

ThinTech Materials Technology
Co., Ltd. and Its Subsidiaries

Consolidated Financial
Statements and Independent
Auditor's Report
For the Years Ended December 31, 2024
and 2023

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Representation Letter

Considering that the companies to be included into the consolidated financial statements of affiliates under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2024 (from January 1, 2024 to December 31, 2024), and the relevant information to be disclosed in the consolidated financial statements of the affiliates has already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately. It is hereby certified that the information disclosed herein is true and correct.

Name of Company: ThinTech Materials Technology Co., Ltd.

Person in Charge: LEE, CHIEN-HUI

February 26, 2025

Independent Auditor's Report

To ThinTech Materials Technology Co., Ltd.,

Audit opinion

We have audited the accompanying consolidated balance sheets of ThinTech Materials Technology Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2024 and 2023 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and for the years then ended, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" paragraph 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. We believe that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Group's consolidated financial statements for the year ended December 31, 2024 based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2024, are stated as follows:

Authenticity of sales revenue

The operating revenues of the Group's are mainly derived from the sales of precious metal materials and sputtering target products. Since revenues are a pre-determined risk in accordance with auditing standards and are a matter of concern to users of financial statements, we conducted our audits on the actual revenues from the sales of these products based on the sales amounts and the gross profit characteristics of the products as well as other factors. We conducted our audits as follows

- a. To understand and test the effectiveness of internal control over the recognition of revenue from sales of specific products.
- b. Select appropriate samples from specific product sales revenue details and review related documents and proof of receipt of payment to confirm the authenticity of sales revenue.
- c. Obtaining details of annual and subsequent sales returns and discounts to check whether there are any significant abnormal returns and discounts.

Organizational Restructuring

On May 2024, the Company acquired 70% equity interest in Changzhou China Steel Precision Materials Co., Ltd. for NT\$760,628 thousand (US\$23,168 thousand) and 27,471 thousand shares of common stock, which was classified as an intra-group restructuring, and the book value method was used in accounting. The accounting treatment was based on the book value method. Because of the special nature of these transactions and the significant transactions during the year, we conducted our audits on the appropriateness of the accounting treatment of these organizational restructuring transactions as a critical issue. We conducted our audits in accordance with the following procedures:

- a. Evaluating the professional competence, suitability and objectivity of the independent evaluators utilized by management.
- b. To review the minutes of the Board of Directors' meetings to confirm that appropriate accounting treatment has been applied to the relevant resolutions relating to the financial statements.
- c. To confirm the correctness of the accounting entries and the adequacy of the disclosure of information relating to the restructuring of the organization.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, in May 2024, the Company acquired 70% of Changzhou China Steel Precision Materials Co., Ltd. for cash and issue ordinary shares. The aforementioned transaction was an restructuring of the organization under common control which should be regarded as a default consolidation and a retrospective restatement of the consolidated financial statements for the comparative period. We have not modified our review conclusion as a result of the foregoing.

Other Matters

The Company has also prepared the parent company-only financial statements for the years ended December 31, 2024 and 2023, for which we have issued an audit report, along with an unqualified opinion with emphasis of matter, for reference.

Responsibilities of the management and the governing bodies for the consolidated financial statements

The management's responsibilities are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and to maintain necessary internal control associated with the preparation in order to ensure that the consolidated financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have exercised our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

- I. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
- II. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- III. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
- IV. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- V. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
- VI. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Balance sheets

Unit: NT\$ thousand

Code	Assets	December 31, 2024		December 31, 2023 (After Restatement)	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 527,111	12	\$ 741,919	15
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	6,165	-	7,236	-
1139	Financial assets for hedging - current (Notes 4 and 30)	-	-	14,007	-
1150	Notes payable (Notes 4 and 9)	554,070	13	949,137	19
1170	Accounts receivable, net (Notes 4, 9, and 32)	496,922	12	513,102	10
1200	Other receivables (Notes 9 and 32)	17,480	-	9,372	-
1220	Current income tax assets (Notes 4 and 26)	-	-	35	-
130X	Inventory (Notes 4, 5, and 10)	1,516,066	36	1,507,483	30
1410	Prepayments (Notes 11 and 29)	144,587	3	225,620	4
1476	Other financial assets - current (Notes 14 and 33)	44,780	1	121,326	2
1479	Other current assets	202	-	4,464	-
11XX	Total current assets	<u>3,307,383</u>	<u>77</u>	<u>4,093,701</u>	<u>80</u>
	Non-current assets				
1513	Financial assets at fair value through profit or loss - non-current (Note 7)	12,415	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	31,258	1	33,422	1
1550	Investments using the equity method (Notes 4 and 13)	36,059	1	33,688	1
1600	Property, plant and equipment (Notes 4, 15, and 33)	563,948	13	640,226	13
1755	Right-of-use assets (Notes 4 and 16)	197,288	5	210,491	4
1760	Investment properties(Note 17)	18,202	-	19,009	-
1801	Computer software (Note 4)	4,316	-	2,396	-
1840	Deferred tax assets (Notes 4 and 26)	44,676	1	43,166	1
1915	Prepayments for equipment	24,298	1	9,239	-
1920	Guarantee deposits paid (Note 32)	4,381	-	4,188	-
1975	Net defined benefit assets (Notes 4 and 22)	18,331	1	16,021	-
1980	Other financial assets - noncurrent	10,303	-	-	-
1990	Other non-current assets (Note 9)	3,027	-	3,931	-
15XX	Total non-current assets	<u>968,502</u>	<u>23</u>	<u>1,015,777</u>	<u>20</u>
1XXX	Total assets	<u>\$ 4,275,885</u>	<u>100</u>	<u>\$ 5,109,478</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 18 and 33)	\$ 209,934	5	\$ 544,869	11
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	30	-	-	-
2126	Financial liabilities for hedging - current (Notes 4 and 30)	169,085	4	81,032	2
2130	Contract liabilities - current (Notes 4 and 24)	125,656	3	85,835	2
2150	Notes payable	538,827	13	1,045,808	21
2170	Accounts payable (Note 32)	49,285	1	22,870	-
2219	Other payables (Notes 20 and 32)	107,046	3	105,892	2
2230	Current tax liabilities (Notes 4 and 26)	10,536	-	16,583	-
2280	Lease liabilities - current (Notes 4 and 16)	5,862	-	5,671	-
2310	Unearned receipts(Note 32)	3,754	-	3,627	-
2322	Current portion of long-term liabilities (Notes 18)	41,667	1	-	-
2399	Other current liabilities	1,381	-	1,401	-
21XX	Total current liabilities	<u>1,263,063</u>	<u>30</u>	<u>1,913,588</u>	<u>38</u>
	Non-current liabilities				
2530	Bonds payable(Notes 4 and 19)	-	-	189,728	4
2541	Long-term bank borrowings (Note 18)	458,333	11	-	-
2550	Provisions - noncurrent (Note 21)	72,108	2	50,665	1
2570	Deferred tax liabilities (Notes 4 and 26)	10,002	-	3,693	-
2580	Lease liabilities - non-current (Notes 4 and 16)	102,680	2	103,319	2
2630	Long-term unearned revenue (Notes 4 and 28)	-	-	2,676	-
2645	Guarantee deposits received	985	-	692	-
2670	Other non-current liabilities	10,956	-	12,191	-
25XX	Total non-current liabilities	<u>655,064</u>	<u>15</u>	<u>362,964</u>	<u>7</u>
2XXX	Total liabilities	<u>1,918,127</u>	<u>45</u>	<u>2,276,552</u>	<u>45</u>
	Equity attributable to owners of the Company (Note 23)				
	Share capital				
3110	Ordinary share capital	1,077,831	25	735,012	14
3140	Capital collected in advance	7,109	-	-	-
3100	Total share capital	<u>1,084,940</u>	<u>25</u>	<u>735,012</u>	<u>14</u>
3200	Capital surplus	<u>795,626</u>	<u>19</u>	<u>352,020</u>	<u>7</u>
	Retained earnings				
3310	Legal reserve	47,494	1	43,142	1
3350	Undistributed earnings	66,374	2	60,830	1
3300	Total retained earnings	<u>113,868</u>	<u>3</u>	<u>103,972</u>	<u>2</u>
	Other equity				
3410	Exchange differences arising from the translation of the financial statements of foreign operations	(158,825)	(4)	(4,012)	-
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income	1,583	-	8,662	-
3400	Total other equity	<u>(157,242)</u>	<u>(4)</u>	<u>4,650</u>	<u>-</u>
31XX	Total equity attributable to owners of the Company	<u>1,837,192</u>	<u>43</u>	<u>1,195,654</u>	<u>23</u>
35XX	Equity attributable to former owner of business combination under common control	-	-	1,146,091	22
36XX	Non-controlling interests	520,566	12	491,181	10
3XXX	Total equity	<u>2,357,758</u>	<u>55</u>	<u>2,832,926</u>	<u>55</u>
	Total liabilities and equity	<u>\$ 4,275,885</u>	<u>100</u>	<u>\$ 5,109,478</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Statements of Comprehensive Income

Unit: In NT\$ thousand, except for earnings per share in NT\$

Code		2024		2023 (After Restatement)	
		Amount	%	Amount	%
4000	Operating revenue, net (Notes 4, 24, and 32)	\$5,266,081	100	\$5,884,495	100
5000	Operating costs (Notes 10, 25, and 32)	<u>4,895,363</u>	<u>93</u>	<u>5,475,795</u>	<u>93</u>
5900	Gross profit	<u>370,718</u>	<u>7</u>	<u>408,700</u>	<u>7</u>
	Operating expenses (Notes 9, 22, 25, and 32)				
6100	Selling expenses	65,866	1	64,124	1
6200	Administrative expenses	155,477	3	134,436	2
6300	R&D expenses	59,568	1	55,038	1
6450	Expected credit impairment losses (gain on reversal)	<u>22</u>	<u>-</u>	<u>(136)</u>	<u>-</u>
6000	Total operating expenses	<u>280,933</u>	<u>5</u>	<u>253,462</u>	<u>4</u>
6900	Net operating income	<u>89,785</u>	<u>2</u>	<u>155,238</u>	<u>3</u>
	Non-operating income and expenses (Notes 13, 25, 28, and 32)				
7100	Interest income	10,225	-	9,885	-
7010	Other income	29,572	1	25,890	-
7020	Other gains and losses	24,942	-	<u>(8,796)</u>	-
7050	Financial costs	<u>(22,593)</u>	-	<u>(29,029)</u>	-
7060	Share of profit or loss on affiliates using the equity method	<u>574</u>	<u>-</u>	<u>1,051</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>42,720</u>	<u>1</u>	<u>(999)</u>	<u>-</u>
7900	Net income before tax	132,505	3	154,239	3
7950	Income tax expense (Notes 4 and 26)	<u>40,398</u>	<u>1</u>	<u>45,518</u>	<u>1</u>

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Code		2024		2023 (After Restatement)	
		Amount	%	Amount	%
8200	Net income for this year	<u>92,107</u>	<u>2</u>	<u>108,721</u>	<u>2</u>
	Other comprehensive income (Notes 13, 22, 23, and 26)				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	\$ 2,090	-	\$ 3,681	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	(8,164)	-	1,695	-
8321	Remeasurements of defined benefit plans of affiliates	-	-	2	-
8326	Unrealized gains or losses on affiliates' investment in equity instruments at fair value through other comprehensive income	3,625	-	4,428	-
8349	Income tax related to items not reclassified	(418)	-	(736)	-
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	<u>49,036</u>	<u>1</u>	(<u>34,655</u>)	(<u>1</u>)
8300	Other comprehensive income for this year (net of tax)	<u>46,169</u>	<u>1</u>	(<u>25,585</u>)	(<u>1</u>)
8500	Total comprehensive income for this year	<u>\$ 138,276</u>	<u>3</u>	<u>\$ 83,136</u>	<u>1</u>

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Code		2024		2023 (After Restatement)	
		Amount	%	Amount	%
	Net income for this year attributable to:				
8610	Owners of the Company	\$ 49,785	1	\$ 39,568	1
8615	Former owner of business combination under common control	19,474	-	48,408	1
8620	Non-controlling interests	<u>22,848</u>	<u>1</u>	<u>20,745</u>	<u>-</u>
8600		<u>\$ 92,107</u>	<u>2</u>	<u>\$ 108,721</u>	<u>2</u>
	Total comprehensive income for this year attributable to:				
8710	Owners of the Company	\$ 46,494	1	\$ 47,585	1
8715	Former owner of business combination under common control	62,397	1	24,886	-
8720	Non-controlling interests	<u>29,385</u>	<u>1</u>	<u>10,665</u>	<u>-</u>
8700		<u>\$ 138,276</u>	<u>3</u>	<u>\$ 83,136</u>	<u>1</u>
	Earnings per share (Note 27)				
9750	Basic	\$ 0.66		\$ 0.87	
9850	Diluted	0.66		0.86	

The accompanying notes are an integral part of the consolidated financial statements.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Statements of Changes in Equity

