USD 4,179)	100%	-	100%	130,262 (USD 4,179)	318,072 (USD 10,120)	649,344 (USD 20,832)	
Topco Engineering	Water purification and construction of dust-proof room	89,919 (CNY 20,000)	Note 6	Note 6	-	-	4,533 (CNY 1,046)	100%	-	100%	4,533 (CNY 1,046)	108,241 (CNY 24,075)	-	
Shanghai Perfect Microelectronics	IC Design Company	8,992 (CNY 2,000)	Note 9	-	-	-	(364) (CNY (84))	49%	-	49%	(178) (CNY (41))	4,487 (CNY 998)	-	
Xinchongxin Technology	Used equipment refurbishment services	13,834 (CNY 3,077)	Note 12	-	-	-	(28,870) (CNY (6,662))	35%	-	35%	(6,418) (CNY (1,481))	(1,250) (CNY (278))	-	
Wuxi super sunrise material	Semiconductor wafer cassette recycling and cleaning service	134,879 (CNY 30,000)	Note 10	-	-	-	14,218 (CNY 3,281)	20%	-	20%	4,403 (CNY 1,016)	45,166 (CNY 10,046)	-	
Chongling Chemical	Wholesale and sales of chemical products	44,960 (CNY 10,000)	Note 11	-	-	-	156 (CNY 36)	0%	-	70%	108 (CNY 25)	-	-	

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
95,862 (USD 3,050) (Note 7)	727,039 (USD 23,132)	(Note 8)

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

Note 2 : The investment gains (losses) of Shanghai Perfect Microelectronics, Xinchongxin Technology, Wuxi super sunrise material and Chongling Chemical were recognized based on the financial statements which have been audited by the CPA; and the investment gains (losses) of other companies were recognized based on the financial statements prepared by the subsidiaries and not audited by the CF.

Note 3 : The amounts in New Taiwan Dollars were translated at the exchange rate of USD 1:31.43 and CNY 1:4.496, respectively, as of December 31, 2025.

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

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

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

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

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

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

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

Note 11 : Chongling Chemical was established by subsidiaries, Topco Chemical and Tianjin Linggas, Ltd. which held 70% and 30% of the capital contribution, respectively. Tax clearance procedures were completed in July 2025.

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

(iii) Significant transactions:

For year ended December 31, 2025, the significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".