Unit: NT\$ thousand

		Equity attributable to owners of the Company											
		Share capital						Other equity items		Total	Equity Attributable to Former Owner of Business Combination Under Common Control	Non-controlling Interests	Total equity
Code		Ordinary share capital	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income				
A1	Balance as of January 1, 2023	\$ 734,980	\$ -	\$ 324,681	\$ 34,666	\$ 3,660	\$ 95,623	(\$ 2,959)	\$ 3,545	\$ 1,194,196	\$ -	\$ -	\$ 1,194,196
A4	Retrospective restatement of business combinations under common control with former owner	-	-	-	-	-	-	-	-	-	1,211,568	519,243	1,730,811
A5	Balance at January 1, 2023 after restatement	734,980	-	324,681	34,666	3,660	95,623	(2,959)	3,545	1,194,196	1,211,568	519,243	2,925,007
	Earnings appropriation and distribution for 2022 (Note 23)												
B1	Legal reserve	-	-	-	8,476	-	(8,476)	-	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	(3,660)	3,660	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(73,498)	-	-	(73,498)	-	-	(73,498)
		-	-	-	8,476	(3,660)	(78,314)	-	-	(73,498)	-	-	(73,498)
C5	Equity component of convertible bonds issued by the Company (Note 19)	-	-	27,277	-	-	-	-	-	27,277	-	-	27,277
D1	Net income for 2023	-	-	-	-	-	39,568	-	-	39,568	48,408	20,745	108,721
D3	Other comprehensive income after tax for 2023	-	-	-	-	-	2,947	(1,053)	6,123	8,017	(23,522)	(10,080)	(25,585)
D5	Total comprehensive income for 2023	-	-	-	-	-	42,515	(1,053)	6,123	47,585	24,886	10,665	83,136
E1	Cash Capital Increase by subsidiaries	-	-	-	-	-	-	-	-	-	749,480	-	749,480
H3	Restructuring (Notes 23 and 36)	-	-	-	-	-	-	-	-	-	(749,480)	-	(749,480)
I1	Convertible bonds converted to ordinary shares (Note 19)	32	-	62	-	-	-	-	-	94	-	-	94
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 23)	-	-	-	-	-	1,006	-	(1,006)	-	-	-	-
T1	Changes in equity attributable to former owner of business combination under common control	-	-	-	-	-	-	-	-	-	(90,363)	(38,727)	(129,090)
Z1	Balance as of December 31, 2023	735,012	-	352,020	43,142	-	60,830	(4,012)	8,662	1,195,654	1,146,091	491,181	2,832,926
	Earnings appropriation and distribution for 2023 (Note 23)												
B1	Legal reserve	-	-	-	4,352	-	(4,352)	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(44,101)	-	-	(44,101)	-	-	(44,101)
		-	-	-	4,352	-	(48,453)	-	-	(44,101)	-	-	(44,101)
C7	Changes in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	14	-	-	-	-	-	14	-	-	14
D1	Net income for 2024	-	-	-	-	-	49,785	-	-	49,785	19,474	22,848	92,107
D3	Other comprehensive income after tax for 2024	-	-	-	-	-	1,672	(424)	(4,539)	(3,291)	42,923	6,537	46,169
D5	Total comprehensive income for 2024	-	-	-	-	-	51,457	(424)	(4,539)	46,494	62,397	29,385	138,276
H3	Restructuring (Notes 23 and 36)	274,711	-	327,538	-	-	-	(154,389)	-	447,860	(1,208,488)	-	(760,628)
I1	Convertible bonds converted to ordinary shares	68,108	7,109	116,054	-	-	-	-	-	191,271	-	-	191,271
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 23)	-	-	-	-	-	2,540	-	(2,540)	-	-	-	-
Z1	Balance as of December 31, 2024	\$ 1,077,831	\$ 7,109	\$ 795,626	\$ 47,494	\$ -	\$ 66,374	(\$ 158,825)	\$ 1,583	\$ 1,837,192	\$ -	\$ 520,566	\$ 2,357,758

The accompanying notes are an integral part of the consolidated financial statements.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows

Unit: NT\$ thousand

Code		2024	2023 (After Restatement)
	Cash flows from operating activities		
A10000	Net income before tax for this year	\$ 132,505	\$ 154,239
A20010	Income and expense items		
A20100	Depreciation expenses	92,280	91,159
A20200	Amortization expenses	2,818	2,456
A20300	Expected credit impairment losses (gain on reversal)	22	(136)
A20400	Net loss on financial assets and liabilities at fair value through profit or loss	1,489	1,775
A20900	Financial costs	22,593	29,029
A21200	Interest income	(10,225)	(9,885)
A21300	Share of profit on affiliates using the equity method	(73)	(162)
A22300	Share of the profit of associates	(574)	(1,051)
A22500	Loss (gain) on disposal of property, plant and equipment	5,499	(10)
A23700	Losses on inventory valuation loss	6,478	19,277
A29900	Recognition of provisions	23,650	25,647
A29900	Gain on disposal of subsidiary and associate	(17,839)	-
A29900	Others	(46)	(70)
A30000	Net movements in operating assets and liabilities		
A31115	Financial assets mandatorily at fair value through profit or loss	(277)	1,477
A31130	Notes receivable	394,784	530,084
A31150	Accounts receivable	(35,127)	(13,797)
A31180	Other receivables	(8,908)	12,768
A31200	Inventory	(20,705)	596,335
A31230	Prepayments	80,988	(38,563)
A31240	Other current assets	4,253	(3,029)
A31990	Net defined benefit assets	(220)	(1,454)
A32120	Financial liabilities for hedging	88,053	(158,028)
A32125	Contract liabilities	39,821	(62,077)
A32130	Notes payable	(506,981)	(309,870)

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Code		2024	2023 (After Restatement)
A32150	Accounts payable	\$ 32,067	(\$ 6,852)
A32180	Other payables	84,088	(52,852)
A32210	Unearned receipts	127	(68)
A32200	Provisions	(4,078)	(5,442)
A32230	Other current liabilities	(20)	(92)
A32990	Other non-current liabilities	(<u>1,651</u>)	(<u>1,812</u>)
A33000	Cash inflow from operations	404,791	798,996
A33500	Income tax returned (paid)	(<u>42,417</u>)	(<u>37,899</u>)
AAAA	Net cash inflow from operating activities	<u>362,374</u>	<u>761,097</u>
Cash flows from investing activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,000)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(12,840)	(10,000)
B01500	Acquisition of financial assets for hedging	-	(12,823)
B01600	Disposal of financial assets for hedging	13,859	-
B02200	Net cash outflow on acquisition of subsidiaries	(760,628)	-
B02300	Net cash inflow on disposal of subsidiaries	7,187	-
B02700	Acquisition of property, plant and equipment	(39,798)	(78,112)
B02800	Proceeds from disposal of property, plant and equipment	4,698	1,305
B03700	Increase in guarantee deposits paid	(193)	-
B03800	Decrease in guarantee deposits paid	-	230
B04500	Acquisition of computer software	(3,644)	(1,644)
B06500	Increase in other financial assets	-	(100,430)
B06600	Decrease in other financial assets	66,243	-
B06700	Increase in other non-current assets	(51)	(1,001)
B07100	Increase in prepayments for equipment	(15,059)	-
B07500	Interest received	11,025	9,142
B07600	Dividends received from affiliates	1,854	782
B07600	Dividends received from others	<u>73</u>	<u>162</u>
BBBB	Net cash outflow from investing activities	(<u>733,274</u>)	(<u>192,389</u>)
Cash flows from financing activities			
C00100	Increase in short-term borrowings	1,487,891	2,234,735
C00200	Decrease in short-term borrowings	(1,813,178)	(2,731,678)
C00500	Increase in short-term bills payable	161,000	-

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Code		2024	2023 (After Restatement)
C00600	Decrease in short-term bills payable	(\$ 161,000)	\$ -
C01200	Proceed from bonds payable	-	214,263
C01600	Proceeds from long-term borrowings	500,000	-
C03000	Proceeds from guarantee deposits received	293	-
C03100	Refund of guarantee deposits received	-	(13)
C04020	Repayment of lease principal	(5,948)	(5,686)
C04500	Cash dividend paid out	(44,101)	(73,498)
C04600	Cash Capital Increase	-	749,480
C05600	Interest paid	(19,807)	(25,608)
C05800	Decrease in non-controlling interests	-	(38,727)
C09900	Decrease in equity attributable to former owner of business combination under common control	<u>-</u>	(<u>839,843</u>)
CCCC	Net cash inflow (outflow) from financing activities	<u>105,150</u>	(<u>516,575</u>)
DDDD	Effect of movements in exchange rates on cash and cash equivalents	<u>50,942</u>	(<u>31,591</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(214,808)	20,542
E00100	Opening balance of cash and cash equivalents	<u>741,919</u>	<u>721,377</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 527,111</u>	<u>\$ 741,919</u>

The accompanying notes are an integral part of the consolidated financial statements.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(In NT\$ thousand, unless otherwise specified)

1. Company history

ThinTech Materials Technology Co., Ltd. (hereinafter referred to as "the Company") was incorporated in March 2000 and mainly engages in the processing and sales of a variety of thin film sputtering targets and precious metals, as well as trading of commodity metals.

In May 2024, the Company acquired 70% of Changzhou China Steel Precision Materials Co., Ltd. (CSPM) for US\$23,168 thousand and issued 27,471 thousand ordinary shares. The aforementioned transaction was an restructuring of the organization under common control which should be regarded as a default consolidation and a retrospective restatement of the consolidated financial statements for the comparative period. Please refer to Note 4 (4) and Note 36 to the consolidated financial statement.

The Company's parent company is Gains Investment Corporation (with substantive control power), which held 46.9% and 31.86% of the Company's ordinary shares as of December 31, 2024, and December 31, 2023, respectively. The Company's ultimate parent company is China Steel Corporation.

The Company's stock has been listed on the Taipei Exchange for trading since November 20, 2012.

The consolidated financial statements are presented in the Company's functional currency, i.e., New Taiwan dollar (NTD).

2. Date and Procedures for Approval of Financial Statements

The consolidated financial statements were published after being approved by the Board of Directors on February 26, 2024.

3. Application of New and Revised Standards and Interpretation

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the IFRSs endorsed and issued into effect by the FSC will not cause a material change in the Group's accounting policies.

(2) Application of IFRSs endorsed by FSC in 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note : An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

(3) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7, "Contracts Involving Naturally Dependent Generation"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note : Unless otherwise noted, the above new/revised/amended standards and interpretations take effective in their respective annual reporting periods beginning on or after their respective dates.

IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as 'other' only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligation less the fair value of plan assets.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

- I. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
- II. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
- III. Level 3 inputs: Unobservable inputs for assets or liabilities.

(3) Criteria for classification of current and non-current assets and liabilities

Current assets include:

- I. Assets held primarily for the purpose of trading;
- II. Assets expected to be realized within 12 months after the balance sheet date; and
- III. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

- I. Liabilities held primarily for the purpose of trading;
- II. Liabilities due to be settled within 12 months after the balance sheet date; and
- III. Liabilities for which the Corporation and its subsidiaries do not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. The terms of a liability may be settled by transferring an equity instrument of the Company and its subsidiaries at the option of the counterparty. If the Company and its subsidiaries classify the option as an equity instrument, such terms do not affect the classification of the liability as current or noncurrent.

(4) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. The subsidiaries' financial statements have been properly adjusted to make the accounting policies consistent with the Group's accounting policies. In preparing the consolidated financial statements, all inter-company transactions, account balances, gains and losses have been eliminated. Subsidiaries' total comprehensive income is attributable to the owners of the Company and to the non-controlling interests even if this results in a deficit balance for the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributable to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 12 and Tables 6 and 7 for more information on subsidiaries' statements shareholding ratios, and main business).

(5) Business combinations

Business combinations involving entities under common control are not accounted for using the acquisition method but are accounted for at the carrying amounts of the entities. Comparative information of the prior period in the consolidated financial statements is restated as if a business combination involving entities under common control had already occurred in that period. (Refer to Note 36).

(6) Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

On each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items at fair value are translated at the exchange rate on the date when the fair value is determined, and the resulting exchange differences are recognized in current profit or loss; however, regarding changes in fair

values recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When the consolidated financial statements are prepared, the assets and liabilities of the Group's foreign operations (including subsidiaries or associates operating in a country or using a currency different from that of the Company) were translated into New Taiwan dollars (NTD) at the exchange rate prevailing on each balance sheet date. Income and expense items are translated at the year's average exchange rate, and the resulting exchange differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests as appropriate.

If the Group disposes of all of its interest in a foreign operation, or disposes of part of its interest in a subsidiary of a foreign operation but loses control over it, or disposes of a retained interest in a foreign operation following a joint agreement or a related party, the retained interest is a financial asset and is accounted for in accordance with the accounting policy for financial instruments, all cumulative translation differences attributable to the owners of the Company that are attributable to the foreign operation will be reclassified to profit or loss.

(7) Inventory

Inventory includes raw materials, supplies, work in process, semi-finished goods, finished goods, and merchandise; the value of inventory is measured at the lower of cost or net realizable value. The comparison of the cost and net realizable value is based on individual items. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventory is calculated using the weighted average method.

(8) Investments in affiliates

An affiliate is an entity on which the Group has significant influence and is not a subsidiary or a joint venture.

The Group adopts the equity method to account for its investments in affiliates.

Under the equity method, investments in an affiliate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss, other comprehensive income, and profit margins of the affiliate. Moreover, the Group recognizes the changes in its share of the equity of affiliates based on its shareholding.

When an affiliate issues new shares, if the Group does not subscribe in proportion to its shareholding, resulting in a change in the shareholding and, thus, an increase or decrease in the net value of the equity invested, with the increase or decrease, "capital surplus" and "investments using the equity method" will be adjusted. However, if the Company fails to subscribe for or acquire the shares in proportion to its shareholding, which results in a decrease in its ownership interests of the affiliate, the amount recognized in other comprehensive income related to the affiliate is reclassified in proportion to the decrease, and the basis of the accounting treatment is the same as the basis that the affiliate must adopt if it directly disposes of relevant assets or liabilities. If the adjustment in the preceding paragraph shall be debited to the capital surplus. If the investment using the equity method results in insufficient capital surplus, the difference shall be debited to the retained earnings.

When the Group's share of losses on an affiliate equals or exceeds its interest in the affiliate (including any carrying amount of the investment using the equity method and other long-term interests that, in substance, form part of the Group's net investment in the affiliate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of said affiliate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying

amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment losses is recognized to the extent of a subsequent increase in the recoverable amount of the investment.

Profits and losses arising from counter-current, downstream, and side-stream transactions between the Group and its affiliates are recognized in the consolidated financial statements only to the extent not related to the Group's interests in the affiliates.

(9) Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are recognized at cost. The cost includes professional service expenses and the borrowing costs eligible for capitalization. The samples produced to test if such assets can function normally before they reach the status of intended use are measured at the lower of cost or net realizable value, and the sales price and cost are recognized in profit or loss. Such assets shall be classified into appropriate property, plant and equipment categories upon completion and reaching the status of intended use, and the depreciation shall begin.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives. Each significant part is depreciated separately. The Group shall conduct at least an annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and apply the effects of changes in accounting estimates prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Investment properties

Investment property is held to earn rentals or for capital appreciation or both.

Investment properties are initially stated at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation. Subsidiaries depreciate investment properties on a straight-line basis.

Upon derecognition of an investment property, the difference between the net disposal price and the carrying amount of the investment property is recognized in profit or loss.

(11) Computer software

The finite useful life of computer software acquired separately is measured at initial cost and subsequently at cost, less accumulated amortization. Computer software is amortized on a straight-line basis over its useful life, and the estimated useful life and amortization method are reviewed at least at the end of each year, and the effects of changes in accounting estimates are applied prospectively.

(12) Impairment of property, plant and equipment, right-of-use assets, and computer software

The Group assesses if there are any signs of possible impairment of property, plant, and equipment as well as right-of-use assets, and computer software at each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit, to which the asset belongs. When shared assets can be apportioned to cash-generating units on a reasonable and consistent basis, they are apportioned to each cash-generating unit; otherwise, they are apportioned to the smallest group of cash-generating units.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of an individual asset or a cash-generating unit is lower than its carrying amount, the carrying amount is

reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the cash-generating unit, which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

(13) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

I. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(I) Measurement types

Financial assets held by the Group are those measured at fair value through profit or loss and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include those mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instrument that the Group has not designated to measure at fair value through other comprehensive income and financial assets not eligible to be classified as those at amortized cost.

Financial assets measured at fair value through profit or loss are measured at fair value; the gains or losses arising from re-measurement are recognized in profit or loss. Please refer to Note 28 for the method of determining the fair value.

B. Financial assets at amortized cost

If the Group invests in financial assets in alignment with both of the following two criteria, such assets are classified as financial assets measured at amortized cost:

- a. Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
- b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, such assets (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets - current, and guarantee deposits paid) are measured at the amortized cost of the total carrying amount determined with the effective interest method, less any impairment loss; and any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- a. For purchased or originated credit-impaired financial asset, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- b. For financial asset that is not purchased or originated credit-impaired but subsequently becomes credit impaired, interest income is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial asset.

Credit-impaired financial assets means that the issuer or debtor has experienced material financial difficulties or default, and the debtor is likely to file for bankruptcy or other financial restructuring, or the active market for such financial assets has disappeared due to the financial difficulties.

Cash equivalents, including time deposits and bonds with a repurchase agreement, are highly liquid and readily convertible into a fixed amount of cash at any time while featuring little risk of value changes, and can be used to meet short-term cash commitments within three months from the acquisition date.

C. Investment in equity instruments at fair value through other comprehensive income

The Group may, upon initial recognition, make an irrevocable election to designate as at fair value through other comprehensive income the investment in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, the cumulative gain or loss is directly transferred to retained earnings and is not reclassified to profit or loss.

Dividends on investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

(II) Impairment of financial assets

The Group assesses the impairment loss of financial assets at amortized cost (including accounts receivable) based on the expected credit loss at each balance sheet date.

An allowance for losses on accounts receivable is recognized on the basis of expected credit loss over the duration of the receivables. Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, the impairment is recognized in allowance for losses in an amount equal to 12-month expected credit loss. If the risks have increased significantly, the impairment is recognized in allowance for losses at an amount equal to lifetime expected credit loss.

The expected credit loss refers to the weighted average credit loss with the risk of default as the weight. The 12-month expected credit loss represents the expected credit loss from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime expected credit loss represents the expected credit loss from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Group, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- A. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- B. It is overdue for more than 365 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

All impairment losses on financial assets are reduced to their carrying amounts through an allowance account for losses.

(III) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Upon derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When an investment in equity instrument at fair value through other comprehensive income is derecognized in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

II. Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, less the cost of direct issue.

III. Financial liabilities

(I) Subsequent measurement

All the Group's financial liabilities are measured at amortized cost in the effective interest method.

(II) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

IV. Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company is classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premium. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premium.

Transaction costs that relate to the issue of the convertible bonds are

allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

V. Derivatives

Derivative contracts signed by the Group, including forward exchange agreements and precious metal futures contracts, are adopted to manage the Group's exchange rate risk and precious metal price fluctuation risk.

When a derivative contract is signed, the fair values of the derivative is recognized initially and is subsequently re-measured on the balance sheet date. The gains or losses arising from the subsequent measurement are directly recognized in profit or loss but are designated as and are effective hedging instruments. The time point at which they are recognized in profit or loss depends on the nature of the hedging. When the fair value of a derivative is a positive figure, it is classified as a financial asset, while a negative figure, it is classified as a financial liability.

If a derivative is embedded in a master asset agreement within the scope of IFRS 9 "Financial Instruments", the classification of the financial asset is determined based on the overall agreement. If a derivative is embedded in a master asset agreement for an asset that is not within the scope of IFRS 9 (e.g., embedded in a master financial liability agreement), the embedded derivative meets the definition of derivatives, and the risks and characteristics of the embedded derivative are not closely related to the risks and characteristics of the master agreement, while the hybrid agreement is not measured at fair value through profit or loss, the derivative is regarded as a separate derivative.

(14) Hedge accounting

The Group designates some hedging instruments for fair value hedging.

The profits and losses on hedging instruments designated and in alignment with fair value hedging, and the movements in the fair values of the hedged items attributable to the hedged risks are recognized immediately in profit or loss, and are recognized under the items related to the hedged items in the consolidated statements of comprehensive income.

The Group postpones or ceases hedge accounting only to the extent that the hedge relationship no longer meets the criteria of hedge accounting, which includes the situations that a hedging instrument has expired or has been sold or the contract thereof has been terminated or exercised.

(15) Provisions

The amount recognized as provision for liabilities is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties of the obligation. The provision for liabilities is measured at the discounted cash flow value of the obligation.

(16) Revenue recognition

After the Group identifies its performance obligations in contracts with clients, it allocates the transaction costs to each obligation in the contracts and recognizes revenue upon completion of performance obligations.

The merchandise sales revenue is from the sales of precious metals and thin film sputtering targets、titanium/nickel and Rutile Products. Except precious metal transactions, which are recognized at spot prices, the merchandise sales revenue is recognized after it is delivered as a client has the right to set the price and use the product, assumes the main responsibility for reselling the merchandise, and bears the risk of obsolescence and debited to accounts receivable or unearned revenue (contract liabilities).

When supplying materials for outsourced processing, as the control of the ownership of the processed products has not been transferred, revenue is not recognized when the materials are supplied.

(17) Leasing

The Group assesses whether a contract belongs to (or contains) a lease on the date of establishment of the contract. Regarding contracts that include lease and non-lease components, the Group allocates the consideration in the contracts on the basis of relative standalone prices and handles them separately.

The Group recognizes right-of-use assets and lease liabilities for all leases at the lease commencement date, except for low-value asset leases and short-term leases accounted for with recognition exemption applied where lease payments are recognized in expenses on a straight-line basis over the lease terms.

The right-of-use assets are initially measured at cost (including the initially measured amount of a lease liability, the lease payment paid before the lease commencement date, less lease incentives received, and the initial direct cost) and subsequently measured at cost, less accumulated depreciation, and the remeasurement of the lease liability is adjusted. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the end of the useful life or the end of the lease term, whichever is earlier.

The lease liability is initially measured at the present value of the lease payment (including fixed payments and variable lease payments subject to an index or rate). If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. If changes during the lease term or the index or rate used to determine lease payments lead to changes in future lease payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(18) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in decrease in relevant costs on a systematic basis during the periods, in which the Group recognize the relevant costs, for which the grants are intended to compensate, as expenses. Government grants on a condition that they are used by subsidiaries to purchase, construct, or acquire non-current assets by other means are recognized in deferred revenue and are reclassified to profit or loss during the useful lives of the relevant assets on a reasonable and systematic basis.

If the government grants are used to compensate for expenses or losses that have already occurred, or to provide immediate financial support to the Group and has no future related costs, it can be recognized in profit or loss in the period when it is received.

(19) Employee benefits

I. Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

II. Post-employment benefits

For pension under the defined contribution plan, the amount of pension contributed is recognized in expenses during employees' service period.

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and remeasurement) is calculated based on the projected unit credit method. The service costs and net interest on net defined benefit assets are recognized in employee benefit expenses when incurred. The remeasurement (including actuarial gains and losses and plan asset remuneration net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss after the balance sheet date.

The net defined benefit assets are the surplus of the defined benefit pension plan. The net defined benefit assets may not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

III. Post-employment benefits

The Group recognizes a liability for termination benefits at the earlier of when it can no longer revoke the offer of such benefits or when it recognizes the related restructuring costs.

(20) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

I. Current income tax expenses

The Group determines the current income (loss) in accordance with the laws and regulations formulated by the authority in the jurisdiction to which an income tax return should be filed and calculates the payable (recoverable) income tax accordingly.

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via the resolution at the annual shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

II. Deferred tax

Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income. All taxable temporary differences are generally in deferred tax liabilities, and deferred tax assets are recognized when it is probable that future taxable income will be available against the income tax credits arising from the deductible temporary differences and carryforward of the unused losses.

Taxable temporary differences associated with investments in subsidiaries or affiliates are recognized in deferred liabilities, except where the Group is able to control the reversal of the temporary difference and it is probable that said temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from the deductible temporary differences related to said investments are recognized in deferred tax assets only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the

balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would ensue in a manner expected by the Group at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

III. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income; in which case, the current and deferred taxes are recognized in other comprehensive income.

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When the Group adopts accounting policies, the management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from the estimates.

The management will continue to review the estimates and basic assumptions. If a revision of an estimate affects only the current year, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both the current year and future periods, it is recognized in the year in which it is revised and in the future periods.

Inventory valuation

As the inventory is valued at the lower of cost or net realizable value, the Group must exercise judgment and make estimation to determine the net realizable value of the inventory at the end of the financial reporting period. As the net realizable value of the inventory is estimated mainly based on the product selling price, significant changes may occur.

6. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 407	\$ 561
Demand deposits in banks	326,992	401,689
Cash equivalents		
Bank demand deposits with initial duration of more than 3 months	<u>199,712</u>	<u>339,669</u>
	<u>\$527,111</u>	<u>\$741,919</u>

7. Financial instruments at fair value through profit or loss

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial assets - current		
Mandatorily at fair value through profit or loss		
Derivatives (not designated for hedging)		
Forward exchange agreements	\$ -	\$ 214
Convertible bonds call options and put options, net (Note 19)	<u>-</u>	<u>80</u>
	<u>-</u>	<u>294</u>
Domestic emerging market shares	<u>6,165</u>	<u>6,942</u>
	<u>\$ 6,165</u>	<u>\$ 7,236</u>

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	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets – non-current</u>		
Mandatorily at fair value through profit or loss		
Mutual funds	<u>\$ 12,415</u>	<u>\$ -</u>
<u>Financial liabilities -current</u>		
Financial liabilities held for trading		
Forward exchange agreements	<u>\$ 30</u>	<u>\$ -</u>

The trading of the Company's forward exchange agreements mainly aims to hedge the risks of foreign-currency assets and liabilities due to exchange rate fluctuations. Due to the failure to adopt hedge accounting, losses of NT\$520 thousand and NT\$566 thousand were incurred during 2024 and 2023, respectively, recognized in the financial assets at fair value through profit or loss and liabilities.

At the consolidated balance sheet date, the outstanding forward exchange agreements are as follows:

	<u>Currency</u>	<u>Due period</u>	<u>Contract amount (in thousands of dollars)</u>
<u>December 31, 2024</u>			
Forward exchange agreements	From USD to NTD	2025.01	USD200／NTD6,504
<u>December 31, 2023</u>			
Forward exchange agreements	From USD to NTD	2024.01	USD300／NTD9,402

8. Financial assets at fair value through other comprehensive income

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Non-current</u>		
Domestic investment		
Emerging market shares	\$ 29,679	\$ 33,422
Unlisted stocks	<u>1,579</u>	<u>-</u>
	<u>\$ 31,258</u>	<u>\$ 33,422</u>

The Group invests in the domestic stocks in alignment with the medium- and long-term strategic purposes and anticipates to make profits through long-term investment. The Group's management believes that if the short-term fair value fluctuations of such investments are recognized in profit or loss, it is inconsistent with the afore-mentioned long-term investment strategy, so it has chosen to designate such investments as at fair value through other comprehensive income.

9. Notes and accounts receivable and other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable (from operations)		
At amortized cost	<u>\$554,070</u>	<u>\$949,137</u>
Accounts receivable		
At amortized cost		
Total carrying amount	\$496,922	\$513,295
Less: Allowance for losses	<u>-</u>	<u>193</u>
	<u>\$496,922</u>	<u>\$513,102</u>
Other receivables		
Business tax refund	\$ 13,856	\$ 8,253
Others	<u>3,624</u>	<u>1,119</u>
	<u>\$ 17,480</u>	<u>\$ 9,372</u>
Overdue receivables collected (recognized in other non-current assets)		
At amortized cost		
Total carrying amount	\$ 15,326	\$ 14,855
Less: Allowance for losses	<u>15,326</u>	<u>14,855</u>
	<u>\$ -</u>	<u>\$ -</u>

I. Notes and accounts receivable

The Group's average credit periods for the sales and the production of silver materials are net 7-10 days and 30-120 days after the end of each month, respectively.

The Group prudently assesses its clients, which are companies or institutions with good credit ratings and without significant credit risk expected. However, the Group has an issue of significant client concentration, so the credit concentration risk is high.

To mitigate credit risk, the Group's management assigns a team dedicated to determining and approving clients' credit lines and carrying out other monitoring procedures to ensure that appropriate actions have been taken to recover overdue account receivables. In addition, the Group will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. As such, the Group's management believes that its credit risk has been significantly reduced.

The Group recognizes an allowance for losses on accounts receivable on the basis of lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix based on each client's past default record, current financial position, and industry outlook. Based on the Group's history of credit losses, as there was no significant difference in the loss patterns among different groups of clients, the groups of clients were not further differentiated in the provision matrix, and only expected credit loss ratio was set based on the number of days for which accounts receivable was past due.

When there was evidence indicating that the counterparty was in severe financial difficulty and the Group could not reasonably expect the amount to be recovered, the Group would write off relevant accounts receivable and continued to collect the overdue receivables. The receivable recovered was recognized in profit or loss.

The table below shows the allowance for losses on notes and accounts receivable based on the Group's provision matrix:

December 31, 2024

	Not past due	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-180 days	Identified individually	Total
Total carrying amount	\$1,035,275	\$ 15,708	\$ -	\$ 9	\$ -	\$1,050,992
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-
Amortized cost	<u>\$1,035,275</u>	<u>\$ 15,708</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$1,050,992</u>

December 31, 2023

	Not past due	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-180 days	Identified individually	Total
Total carrying amount	\$1,449,273	\$ 3,443	\$ 9,716	\$ -	\$ -	\$1,462,432
Allowance for losses (lifetime expected credit losses)	-	-	(193)	-	-	(193)
Amortized cost	<u>\$1,449,273</u>	<u>\$ 3,443</u>	<u>\$ 9,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,462,239</u>

Movements in the allowance for losses on accounts receivable and overdue receivables are as follows

	2024		2023	
	Accounts receivable	Overdue receivables	Accounts receivable	Overdue receivables
Opening balance	\$ 193	\$ 14,855	\$ 154	\$ 15,308
Provision (reversal) during this year	66	(44)	39	(175)
Amounts written off	(261)	-	-	-
Foreign currency translation difference	2	515	-	(278)
Ending balance	<u>\$ -</u>	<u>\$ 15,326</u>	<u>\$ 193</u>	<u>\$ 14,855</u>

II. Other receivables

The Group's allowance for losses is provided by estimating the amount that cannot be recovered based on the historical experience, clients' past default records, and their current financial position. As of December 31, 2024 and 2023, there was no balance of an allowance for losses provided.

10. Inventory

	December 31, 2024	December 31, 2023
Raw materials and supplies	\$ 653,883	\$ 512,952
Work in progress	425,260	457,388
Semi-finished goods	274,293	374,118
Finished goods	60,964	144,740
Merchandise	98,488	9,630
Inventory in transit	3,178	8,655
	<u>\$1,516,066</u>	<u>\$1,507,483</u>

The costs of sales related to inventories for 2024 and 2023 were NT\$4,895,363 thousand and NT\$5,475,795 thousand, respectively. The costs of sales for 2024 and 2023, respectively, included an inventory valuation loss of NT\$6,478 thousand and NT\$19,277 thousand.

11. Prepayments

	December 31, 2024	December 31, 2023
Prepayments to suppliers	\$112,683	\$180,946
Prepaid expenses	31,904	44,674
	<u>\$144,587</u>	<u>\$225,620</u>

12. Subsidiary

(1) Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Nature of business	Shareholding (%)		Remarks
			December 30, 2024	December 30, 2023	
The Company	Thintech Global Limited (TTGL)	An investment holding company	100	100	-
The Company	OmniGains Investment Corporation (OmniGains)	An investment holding company	100	100	Note 1
The Company	Changzhou CSPM, Ltd.(CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	35	35	Note 2
TTGL	Taicang TCMC, Ltd. (Taicang TCMC)	Manufacturing and sales of metal targets	-	100	Note 4
OmniGains	Changzhou CSPM, Ltd.(CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	35	35	Notes 1 and 3

Note1 : The company issued 27,471 thousand new shares of common stock and conduct a share exchange with OmniGains, the share exchange ratio is 1.18571427 common shares of the company for every 1 share of OmniGains common stock. The company will indirectly acquire 35% equity of CSPM(refer to Note 3). The aforementioned transaction was an restructuring of the organization under common control which should be regarded as an ab initio consolidation and a retrospective restatement of the consolidated financial statements for the comparative period.

Note2 : In May 2024, the company acquired 35% equity interest in CSPM from China Steel Asia Pacific Holdings Pte. Ltd., a subsidiary of CSC, for US\$23,168 thousand. The aforementioned transaction was an restructuring of the organization under common control which should be regarded as a default consolidation and a retrospective restatement of the consolidated financial statements for the comparative period.

Note3 : OmniGains purchased 35% equity interest in CSPM from China Steel Asia Pacific Holdings Pte. Ltd., a subsidiary of CSC, for a total price of \$749,480 thousand in October 2023.

Note4 : TTGL disposed of the entire shareholding of Taicang TCMC on November 2024, see Note 29.

(2) Information on Subsidiaries with Significant Non-Controlling Interests

Name of subsidiary	Percentage of shareholding and voting rights held by non-controlling interests	
	December 31, 2024	December 31, 2023
CSPM	30%	30%

The information of nation that the principal place of business and company registered, see Table 7.

Name of subsidiary	Net income for the period allocated to non-controlling interests		Non-controlling interests	
	2024	2023	December 30, 2024	December 30, 2023
CSPM	<u>\$ 22,848</u>	<u>\$ 20,745</u>	<u>\$520,566</u>	<u>\$491,181</u>

The summary financial information of CSPM is prepared on the basis of intercompany transactions before elimination:

	December 31, 2024
Current assets	\$2,210,403
Non-current assets	495,691
Current liabilities	(884,443)
Non-current liabilities	(<u>86,432</u>)
Equity	<u>\$1,735,219</u>
Equity attributable to :	
Owners of the Company	\$1,214,653
Non-controlling interests	<u>520,566</u>
	<u>\$1,735,219</u>

	2024
Operating revenue, net	<u>\$2,488,146</u>
Net income for the period	\$ 76,237
Other comprehensive income	<u>-</u>
Total comprehensive income	<u>\$ 76,237</u>
Net profit and comprehensive income attributable to:	
Owners of the Company	\$ 33,915
Former owner of business combination under common control	19,474
Non-controlling interests	<u>22,848</u>
	<u>\$ 76,237</u>

13. Investments Using the Equity Method

	December 31, 2024	December 31, 2023
Investments in affiliates		
Individually immaterial affiliates	<u>\$ 36,059</u>	<u>\$ 33,688</u>

The relevant information on the above affiliates that are individually immaterial affiliates is as follows:

	2024	2023
The Company's share		
Net income for this year	\$ 574	\$ 1,051
Other comprehensive income	<u>3,625</u>	<u>4,430</u>
Total comprehensive income	<u>\$ 4,199</u>	<u>\$ 5,481</u>

The Group's total shareholdings in the investees valued using the equity method and the parent company, China Steel Corporation, and its sister companies reach 20% or more, so they are valued using the equity method.

14. Other Financial Assets - Current

	December 31, 2024	December 31, 2023
Current		
Time deposits with the initial duration of more than 3 months	\$ 44,780	\$ 92,115
Pledged time deposits (Note 33)	-	21,090
Deposits for projects	<u>-</u>	<u>8,121</u>
	<u>\$ 44,780</u>	<u>\$121,326</u>
Non-current		
Restricted Bank Deposits	<u>\$ 10,303</u>	<u>\$ -</u>

The restricted bank deposits as of December 31, 2024 were due to the disposal of Taicang TCMC's stock in 2024 and the opening of a condominium account pursuant to the stock transfer agreement.

15. Property, plant and equipment

2024

	Buildings	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment to be accepted	Total
Cost							
Balance as of January 1, 2024(Before Restatement)	\$ 380,602	\$ 446,677	\$ 20,214	\$ 26,461	\$ 68,068	\$ 47,806	\$ 989,828
Acquired through a business combination	<u>431,349</u>	<u>572,429</u>	<u>2,848</u>	<u>-</u>	<u>60,696</u>	<u>87</u>	<u>1,067,409</u>
Balance as of January 1, 2024 (After Restatement)	811,951	1,019,106	23,062	26,461	128,764	47,893	2,057,237
Additions	790	77,620	2,590	685	2,147	(47,330)	36,502
Disposal	(5,132)	(48,942)	(3,867)	(774)	(7,041)	-	(65,756)
Disposal of subsidiary	(73,842)	(27,951)	(1,058)	(1,741)	(14,856)	-	(119,448)
Net exchange difference	<u>17,644</u>	<u>21,744</u>	<u>189</u>	<u>80</u>	<u>2,774</u>	<u>3</u>	<u>42,434</u>
Balance as of December 31, 2024	<u>751,411</u>	<u>1,041,577</u>	<u>20,916</u>	<u>24,711</u>	<u>111,788</u>	<u>566</u>	<u>1,950,969</u>
Accumulated depreciation and impairment							
Balance as of January 1, 2024(Before Restatement)	216,156	405,310	17,867	21,932	61,807	-	723,072
Acquired through a business combination	<u>259,945</u>	<u>386,863</u>	<u>1,975</u>	<u>-</u>	<u>45,156</u>	<u>-</u>	<u>693,939</u>
Balance as of January 1, 2024 (After Restatement)	476,101	792,173	19,842	21,932	106,963	-	1,417,011
Depreciation	32,403	40,372	1,343	2,246	4,892	-	81,256
Disposal	(2,321)	(42,958)	(3,342)	(733)	(6,205)	-	(55,559)
Disposal of subsidiary	(47,231)	(19,911)	(890)	(1,585)	(14,083)	-	(83,700)
Net exchange difference	<u>10,719</u>	<u>14,908</u>	<u>126</u>	<u>74</u>	<u>2,186</u>	<u>-</u>	<u>28,013</u>
Balance as of December 31, 2024	<u>469,671</u>	<u>784,584</u>	<u>17,079</u>	<u>21,934</u>	<u>93,753</u>	<u>-</u>	<u>1,387,021</u>
Net amount as of December 31, 2024	<u>\$ 281,740</u>	<u>\$ 256,993</u>	<u>\$ 3,837</u>	<u>\$ 2,777</u>	<u>\$ 18,035</u>	<u>\$ 566</u>	<u>\$ 563,948</u>

2023

	Buildings	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment to be accepted	Total
Cost							
Balance as of January 1, 2023(Before Restatement)							
Acquired through a business combination	\$ 373,689	\$ 439,011	\$ 20,264	\$ 25,622	\$ 66,780	\$ 26,181	\$ 951,547
Balance as of January 1, 2023 (After Restatement)	<u>438,372</u>	<u>573,227</u>	<u>2,902</u>	<u>-</u>	<u>54,746</u>	<u>5,363</u>	<u>1,074,610</u>
Additions	812,061	1,012,238	23,166	25,622	121,526	31,544	2,026,157
Disposal	9,297	33,218	-	1,009	11,176	16,366	71,066
Net exchange difference	(2)	(14,656)	-	(128)	(2,470)	-	(17,256)
Cost	<u>(9,405)</u>	<u>(11,694)</u>	<u>(104)</u>	<u>(42)</u>	<u>(1,468)</u>	<u>(17)</u>	<u>(22,730)</u>
Balance as of December 31, 2023	<u>811,951</u>	<u>1,019,106</u>	<u>23,062</u>	<u>26,461</u>	<u>128,764</u>	<u>47,893</u>	<u>2,057,237</u>
Accumulated depreciation and impairment							
Balance as of January 1, 2023(Before Restatement)	203,587	408,550	16,532	20,019	62,049	-	710,737
Acquired through a business combination	<u>245,550</u>	<u>364,524</u>	<u>1,842</u>	<u>-</u>	<u>44,680</u>	<u>-</u>	<u>656,596</u>
Balance as of January 1, 2023 (After Restatement)	449,137	773,074	18,374	20,019	106,729	-	1,367,333
Depreciation	32,543	40,445	1,535	2,081	3,781	-	80,385
Disposal	-	(13,447)	-	(128)	(2,386)	-	(15,961)
Net exchange difference	<u>(5,579)</u>	<u>(7,899)</u>	<u>(67)</u>	<u>(40)</u>	<u>(1,161)</u>	<u>-</u>	<u>(14,746)</u>
Balance as of December 31, 2023	<u>476,101</u>	<u>792,173</u>	<u>19,842</u>	<u>21,932</u>	<u>106,963</u>	<u>-</u>	<u>1,417,011</u>
Net amount as of December 31, 2023	<u>\$ 335,850</u>	<u>\$ 226,933</u>	<u>\$ 3,220</u>	<u>\$ 4,529</u>	<u>\$ 21,801</u>	<u>\$ 47,893</u>	<u>\$ 640,226</u>

Based on the business strategy plan, as the recoverable amount of the Company's equipment for producing silver powder and conductive adhesive was lower than its book value, it was recognized in impairment losses. As of December 31, 2024, the cumulative impairment of the equipment was NT\$1,615 thousand.

The Group's property, plant and equipment are depreciated on a straight-line basis over the useful lives below:

Buildings	2 to 35 years
Machinery equipment	2 to 20 years
Transportation equipment	3 to 15 years
Office equipment	2 to 5 years
Other equipment	2 to 11 years

Please refer to Note 16 for the information on the locations of the Group's plants leased from the government.

Please refer to Note 33 for the amount of property, plant and equipment provided by the Company as collateral for borrowings.

16. Lease agreements

(1) Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of right-of-use assets		
Land	\$197,288	\$210,316
Transportation equipment	-	135
Office equipment	-	40
	<u>\$197,288</u>	<u>\$210,491</u>
	<u>2024</u>	<u>2023</u>
Additions to right-of-use assets	<u>\$ 5,500</u>	<u>\$ -</u>
Right-of-use asset depreciation expenses		
Land	\$ 9,386	\$ 9,056
Transportation equipment	135	192
Office equipment	40	82
	<u>\$ 9,561</u>	<u>\$ 9,330</u>

In addition to the additions and those recognized in depreciation expenses above, the Group's right-of-use assets were not significantly subleased or impaired during 2024 and 2023.

(2) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 5,862</u>	<u>\$ 5,671</u>
Non-current	<u>\$102,680</u>	<u>\$103,319</u>

The range of discount rates for lease liabilities is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land	1.6007	1.6007
Transportation equipment	-	0.6487~0.7616
Office equipment	-	5.774~6.071

(3) Major lease activities and terms

The Company has leased land from the government in the Kaohsiung Industrial Park in the Southern Taiwan Science Park. The lease term will expire in May 2027. According to the lease agreement, the Company may sign a new agreement with the government when the lease term ends, but the government may adjust the rent when the assessed present value increases and may terminate the lease under certain conditions.

The land use right acquired by the Company's subsidiary, CSPM, in December 2008 and October 2009 in mainland China, with a useful life of 50 years will expire in October 2059.

(4) Other lease information

	<u>2024</u>	<u>2023</u>
Short-term lease and low-value asset lease expenses	<u>\$ 3,042</u>	<u>\$ 3,006</u>
Total cash outflows from leases	<u>\$10,779</u>	<u>\$10,488</u>

The Group has elected to apply the recognition exemptions to the leases of buildings, transportation equipment and other equipment that qualify as short-term and low-value asset leases and does not recognize such leases in relevant right-of-use assets and lease liabilities.

17. Investment properties

2024

	Buildings
Cost	
Balance as of January 1, 2024 (After Restatement)	\$ 31,587
Net exchange difference	<u>1,102</u>
Balance as of December 31, 2024	<u>32,689</u>
Accumulated depreciation and impairment	
Balance as of January 1, 2024 (After Restatement)	12,578
Depreciation	1,463
Net exchange difference	<u>446</u>
Balance as of December 31, 2024	<u>14,487</u>
Net amount as of December 31, 2024	<u><u>\$ 18,202</u></u>

2023

	Buildings
Cost	
Balance as of January 1, 2023 (After Restatement)	\$ 32,178
Net exchange difference	(<u>591</u>)
Balance as of December 31, 2023	<u>31,587</u>
Accumulated depreciation and impairment	
Balance as of January 1, 2023 (After Restatement)	11,365
Depreciation	1,444
Net exchange difference	(<u>231</u>)
Balance as of December 31, 2023	<u>12,578</u>
Net amount as of December 31, 2023	<u><u>\$ 19,009</u></u>

Investment properties leased out have lease terms ranging from 1 to 20 years, the lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31, 2024	December 31, 2023
1 Year	\$ 2,226	\$ 2,151
2 Year	2,226	2,151
3 Year	2,226	2,151
4 Year	2,226	2,151

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	December 31, 2024	December 31, 2023
5 Year	\$ 2,226	\$ 2,151
Over 5 years	<u>8,902</u>	<u>10,753</u>
	<u>\$ 20,032</u>	<u>\$ 21,508</u>

Investment properties are depreciated on a straight-line basis over the following useful lives:

Main buildings 20 years

The fair value of this investment property has not been evaluated by an independent evaluator and has been measured solely by the management of the subsidiary using Level 3 inputs with reference to recently traded prices in neighboring areas.

The fair value of these properties amounted to \$56,423 thousand and \$55,383 thousand at the end of year 2024 and 2023, respectively.

The investment properties are owned by the Group

18. Borrowings

(1) Short-term Borrowings

	December 31, 2024	December 31, 2023
Secured bank borrowings	\$194,934	\$532,970
Unsecured bank borrowings	<u>15,000</u>	<u>11,899</u>
	<u>\$209,934</u>	<u>\$544,869</u>
Annual rate of interest (%)		
Secured borrowings	-	3.80~4.49
Unsecured borrowings	1.96	3.80

(2) Long-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank borrowings		
Due by March 2031 at		
1.875% per annum,		
Semi-annual		
repayments from		
September 2025		
onwards	\$500,000	\$ -
Less: Current portion	<u>41,667</u>	<u>-</u>
	<u>\$458,333</u>	<u>\$ -</u>

19.

Bonds Payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
(1) Liability component		
I. Proceeds from issuance	\$ -	\$199,900
Deduction: Discount of corporate bonds payable	-	8,956
Issuance cost of bonds payable	<u>-</u>	<u>4,637</u>
Original amortized cost	-	186,307
Addition: Discount amortization	<u>-</u>	<u>3,421</u>
Amortized cost	<u><u>\$ -</u></u>	<u><u>\$189,728</u></u>
II. Financial asset (liability) at FVTPL : call and put options	<u><u>\$ -</u></u>	<u><u>\$ 80</u></u>
(2) Components of equity		
Common stock options	\$ 27,956	\$ 27,956
Deduction: Issuance cost - stock option	<u>679</u>	<u>679</u>
Original capital surplus-stock options	27,277	27,277
Deduction: Converted into ordinary shares	<u>27,277</u>	<u>13</u>
Capital surplus-stock options	<u><u>\$ -</u></u>	<u><u>\$ 27,264</u></u>

In March 2023, the Corporation issued secured domestic convertible bonds at par and conducted public underwriting through bidding auction. The issuance price was NT109.8, total amount issued was NT\$219,595 thousand with a face value of NT\$100 thousand each, zero coupon rate and issuance period of 3 years from March 2023 to March 2026. Bank SinoPac acted as guarantee banks. The creditors may request the bonds to be converted into the Corporation's ordinary shares in accordance with the terms of conversion after three months from the issue date.(except for the prescribed relevant transfer period). The holder of each unit of corporate bonds has the right to convert into ordinary shares of the company at NT\$30.9 per share. After the conversion price is determined, if there is an ex-right or ex-dividend, it should be adjusted according to the conversion price adjustment formula. As of December 31, 2024, the conversion price will be adjusted to NT\$25.6. After two years from the issue date, the bondholders may request the Company to redeem the bond in cash at 100.5006% of the par value (yield to put of 0.25% per annum) within 5 business days after the benchmark date. From the day following the 3-month issuance period to 40 days before the expiration date, if the closing price of the Company's ordinary shares exceeds the conversion price by 30% for 30 consecutive business days or when the outstanding balance of bonds is less than 10% of the total face value of the original issue, the Company may redeem the outstanding convertible bonds in cash at face value within 5 business days after the benchmark date. As of December 31, 2023 and 2024, the conversion situation of the third convertible corporate bonds by the company situation was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The conversion and redemption situation		
Number of ordinary shares converted from bonds (in thousands)	7,525	3
Amount of ordinary shares converted from bonds	\$ 75,250	\$ 32
Face amount of corporate bonds that have been converted	200,000	100
Write-off capital surplus - redemption	27,277	13
Capital reserve generated - conversion premium from bonds	143,393	75

The derivatives embedded in the bonds, including put options and redemption options were recognized separately from the host contract - corporate bonds as financial instruments at fair value through profit or loss (Note 7) and measured at fair value in accordance with IAS 32 and IFRS 9.

20. Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salary and wages and bonuses payable	\$ 37,545	\$ 32,892
Processing fees payable	37,449	31,062
Taxes payable	5,263	3,114
Consumable costs payable	3,574	4,355
Pension payable	2,470	2,022
Payables for purchases of equipment	1,794	5,090
Employee remuneration and directors' remuneration payable	-	3,346
Others	<u>18,951</u>	<u>24,011</u>
	<u>\$107,046</u>	<u>\$105,892</u>

21. Provisions

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Opening balance	\$ 50,665	\$ 31,351
Provision during this year	23,650	25,647
Payments during the year	(4,078)	(5,442)
Foreign currency translation difference	<u>1,871</u>	(<u>891</u>)
Ending balance	<u>\$ 72,108</u>	<u>\$ 50,665</u>

CSPM has set up a specialized Reserve Fund in accordance with the laws and regulations of China. The fund is used to finance production safety expenses and is withdrawn as a percentage of operating revenues on an over-accumulation basis.

22. Post-employment benefit plans

(1) Defined contribution pension plan

The Company adopted a pension scheme under the Labor Pension Act, which is a government-managed defined contribution plan. Under the act, the Company makes monthly contributions, equal to 6% of their monthly salary and wages, to employees' individual pension accounts under the Bureau of Labor Insurance.

Subsidiary, Taicang TCMC, contributes to the pension insurance funds managed by relevant government departments in accordance with the laws and regulations of mainland China.

(2) Defined benefit plan

The pension scheme adopted by the Company in accordance with the Labor Standards Act of R.O.C. is a government-managed defined benefit pension plan. The payment for employee pensions is calculated based on the length of service and the average salary in the six months prior to the approved retirement date. The Company makes a contribution, equal to a certain percentage of the total monthly employee salaries, which is deposited by the Supervisory Committee of Labor Retirement Reserve in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account is inadequate to pay for the retirement benefits to employees who meet the retirement requirements in the following year, the Group will make a contribution to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence its investment management strategy.

The amounts included in the consolidated balance sheets in respect of such defined benefit plans are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 16,232	\$ 15,382
Fair value of plan assets	(<u>34,563</u>)	(<u>31,403</u>)
Net defined benefit assets	(<u>\$18,331</u>)	(<u>\$16,021</u>)

The movements in the net defined benefit assets are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
Balance as of January 1, 2023	<u>\$18,903</u>	(<u>\$29,789</u>)	(<u>\$10,886</u>)
Service costs			
Interest expense (income)	<u>284</u>	(<u>460</u>)	(<u>176</u>)
Recognized in profit or loss	<u>284</u>	(<u>460</u>)	(<u>176</u>)

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
Remeasurement			
Return on plan assets (except for the amount included in the net interest)	\$ -	(\$ 173)	(\$ 173)
Actuarial loss - changes in financial assumptions	209	-	209
Actuarial gain - experience adjustments	(3,717)	-	(3,717)
Recognized in other comprehensive income	(3,508)	(173)	(3,681)
Employer's contributions	-	(1,278)	(1,278)
Benefits paid	(297)	297	-
	(297)	(981)	(1,278)
Balance as of December 31, 2023	<u>15,382</u>	(<u>31,403</u>)	(<u>16,021</u>)
Service costs			
Interest expense (income)	<u>212</u>	(<u>432</u>)	(<u>220</u>)
Recognized in profit or loss	<u>212</u>	(<u>432</u>)	(<u>220</u>)
Remeasurement			
Return on plan assets (except for the amount included in the net interest)	-	(2,728)	(2,728)
Actuarial gain - changes in financial assumptions	(208)	-	(208)
Actuarial loss - experience adjustments	<u>846</u>	-	<u>846</u>
Recognized in other comprehensive income	<u>638</u>	(<u>2,728</u>)	(<u>2,090</u>)
Balance as of December 31, 2023	<u>\$16,232</u>	(<u>\$34,563</u>)	(<u>\$18,331</u>)

The amount of the defined benefit plan recognized in profit or loss aggregated by function is as follows:

	2024	2023
Administrative expenses	(<u>\$220</u>)	(<u>\$176</u>)

The Company is exposed to the risks below due to the pension system under the Labor Standards Act:

I. Investment risk

The Bureau of Labor Funds, Ministry of Labor, invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the income from the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for two-year time deposits.

II. Exchange rate risk

Interest risk: A decrease in the interest rate in the government bonds/corporate bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.

III. Salary risk

The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the Company's defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate (%)	1.50	1.375
Expected salary increase (%)	3.50	3.50
Turnover rate (%)	3.0~11.0	3.0~11.0

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
Increase by 0.25%	<u>(\$404)</u>	<u>(\$416)</u>
Decrease by 0.25%	<u>\$419</u>	<u>\$431</u>
Expected salary increase (%)		
Increase by 0.25%	<u>\$403</u>	<u>\$415</u>
Decrease by 0.25%	<u>(\$392)</u>	<u>(\$403)</u>

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The weighted average duration of the defined benefit obligations	10.1 years	11 years

23. Equity

(1) Ordinary share capital

	December 31, 2024	December 31, 2023
Authorized number of shares (in thousands)	<u>150,000</u>	<u>150,000</u>
Authorized share capital	<u>\$1,500,000</u>	<u>\$1,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>107,783</u>	<u>73,501</u>
Share capital publicly offered		
Number of shares issued and fully paid (in thousands)	<u>\$ 932,420</u>	<u>\$ 589,601</u>
Share capital through private placement		
Initial share capital publicly offered		
Share capital received due to capitalization of earnings	\$ 140,000	\$ 140,000
	<u>5,411</u>	<u>5,411</u>
	<u>145,411</u>	<u>145,411</u>
Share capital already publicly offered		
	<u>\$1,077,831</u>	<u>\$ 735,012</u>
Capital collected in advance	<u>\$ 7,109</u>	<u>\$ -</u>

In May 2023, the Board of Directors resolved to increase the capital by issuing new shares of 27,471 thousand shares in order to carry out a share swap with OmniGains, and the Board of Directors resolved to set May 16, 2024 as the base date for the capital increase, and completed the registration of the change on July 2, 2024.

The capital collected in advance of the Company on December 31, 2024 was due to the execution of the conversion and issuance of new shares by the holders of the convertible bonds. The Board of Directors resolved to propose February 26, 2025 as the base date for capital increase.

To enrich the working capital, repay debts, and attract strategic investors, the Company conducted a private placement of 7,000,000 ordinary shares in 2010 and 2011, respectively, at the issue prices of NT\$16 and NT\$35.7, respectively. The difference between the par value and the issue price was recognized in "capital surplus - additional paid-in capital".

In principle, the rights and obligations of the ordinary shares in the private placements are the same as those of the ordinary shares issued by the Company.

(2) Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
For loss make-up, payment in cash or capitalization as equity (Note)		
Additional paid-in capital - issuance of shares	\$610,874	\$283,336
Additional paid-in capital - conversion of corporate bonds	183,200	39,882
Stock options invalidated	1,469	1,469
Treasury shares traded	69	69
May only be used to offset a deficit		
Share of changes in capital surplus of associates	14	-
May not be used for any purpose		
Convertible corporate debt options	<u>-</u>	<u>27,264</u>
	<u>\$795,626</u>	<u>\$352,020</u>

Note: Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(3) Retained earnings and dividend policy

As per the earnings distribution policy, where the Company makes a profit for a fiscal year, the profit shall be first used for paying the tax in accordance with the laws and regulations, offsetting the cumulative deficit, setting aside 10% of the remaining profit as a legal reserve, unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations; and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution.

The industry, in which Company is in, is still growing. We must take into account the current and future operating conditions and focus on the stability of dividends when drawing up a dividend policy. When the Company has cumulative distributable earnings, the amount to be distributed shall not be lower than 50%, of which the cash dividends to be distributed shall not be lower than 50% of the total amount to be distributed.

The legal reserve may be used to offset losses. If there is no loss, the amount of legal reserve in excess of the paid-in capital by 25% could be allocated as capital stock and paid out in cash.

The 2023 and 2022 earnings distribution proposals approved by the resolution of the Company's general shareholders' meetings in April 2024 and June 2023 are as follows:

	Earnings distribution proposals		Dividend per share (NTD)	
	2023	2022	2023	2022
Legal reserve	\$ 4,352	\$ 8,476		
Reversal of special reserve	-	(3,660)		
Cash dividend	44,101	73,498	\$ 0.6	\$ 1.0

The 2024 earnings distribution proposal made by the Board of Directors in February 2025 is as follows:

	Earnings distribution proposals
Legal reserve	<u>\$ 5,400</u>

On February, 2025, the Company's Board of Directors proposed to distribute cash dividends of \$0.4 per share from capital surplus of \$43,398 thousand.

The 2024 earnings distribution proposal is pending a resolution by the general shareholders' meeting scheduled to be held in June 2025.

(4) Other equity items

I. Exchange differences arising from the translation of the financial statements of foreign operations

	2024	2023
Opening balance	(\$ 4,012)	(\$ 2,959)
Recognized for the period		
Exchange differences arising from the translation of the financial statements of foreign operations	(424)	(1,053)
Former owner of business combinations under common control and non-controlling interests transferred to owners of the Company	(154,389)	-
Ending balance	<u>(\$158,825)</u>	<u>(\$ 4,012)</u>

II. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	2024	2023
Opening balance	\$ 8,662	\$ 3,545
Incurred during the year		
Equity instruments - unrealized gains and losses	(8,164)	1,695

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	2024	2023
Shares of affiliates using the equity method	\$ 3,625	\$ 4,428
Cumulative gains and losses from the disposal of equity instruments by affiliates transferred to retained earnings	(<u>2,540</u>)	(<u>1,006</u>)
Ending balance	<u>\$ 1,583</u>	<u>\$ 8,662</u>
 (5) Former owner of business combination under common control		
	2024	2023
Opening balance	\$1,146,091	\$1,211,568
Attributed to former owner of business combination under common control		
Net income for the period	19,474	48,408
Exchange differences on translation of the financial statements of foreign operations	42,923	(23,522)
Cash dividends from subsidiaries	-	(90,363)
Cash capital increase of subsidiaries	-	749,480
Restructuring	-	(749,480)
Former owner of business combinations under common control transferred to owners of the Company	(<u>1,208,488</u>)	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$1,146,091</u>
 (6) Non-controlling interests		
	2024	2023
Opening balance	\$491,181	\$519,243
Net income for the period	22,848	20,745
Exchange differences on translation of the financial statements of foreign operations	6,537	(10,080)
Cash dividends from subsidiaries	-	(<u>38,727</u>)
Ending balance	<u>\$520,566</u>	<u>\$491,181</u>

24. Revenue

	2024	2023	
Revenue from customer contracts			
Merchandise sales revenue	<u>\$5,266,081</u>	<u>\$5,884,495</u>	
(1) Balance of contracts			
	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	<u>\$ 554,070</u>	<u>\$ 949,137</u>	<u>\$ 1,479,221</u>
Accounts receivable	<u>\$ 496,922</u>	<u>\$ 513,102</u>	<u>\$ 499,169</u>
Contract liabilities - current			
Merchandise sales	\$ 37,816	\$ 62,286	\$ 113,574
Collection of clients' scrapped targets in advance	<u>87,840</u>	<u>23,549</u>	<u>34,338</u>
	<u>\$ 125,656</u>	<u>\$ 85,835</u>	<u>\$ 147,912</u>

The movements in contract liabilities mainly arise from the difference between the point at which performance obligations are satisfied and the point at which clients pay.

The amounts of contract liabilities from the beginning of this period recognized in revenue for this year are as follows:

	2024	2023
Merchandise sales revenue	<u>\$61,185</u>	<u>\$110,609</u>

(2) Details of revenue from customer contracts

2024

	The Company	Taicang TCMC	CSPM	Total
Major regional markets				
Taiwan	\$ 2,558,139	\$ 14,017	\$ 9,229	\$ 2,581,385
Asia	98,082	114,319	2,421,517	2,633,918
The Americas	39,616	-	-	39,616
Europe	<u>-</u>	<u>11,162</u>	<u>-</u>	<u>11,162</u>
	<u>\$ 2,695,837</u>	<u>\$ 139,498</u>	<u>\$ 2,430,746</u>	<u>\$ 5,266,081</u>
Major products				
Precious metals	\$ 2,003,271	\$ 4,091	\$ -	\$ 2,007,362
Sputtering targets	461,031	110,125	-	571,156
Titanium/nickel Products	-	-	1,815,522	1,815,522
Rutile products, etc.	-	-	604,707	604,707
Others	<u>231,535</u>	<u>25,282</u>	<u>10,517</u>	<u>267,334</u>
	<u>\$ 2,695,837</u>	<u>\$ 139,498</u>	<u>\$ 2,430,746</u>	<u>\$ 5,266,081</u>

2023

	The Company	Taicang TCMC	CSPM	Total
Major regional markets				
Taiwan	\$ 2,108,781	\$ 10,673	\$ 22,528	\$ 2,141,982
Asia	77,898	162,173	3,458,926	3,698,997
The Americas	24,711	-	-	24,711
Europe	-	18,805	-	18,805
	<u>\$ 2,211,390</u>	<u>\$ 191,651</u>	<u>\$ 3,481,454</u>	<u>\$ 5,884,495</u>
Major products				
Precious metals	\$ 1,527,240	\$ 4,968	\$ -	\$ 1,532,208
Sputtering targets	449,367	170,119	-	619,486
Titanium/nickel Products	-	-	2,886,031	2,886,031
Rutile products, etc.	-	-	583,955	583,955
Others	234,783	16,564	11,468	262,815
	<u>\$ 2,211,390</u>	<u>\$ 191,651</u>	<u>\$ 3,481,454</u>	<u>\$ 5,884,495</u>

25. Net income before tax

Net income before tax includes the following components:

(1) Other income

	2024	2023
Technical service income	\$ 16,000	\$ 10,000
Grant income	3,364	10,552
Rental income	3,853	3,855
Others	6,355	1,483
	<u>\$ 29,572</u>	<u>\$ 25,890</u>

(2) Other gains and losses

	2024	2023
Net foreign exchange gain or loss	\$ 18,719	(\$ 5,611)
Gain (loss) on disposal of property, plant and equipment	(5,499)	10
Net loss on financial assets and liabilities at fair value through profit or loss	(1,341)	(2,959)
Hedging ineffectiveness gains and losses		
The ineffective part of fair value hedging	(148)	1,184
Gain on disposal of subsidiaries	17,839	-
Others	(4,628)	(1,420)
	<u>\$ 24,942</u>	<u>(\$ 8,796)</u>

The above net foreign exchange gains and losses are as follows:

	2024	2023
Total foreign exchange gains	\$ 28,099	\$ 13,419
Total foreign exchange losses	(9,380)	(19,030)
Net gains or losses	<u>\$ 18,719</u>	<u>(\$ 5,611)</u>
(3) Financial costs		
	2024	2023
Interest on bank borrowings	\$ 16,123	\$ 17,779
Interest on silver materials borrowed	2,533	6,020
Interest on the lease liabilities	1,789	1,796
Convertible corporate bond interest	2,005	3,421
Others	<u>143</u>	<u>13</u>
	<u>\$ 22,593</u>	<u>\$ 29,029</u>
(4) Depreciation and amortization		
	2024	2023
Depreciation		
Property, plant and equipment	\$ 81,256	\$ 80,385
Investment properties	9,561	9,330
Right-of-use assets	<u>1,463</u>	<u>1,444</u>
	<u>\$ 92,280</u>	<u>\$ 91,159</u>
Amortization		
Computer software	\$ 1,758	\$ 576
Others	<u>1,060</u>	<u>1,880</u>
	<u>\$ 2,818</u>	<u>\$ 2,456</u>
Depreciation aggregated by function		
Operating cost	\$ 76,766	\$ 76,819
Operating expense	<u>15,514</u>	<u>14,340</u>
	<u>\$ 92,280</u>	<u>\$ 91,159</u>
Amortization aggregated by function		
Operating cost	\$ 1,799	\$ 1,341
Operating expense	<u>1,019</u>	<u>1,114</u>
	<u>\$ 2,818</u>	<u>\$ 2,455</u>

(5) Employee benefit expenses

	2024	2023
Short-term employee benefits		
Salary and wages	\$275,624	\$271,255
Labor and health insurance	27,658	25,717
Others	<u>35,832</u>	<u>27,545</u>
	<u>339,114</u>	<u>324,517</u>
Post-employment benefits(Note 20)		
Defined contribution pension plan	27,973	26,642
Defined benefit plan	(<u>220</u>)	(<u>176</u>)
	<u>27,753</u>	<u>26,466</u>
Termination benefits		
Other employee benefits	<u>11,418</u>	<u>2,140</u>
	<u>\$378,285</u>	<u>\$353,123</u>
Aggregated by function		
Operating cost	\$241,172	\$230,803
Operating expense	<u>137,113</u>	<u>122,320</u>
	<u>\$378,285</u>	<u>\$353,123</u>

The Company offsets the cumulative deficit with the income before tax, less employee remuneration and directors' remuneration, for the year and then distributes no lower than 0.1% of the balance as employee remuneration and no higher than 0.1% of the balance as directors' remuneration. In 2024, the Company made a special reserve and had no earnings available for distribution; therefore, it was not able to provide for employees' and directors' compensation. The estimated 2024 and 2023 employee remuneration and directors' remuneration are as follows:

	2024	2023
Employee remuneration	\$ -	\$ 2,994
Directors' remuneration	-	352

The Company's 2024 and 2023 employee remuneration and directors' remuneration resolved by the Board of Directors in February 2025 and February 2024, respectively (all paid out in cash) are as follows:

	2024	2023
Employee remuneration	\$ -	\$ 2,993
Directors' remuneration	-	352

If there is a change in the amount after the release date of the annual consolidated financial statements are approved, the change will be accounted for as a change in accounting estimate and the adjustment accounted for in the following year.

The amounts of the employee remuneration and directors' remuneration resolved by the Board of Directors in February 2024 and February 2023 were different from those recognized consolidated financial statements. The differences were adjusted for the 2024 and 2023 profit and loss, respectively.

	2023		2022	
	Employee remuneration	Directors' remuneration	Employee remuneration	Directors' remuneration
Amount to be distributed by the resolution of the Board of Directors	<u>\$ 2,993</u>	<u>\$ 352</u>	<u>\$ 6,561</u>	<u>\$ 772</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 2,994</u>	<u>\$ 352</u>	<u>\$ 7,003</u>	<u>\$ 824</u>

For information on the remuneration to employees and directors resolved by the Board of Directors, please visit the Market Observation Post System (MOPS) of Taiwan Stock Exchange.

26. Income tax

(1) Income tax recognized in profit or loss

	2024	2023
Current income tax expenses		
Incurred during this year	\$ 38,037	\$ 38,382
Income tax on unappropriated earnings	-	323
Adjustment to the prior years	(<u>2,008</u>)	<u>4,721</u>
	<u>36,029</u>	<u>43,426</u>
Deferred tax		
Incurred during this year	4,369	1,615
Adjustment to the prior years	<u>-</u>	<u>477</u>
	<u>4,369</u>	<u>2,092</u>
	<u>\$ 40,398</u>	<u>\$ 45,518</u>

The reconciliation of accounting profit and income tax expense is as follows:

	2024	2023
Net income before tax	<u>\$ 132,505</u>	<u>\$ 154,239</u>
Income tax expense calculated based on statutory tax rate for pre-tax income	\$ 38,004	\$ 40,031
Profit or loss recognized for tax	4,402	443
Income tax on unappropriated earnings	-	323
Income tax adjustments in prior years	(<u>2,008</u>)	<u>4,721</u>

		<u>\$ 40,398</u>	<u>\$ 45,518</u>			
(2)	Income tax expense recognized in other comprehensive income					
		<u>2024</u>	<u>2023</u>			
	<u>Deferred tax</u>					
	Remeasurement of defined benefit plans	<u>\$418</u>	<u>\$736</u>			
(3)	Current tax assets					
		<u>December 31, 2024</u>	<u>December 31, 2023</u>			
	Current tax assets					
	Tax refund receivable	<u>\$ -</u>	<u>\$ 35</u>			
	Current tax liabilities					
	Income tax payable	<u>\$10,536</u>	<u>\$16,583</u>			
(4)	Deferred tax assets and liabilities					
	<u>2024</u>					
		Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Foreign currency translation difference	Ending balance
	<u>Deferred tax assets</u>					
	Temporary differences					
	Overseas investment losses recognized using the equity method	\$ 30,039	\$ 138	\$ -	\$ -	\$ 30,177
	Allowance for inventory valuation losses	10,128	3,840	-	-	13,968
	Impairment losses on non-financial assets	323	-	-	-	323
	Unrealized exchange loss	2,106	(2,106)	-	-	-
	Others	570	(362)	-	-	208
		<u>\$ 43,166</u>	<u>\$ 1,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,676</u>
	<u>Deferred tax liabilities</u>					
	Temporary differences					
	Defined benefit pension plan	\$ 3,204	\$ 44	\$ 418	\$ -	\$ 3,666
	Others	489	5,835	-	12	6,336
		<u>\$ 3,693</u>	<u>\$ 5,879</u>	<u>\$ 418</u>	<u>\$ 12</u>	<u>\$ 10,002</u>

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
<u>Deferred tax assets</u>				
Temporary differences				
Loss carryforwards	\$ 5,906	(\$ 5,906)	\$ -	\$ -
Overseas investment losses recognized using the equity method	28,661	1,378	-	30,039
Allowance for inventory valuation losses	9,197	931	-	10,128
Impairment losses on non-financial assets	438	(115)	-	323
Unrealized exchange loss	261	1,845	-	2,106
Others	427	143	-	570
	<u>\$44,890</u>	<u>(\$ 1,724)</u>	<u>\$ -</u>	<u>\$43,166</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit pension plan	\$ 2,177	\$ 291	\$ 736	\$ 3,204
Others	412	77	-	489
	<u>\$ 2,589</u>	<u>\$ 368</u>	<u>\$ 736</u>	<u>\$ 3,693</u>

(5) Items not recognized in deferred tax assets in the consolidated balance sheets

	December 31, 2024	December 31, 2023
Amount of subsidiaries' loss carryforwards	\$ -	\$ 6,782

(6) Income tax return approval

The Company's profit-seeking enterprise income tax returns filed up to 2022 have been approved by the tax authority.

27. Earnings Per Share

The net income (attributable to the owners of the Company) and weighted average number of ordinary shares used to calculate earnings per share are as follows:

	2024	2023 (After Restatement)
Profit for the period attributable to owners of the Company	\$ 49,785	\$ 39,568
Profit for the period attributable to former owner of business combination under common control	<u>19,474</u>	<u>48,408</u>
Earnings used in the computation of basic earnings per share	69,259	87,976

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	<u>2024</u>	<u>2023 (After Restatement)</u>
Effect of potentially dilutive ordinary shares		
Interest and valuation on convertible bonds (after tax)	\$ -	\$ 3,269
Earnings used in the computation of diluted earnings per share	<u>\$69,259</u>	<u>\$91,245</u>

Number of shares

Unit: In thousands of shares

	<u>2024</u>	<u>2023 (After Restatement)</u>
Weighted average number of ordinary shares used to calculate the basic earnings per share	104,456	100,970
Influence of potential common stock with dilutive effect:		
Employee remuneration	10	116
convertible bonds	<u>-</u>	<u>5,205</u>
Weighted average number of ordinary shares used to calculate the diluted earnings per share	<u>104,466</u>	<u>106,291</u>

The share swap with OmniGains under the share swap agreement was treated as a restructuring of the organization under common control. In calculating the earnings per share for the comparative period, the Company retroactively adjusted the weighted-average number of shares outstanding based on the share swap ratio agreed upon in the share swap agreement.

If the Company may elect to pay employee remuneration in stock or cash, when diluted earnings per share are calculated, it is assumed that employee remuneration will be paid out in stock, and when the ordinary shares are potentially dilutive, they will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilution effect of these potential ordinary shares will also continue to be considered when the diluted earnings per share is calculated before the following year's shareholders' meeting resolves a decision on the number of shares distributed for employee remuneration.

28. Government grants

Since subsidiaries, Taicang TCMC and TUMC have been officially put into production. As per the investment agreements, government grants of NT\$3,802 thousand and NT\$5,420 thousand (787 thousand RMB and 1,122 thousand RMB), respectively, totaling NT\$9,222 thousand, related to the costs of plant construction in July 2013, was obtained. The amounts were reclassified to profit or loss during the useful lives of the relevant assets. However, the Company sold the entire equity in its subsidiary, Taicang TCMC and TUMC, on March 2019 and November 2024, respectively, so the long-term unearned revenue of NT\$4,554 thousand and \$2,709 thousand were recognized, respectively. As of December 31, 2024 and 2023, the balances that have not been reclassified to profit or loss were NT\$0 thousand and NT\$2,676 thousand, which were included in long-term unearned revenue. The revenue generated during 2024 and 2023 was NT\$46 thousand and NT\$70 thousand, respectively, which were recognized in other income.

29. Disposal of subsidiaries

TTGL, a subsidiary of the Group, disposed of the entire shareholding of Taicang TCMC to unrelated parties in November 2024, a transaction that resulted in TTGL losing control over the company.

(1) Consideration transferred

	Taicang TCMC
Cash	<u>\$ 26,916</u>

(2) Analysis of assets and liabilities on the date control was lost

	Taicang TCMC
Current assets	
Cash and cash equivalents	\$ 19,729
Accounts receivable	51,567
Inventory	4,847
Prepayments	45
Other current assets	9
Non-current assets	
Property, plant and equipment	35,748
Right-of-use assets	12,828
Current liabilities	
Short-term borrowings	(26,916)
Accounts payable	(86,071)
Non-current liabilities	
Long-term unearned revenue	(<u>2,709</u>)
	<u>\$ 9,077</u>

(3) Gain on disposal of subsidiaries

	Taicang TCMC
Consideration received	\$ 26,916
Net assets disposal of subsidiaries	<u>9,077</u>
Gain on disposal	<u>\$ 17,839</u>

(4) Net cash inflow on disposal of subsidiary

	Taicang TCMC
Consideration received in cash and cash equivalents	\$ 26,916
Less: Cash and cash equivalent balance disposal of subsidiaries	<u>19,729</u>
	<u>\$ 7,187</u>

30. Capital risk management

The Group engages in capital management to ensure that it can maximize shareholder returns by optimizing debt and equity balances while continuing to operate. The Group's capital structure consists of net liability and equity and is not subject to other external requirements for capital.

31. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

The Management Team of Group believe that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximated their fair values.

(2) Fair value information - financial instruments measured at fair value on a recurring basis

I. Fair value hierarchy

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets at fair value through profit or loss				
Domestic emerging market shares	\$ -	\$ -	\$ 6,165	\$ 6,165
Mutual funds	-	-	12,415	12,415
	<u>\$ -</u>	<u>\$ -</u>	<u>\$18,580</u>	<u>\$18,580</u>
Financial assets at fair value through other comprehensive income				
Domestic emerging market shares	\$ -	\$ -	\$ 29,679	\$ 29,679
Domestic unlisted stocks	-	-	1,579	1,579
	<u>\$ -</u>	<u>\$ -</u>	<u>\$31,258</u>	<u>\$31,258</u>
Financial liabilities at fair value through profit or loss				
Forward exchange agreements	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 30</u>

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December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Forward exchange agreements	\$ -	\$ 214	\$ -	\$ 214
Emerging market shares	-	-	6,942	6,942
Convertible bonds call options and put options, net	-	-	80	80
	<u>\$ -</u>	<u>\$ 214</u>	<u>\$ 7,022</u>	<u>\$ 7,236</u>
Financial assets for hedging				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 14,007</u>	<u>\$ -</u>	<u>\$ 14,007</u>
Financial assets at fair value through other comprehensive income				
Domestic emerging market shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,422</u>	<u>\$ 33,422</u>

There were no transfers between Level 1 and Level 2 fair values during the years ended December 31, 2024 and 2023.

II. Reconciliation of financial instruments measured at fair value in Level 3

	Financial assets at fair value through profit or loss	
Financial assets	2024	2023
Opening balance	\$ 6,942	\$ -
Additions	12,840	10,000
Recognized in profit or loss	(1,202)	(3,058)
Ending balance	<u>\$ 18,580</u>	<u>\$ 6,942</u>
	Financial assets at fair value through other comprehensive income	
Financial assets	2024	2023
Opening balance	\$ 33,422	\$ 31,727
Additions	6,000	-
Recognized in other comprehensive income	(8,164)	1,695
Ending balance	<u>\$ 31,258</u>	<u>\$ 33,422</u>

	Financial liability (Assets) at fair value through profit or loss	
	Convertible bonds call options and put options, net	
Financial assets	2024	2023
Opening balance	(\$ 80)	\$ -
Additions	-	585
Conversion	461	
Recognized in profit or loss (Other gains and losses)	(381)	(665)
Ending balance	<u>\$ -</u>	<u>(\$ 80)</u>

III. Valuation techniques and inputs for Level 2 fair value measurement

Types of financial instruments	Valuation techniques and inputs
Derivatives - forward exchange agreements	The Company estimated the future cash flow based on the observable forward exchange rates and the exchange rates specified in the agreements at the end of the period and discounted each of them at a discount rate that could reflect each counterparty's credit risk. The estimates and assumptions adopted in the valuation are consistent with the information adopted by market participants for estimation and assumption when they priced financial instruments.

IV. Valuation techniques and inputs for Level 3 fair value measurement

Derivative financial instruments - convertible bonds were determined using the binomial option pricing model, where the unobservable input is stock market volatility, risk-free interest rate, discount rate and liquidity risk.

For market shares of emerging stock board company, fair values were estimated on the basis of the closing price and the liquidity discount on the balance sheet date.

The fair values of unlisted stocks was estimated by reference to the net worth of the Company.

The fair value of the beneficiary certificates was estimated by reference to the net worth of the Company.

(3) Types of financial instruments

Financial assets	December 31, 2024	December 31, 2023
At fair value through profit or loss - mandatorily at fair value through profit or loss	\$ 18,580	\$ 7,236
Financial assets for hedging	-	14,007
Financial assets at amortized cost (Note 1)	1,655,047	2,339,044

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	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial assets at fair value through other comprehensive income - investment in equity instruments	\$ 31,258	\$ 33,422
Financial liabilities		
At fair value through profit or loss - held for trading	30	-
Financial liabilities for hedging	169,085	81,032
At amortized cost (Note 2)	1,406,077	1,909,859

Note 1: The balance includes cash and cash equivalents, notes receivable, accounts receivable, net, other receivables, other financial assets (current and non-current), and guarantee deposits paid.

Note 2: The balance represents financial liabilities at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, current portion of long-term liabilities, bonds payable, long-term bank borrowings and guarantee deposits received. This balance includes the balance of the related liabilities transferred to the disposal group held for sale.

(4) Purpose and policy of financial risk management

The Group's main financial instruments include notes receivable, accounts receivable, net, short-term and long-term borrowings, accounts payable, bonds payable, and lease liabilities. The Group's Management Department provides services to each business unit, coordinates the operations of investments in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations by analyzing the internal risk reports on the exposure as per the breadth and depth of risks. Such risks include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group adopts derivatives to avoid risk of exposure, thereby reducing the impact of these risks. The trading of derivatives is regulated by the policies approved by the Group's Board of Directors; such policies are the written principles to regulate exchange rate risk, interest rate risk, credit risk, trading of derivatives and non-derivatives, and investment with surplus liquidity. Internal auditors continue to review the compliance with the policies and the amounts exposed to such risks. The Group does not trade financial instruments (including derivatives) for speculative purposes.

Market risk

I. Exchange rate risk

The Group's silver material transactions are all denominated in non-functional currency (USD). In addition, part of the income from processing services is traded in a non-functional currency, which has resulted in exchange rate fluctuation risk. The Group has adopted derivatives, such as forward

foreign exchange agreements and purchase of foreign currency deposits to reduce the exchange rate risk.

Please refer to Note 35 for the carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date.

The Group is mainly affected by the exchange rate fluctuations of the USD, RMB, and JPY. The table below details the Company's sensitivity analysis when the exchange rate of the Group's functional currency against the USD, RMB, and JPY increased and decreased by 1%. One percent is the sensitivity rate used in reporting the exchange rate risk to the key management team within the Group and represents the management's assessment of the reasonable range of potential changes in foreign-currency exchange rates. The sensitivity analysis only included monetary items in foreign currencies in circulation. The table below shows the influence on profit and loss before tax when the Group's functional currency depreciated by 1% against the USD, RMB, and JPY:

	2024	2023
USD	<u>\$ 1,354</u>	<u>\$ 2,510</u>
RMB	<u>\$ 136</u>	<u>\$ 584</u>
JPY	<u>\$ 104</u>	<u>\$ 124</u>

Note: It is mainly due to the USD, RMB, and JPY including cash and cash equivalents, accounts receivable, other receivables, guarantee deposits paid, other financial assets - current, accounts payable and other payable still in circulation on the balance sheet date, the cash flows of which have not been hedged.

The management believes that sensitivity analysis cannot represent the inherent exchange rate risk as foreign currency exposures on the balance sheet date cannot reflect the interim exposures. Sales denominated in USD will vary with clients' orders and spot prices.

II. Exchange rate risk

Interest rate exposures arise when the Group borrows funds at both fixed and floating interest rates. The Group diversifies the risk of interest rate changes by maintaining an appropriate combination of fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial liabilities	\$108,542	\$298,718
Cash flow interest rate risk		
Financial assets	326,992	401,689
Financial liabilities	709,934	544,869

The following sensitivity analyses are based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. For liabilities at floating rates, the analysis is based on the assumption that the amounts of the liabilities outstanding at the balance sheet date were all outstanding throughout the reporting period. An increase or decrease in interest rates by 1% is the sensitivity rate adopted in reporting the interest rate

risk to the key management team within the Group and represents the management's assessment of the reasonable range of potential changes in interest rates.

If the interest rate decreased/increased by 1%, with all other variables remaining unchanged, the Group's net income before tax for 2024 and 2023 would have decreased/increased by NT\$7,099 thousands and NT\$5,449 thousands, respectively.

(5) Other price risks

The Group signed precious metal borrowing contracts with suppliers with the prices being the quotes in the international precious metal market, plus a certain percentage of profit margin. To manage the inventory exposed to the risk of precious metals prices, the Group adopts the international precious metal borrowing contracts in the same category and quantity as the fair value risk hedging instrument for the precious metal price risk component contained in the inventory. As per the historical experience, the movements in the fair values of the designated precious metal price risk components cover the movements in prices of the overall contracts on average, so the market price risk is not significant.

Hedge accounting

The Group entered into fair value hedges by engaging in precious metal borrowing contracts to mitigate the risk of changes in fair value of financial liabilities due to fluctuations in international precious metal prices, and by engaging in precious metal futures contracts to hedge the risk of changes in price of inventories. The fair value of precious metal borrowing transactions at the balance sheet date is estimated based on the market price of precious metals. The fair value of precious metal futures transactions at the balance sheet date is estimated by holding the spot position of the underlying derivatives.

The above precious metal borrowing transactions and precious metals futures contracts matched the terms of financial liabilities. As per the Group's qualitative assessment, precious metal borrowing transactions and precious metals futures contracts and the values of hedged financial items will change in reverse in a systematic manner due to the movements in the hedged international precious metal prices. The hedge ineffectiveness mainly comes from the influence of the credit risk between the Group and the counterparties on the fair values of the precious metal borrowing transactions. The credit risk will not affect the hedged items due to the movements in the fair values of the international precious metal prices. No other sources of hedge ineffectiveness appeared during the hedge period.

The information on the hedging of the risk from the movements in the international precious metal prices exposed to the Group is aggregated as follows:

December 31, 2024

Hedging instruments	Contract amount	Due period	Balance sheet line items	Carrying amount	Movements in the fair values of hedging instruments used to evaluate the hedge ineffectiveness
				Asset/Liability	for the year
Fair value hedge					
Precious metal borrowing contracts	\$186,744		Financial liabilities for hedging	\$169,085	\$ 17,659
Sell futures contracts-Silver	342,394	2024.03~ 2024.12	Financial Assets for hedging	-	(199)

	Carrying amount	Cumulative fair value adjustments	Movements in the fair values of hedged items used to evaluate the hedge ineffectiveness for the year
Hedged items	Assets	Assets	
Fair value hedge			
Inventory - Borrowing materials for hedging	<u>\$169,085</u>	<u>(\$ 17,659)</u>	<u>(\$ 17,659)</u>

December 31, 2023

Hedging instruments	Contract amount	Due period	Balance sheet line items	Carrying amount Asset/Liability	Movements in the fair values of hedging instruments used to evaluate the hedge ineffectiveness for the year
Fair value hedge					
Precious metal borrowing contracts	\$ 81,032	-	Financial liabilities for hedging	\$ 81,032	\$ -
Sell futures contracts-Silver	67,944	2024.01	Financial Assets for hedging	14,007	(155)
Sell futures contracts-Silver	67,732	2023.11	Financial Assets for hedging	-	1,236

	Carrying amount	Cumulative fair value adjustments	Movements in the fair values of hedged items used to evaluate the hedge ineffectiveness for the year
Hedged items	Assets	Assets	
Fair value hedge			
Inventory - Borrowing materials for hedging	\$ 81,032	\$ -	\$ -
Inventory - futures contracts	<u>80,570</u>	<u>103</u>	<u>103</u>
	<u>\$161,602</u>	<u>\$ 103</u>	<u>\$ 103</u>

(6) Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk of financial loss due to non-performance by counterparties is from the carrying amounts of financial assets recognized in consolidated balance sheets.

Except for a small number of clients whose accounts receivable and overdue receivable were estimated to be irrecoverable with significant credit risks and an allowance for such losses already provide, the Group's clients are all companies with good credit ratings. The business unit grants each of such clients a credit line based on the credit investigation results and regularly tracks their payment status; thus, no significant credit risk is expected.

The Group's receivables are significantly concentrated in certain clients, most of whom engage in similar business activities with similar economic characteristics, and their ability to perform contracts is also similarly influenced by their financial positions or other conditions, so significant credit risk concentration exists. The balance of accounts receivable from clients, on which the credit risk is significantly concentrated, (accounting for 10% or more of the balance of notes receivable, accounts receivable, and other receivables) is as follows:

Name of client	December 31, 2024	December 31, 2023
Company A	\$118,326	\$113,256
Company B	-	189,529
	<u>\$118,326</u>	<u>\$302,785</u>

(7) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support the operations and signs loan contracts with financial institutions to maintain an appropriate amount required for business operations. As the Group's equity in the capital structure is much greater than its liabilities, and remaining amount of bank loans is sufficient. As of December 31, 2024 and 2023, the Group's unused bank financing facilities were NT\$4,001,717 thousand and NT\$3,151,556 thousand, respectively. Thus, no liquidity risk was posed to the Company.

The table below lists the analysis of the Group's financial liabilities during the agreed repayment period based on the maturity dates and the undiscounted principal amounts:

	Less than 1 year	1 to 5 years	5 years or above	Total
<u>December 31, 2024</u>				
Short-term Borrowings	\$ 209,952	\$ -	\$ -	\$ 209,952
Financial liabilities for hedging - current	169,085	-	-	169,085
Payable	588,112	-	-	588,112
Lease liabilities	7,556	30,226	85,639	123,421
Other payables	106,265	-	-	106,265
long-term bank borrowings	<u>50,781</u>	<u>439,453</u>	<u>41,797</u>	<u>532,031</u>
	<u>\$1,131,751</u>	<u>\$ 469,679</u>	<u>\$ 127,436</u>	<u>\$1,728,866</u>
<u>December 31, 2023</u>				
Short-term Borrowings	\$ 549,252	\$ -	\$ -	\$ 549,252
Financial liabilities for hedging - current	81,032	-	-	81,032
Payable	1,068,678	-	-	1,068,678
Lease liabilities	7,375	28,771	88,711	124,857
Bonds payable	-	199,900	-	199,900
Other payables	<u>105,892</u>	<u>-</u>	<u>-</u>	<u>105,892</u>
	<u>\$1,812,229</u>	<u>\$ 228,671</u>	<u>\$ 88,711</u>	<u>\$2,129,611</u>

Further information on maturity analysis of lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	20 years or above
December 31, 2024						
Lease liabilities	<u>\$ 7,556</u>	<u>\$ 30,226</u>	<u>\$ 30,226</u>	<u>\$ 30,226</u>	<u>\$ 25,187</u>	<u>\$ -</u>
December 31, 2023						
Lease liabilities	<u>\$ 7,375</u>	<u>\$ 28,771</u>	<u>\$ 28,771</u>	<u>\$ 28,771</u>	<u>\$ 28,771</u>	<u>\$ 2,398</u>

(8) Financial Asset Transfer Information

The subsidiary, CSPM, entered into a contract for discounting notes receivable with a bank. According to the contract, if the bank acceptance receivable is uncollectible upon maturity, the transferee has the right to demand the subsidiary, CSPM, to pay the outstanding balance. Therefore, CSPM did not transfer the material risks and rewards of the bankers' acceptance receivables and continued to recognize all bankers' acceptance receivables and used the transferred bankers' acceptance receivables as collaterals for its borrowings, as described in Note 33.

As of December 31, 2023 and 2024, the carrying amounts of the un-derecognized transferred bank acceptance receivables were \$194,934 thousand and \$413,977 thousand, respectively, and the carrying amounts of the related liabilities were \$194,934 thousand and \$413,977 thousand, respectively.

32. Related Party Transactions

Except for those disclosed in other notes, transactions between the Group and related parties are as follows.

(1) Name of related party and relations therewith

Name of related party	Relations with the Group
China Steel Corporation (CSC)	Ultimate parent company
Gains Investment Corporation	Parent company
C.S. Aluminium Corporation (CSAC)	Sister company
Ever Wealthy International	Sister company
China Steel Chemical Corporation	Sister company
CSC Solar Corporation	Sister company
CSGT Japan Co., Ltd. (CSGT Japan)	Sister company
China Steel Global Trading Corporation (CSGT)	Sister company
China Steel Security Corporation	Sister company
Dragon Steel Corporation	Sister company
Chung Hung Steel Corporation	Sister company
CHC Resources Corporation	Sister company
Steel Castle Technology Corporation	Sister company
Sing Da Marine Structure Corporation	Sister company
Mentor Consulting Corporation	Sister company
Changzhou China Steel New Materials Technology Co., Ltd.(CSNM)	Sister company

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Name of related party	Relations with the Group
Changshu Walsin Specialty Steel Co., Ltd.	Enterprises with significant influence over subsidiaries
Yantai Walsin Stainless Steel Co., Ltd.	Enterprises with significant influence over subsidiaries
United Renewable Energy Co., Ltd.	A director of the Company

(2) Operating revenue

Account	Category of related party	2024	2023
Sales revenue	Enterprises with significant influence over subsidiaries	\$ 32,576	\$ 9,161
	Ultimate parent company	2,684	2,345
	Sister company	<u>18,920</u>	<u>10,992</u>
		<u>\$ 54,180</u>	<u>\$ 22,498</u>

There is no similar transaction available to be used to compare with the sales revenue from part of the sales to the ultimate parent company, and there is no significant difference in the selling prices and payment terms between the transactions with the ultimate parent company and non-related parties.

(3) Purchases

Category of related party	2024	2023
Sister company	\$ 147	\$ -
Ultimate parent company	<u>2,204</u>	<u>2,520</u>
	<u>\$ 2,351</u>	<u>\$ 2,520</u>

Regarding purchases from related parties, the transaction prices cannot be compared because the same products were not purchased from a non-related party, and the payment terms are not significantly different from those for general suppliers. Payments are made in 30 to 60 days at the end of each month.

(4) Other related party transactions

	2024	2023
Processing fees		
Sister company		
CSAC	\$ 39,402	\$ 31,266
Ultimate parent company	<u>-</u>	<u>76</u>
	<u>\$ 39,402</u>	<u>\$ 31,342</u>

The Company pays processing fees to the above related parties. As no non-related party was not entrusted to provide similar product processing services, the transaction prices could not be compared. The payment terms are 30 to 60 days at the end of each month for the above related parties and 60 to 90 days at the end of each month for the non-related parties.

	2024	2023
Research and professional services fees		
Ultimate parent company	<u>\$ 2,020</u>	<u>\$ 1,660</u>
Security fees		
Sister company	<u>\$ 2,264</u>	<u>\$ 2,169</u>
Corporate Consultancy Fee		
Ultimate parent company	\$ 6,175	\$ -
Sister company	<u>317</u>	<u>-</u>
	<u>\$ 6,492</u>	<u>\$ -</u>
Technical service income		
Ultimate parent company		
CSC	<u>\$16,000</u>	<u>\$10,000</u>
Rental income		
Sister company	<u>\$ 3,734</u>	<u>\$ 3,685</u>
(5) Ending balance		
	December 31, 2024	December 31, 2023
Accounts receivable		
Enterprises with significant influence over subsidiaries	\$ 1,148	\$ -
Sister company	5,597	10,699
Ultimate parent company	<u>2,245</u>	<u>-</u>
	<u>\$ 8,972</u>	<u>\$10,699</u>
Other receivables		
Sister company	<u>\$ 174</u>	<u>\$ 178</u>
Rent received in advance (Recorded as unearned receipts)		
Sister company		
CSNM	<u>\$ 3,754</u>	<u>\$ 3,627</u>
Prepayments		
Ultimate parent company	<u>\$ -</u>	<u>\$ 294</u>
Guarantee deposits paid		
Sister company		
CSGT Japan	<u>\$ 3,086</u>	<u>\$ 3,193</u>

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	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other payables		
Sister company	\$ 6,630	\$ 4,152
Ultimate parent company	3,350	882
Parent company	-	186
A director of the Company	<u>-</u>	<u>93</u>
	<u>\$ 9,981</u>	<u>\$ 5,313</u>

(6) Remuneration to key management personnel

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 11,717	\$ 11,386
Post-employment benefits	<u>280</u>	<u>286</u>
	<u>\$ 11,997</u>	<u>\$ 11,672</u>

33. Pledged Assets

The Group has provided the assets below as collateral for the bank borrowing facilities, borrowings drawn, dormitory leased from the Southern Taiwan Science Park Bureau, customs import and discounted notes receivable:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$194,934	\$413,977
Buildings	111,466	117,916
Pledged time deposits (recognized in other financial assets - current)	<u>-</u>	<u>21,090</u>
	<u>\$306,400</u>	<u>\$552,983</u>

34. Material Contingencies and Unrecognized Contractual Commitments

- (1) As of December 31, 2024, to purchase raw materials, the Company guaranteed the amount of NT\$402,662 thousand from financial institutions.
- (2) As of December 31, 2024, the company signed a contract to purchase property, plant and equipment, and the outstanding amount was NT\$15,126 thousand.

35. Information on Foreign Currency Assets and Liabilities with Significant Effect

The information below is aggregated and presented in foreign currencies other than the Group's functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The information on foreign currency assets and liabilities with significant effect is as follows:

Unit: In thousands in each foreign currency / exchange rate

	Foreign currency		Exchange rate	Carrying amount
December 31, 2024				
Foreign currency assets under monetary items				
USD	\$ 3,271	32.785	(USD: NTD)	\$ 107,254
USD	871	7.3206	(USD: RMB)	28,536
RMB	3,047	4.478	(RMB: NTD)	13,645
JPY	49,319	0.2099	(JPY: NTD)	10,352
Foreign currency liabilities under monetary items				
USD	7	32.785	(USD: NTD)	228
USD	4	7.3206	(USD: RMB)	144
December 31, 2023				
Foreign currency assets under monetary items				
USD	7,636	30.705	(USD: NTD)	234,456
USD	551	7.0972	(USD: RMB)	16,928
RMB	13,486	4.327	(RMB: NTD)	58,355
JPY	57,004	0.2172	(JPY: NTD)	12,381
Foreign currency liabilities under monetary items				
USD	7	30.705	(USD: NTD)	225
USD	4	7.0972	(USD: RMB)	128

The Group's net foreign exchange gain or loss for 2024 and 2023 was a gain of NT\$18,719 thousand and a loss of NT\$5,611 thousand, respectively. Due to the wide variety of foreign currencies used in transactions, it is impossible to disclose the exchange gains and losses by foreign currencies with significant influence.

36. Business combinations under common control

In order to strengthen the Group's operational integration and resource consolidation, the Company's shareholders' meeting in June 2023 resolved to acquire 70% of the shares of China Steel Precision Materials Limited, a subsidiary of China Steel, through a share swap and for cash consideration. The Company issued 27,471 thousand shares of common stock to OmniGains in exchange for 1.18571427 shares of the Company's common stock for every 1 share of OmniGains' common stock, and indirectly acquired 35% of the shares of CSC Precision Materials. In addition, the Company acquired a 35% stake in CSPM from China Steel Asia Pacific Holdings Pte. Ltd., a subsidiary of CSC, for US\$23,168 thousand. Since the above transaction was a restructuring of the organization under common control, it should be regarded as a merger from the beginning and the comparative financial statements should be restated retroactively.

(1) Subsidiaries acquired

			Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
CSPM	Nature of business	Date of Acquisition		
	Production and sale of titanium and titanium alloys, nickel and nickel alloys	May 16, 2024	70	<u>\$1,035,339</u>

(2) Consideration transferred

	CSPM
Cash	\$ 760,628
Equity instruments issued	<u>274,711</u>
	<u>\$1,035,339</u>

(3) Net assets at acquisition date

	CSPM
Current assets	
Cash and cash equivalents	\$ 526,946
Notes receivable, accounts receivables and other receivables	963,091
Inventory	1,030,187
Other current assets	34,939
Non-current assets	
Property, plant and equipment	369,490
Right-of-use assets	95,237
Investment properties	19,223
Intangible assets	985
Other non-current assets	14,321
Current liabilities	
Short-term borrowings	(298,621)
Notes payable ,accounts payable and Other payables	(881,976)
Current tax liabilities	(1,447)
Other current liabilities	(73,026)
Non-current liabilities	
Lease liabilities - non-current	(58,510)
Other non-current liabilities	(<u>14,428</u>)
	<u>\$1,726,411</u>

(4) Effect of business combination of companies under common control

	CSPM
Consideration transferred	\$1,035,339
Plus: restructuring of the organization under common control - capital surplus	327,538
Plus: Non-controlling Interests	517,923
Less: Exchange differences arising from the translation of the financial statements of foreign operations	(154,389)
Less: Book value of identifiable net assets acquired	(1,726,411)
	<u>\$ -</u>

The Company pays the difference between the consideration transferred and the carrying amount, adjusting the capital surplus generated from the issue premium.

(5) Effect of retrospective restatements on the 2023 financial statements

December 31, 2023 Consolidated Balance Sheets

	Before Restatement	Impact of Restatement	After Restatement
Current assets	\$ 1,306,743	\$ 2,786,958	\$ 4,093,701
Non-current assets	<u>516,697</u>	<u>499,080</u>	<u>1,015,777</u>
Total assets	<u>\$ 1,823,440</u>	<u>\$ 3,286,038</u>	<u>\$ 5,109,478</u>
Current liabilities	\$ 328,370	\$ 1,585,218	\$ 1,913,588
Non-current liabilities	<u>299,416</u>	<u>63,548</u>	<u>362,964</u>
Total liabilities	<u>\$ 627,786</u>	<u>\$ 1,648,766</u>	<u>\$ 2,276,552</u>
Total equity	<u>\$ 1,195,654</u>	<u>\$ 1,637,272</u>	<u>\$ 2,832,926</u>

For the Years Ended December 31, 2023, Consolidated Statements of Comprehensive Income

	Before Restatement	Impact of Restatement	After Restatement
Net income	<u>\$ 39,568</u>	<u>\$ 69,153</u>	<u>\$ 108,721</u>
Total comprehensive income	<u>\$ 47,585</u>	<u>\$ 35,551</u>	<u>\$ 83,136</u>

37. Additional Disclosures

(1) Information on material transactions and (2) information on investees of 2024:

- I. Loans to others. (Table 1)
- II. Endorsements/Guarantees to others. (Table 2)
- III. Marketable securities held (investments in subsidiaries and affiliates are not included). (Table 3)
- IV. Securities acquired or sold at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 4)
- V. Acquisition of individual property at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- VI. Disposal of individual property at costs of at least NT\$300 million or 20% of the paid-in capital. (None)

- VII. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- VIII. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- IX. Derivatives trading. (Note 7 and 31)
- X. Other: Business relations and important transactions between parent company and subsidiaries and among subsidiaries and amounts (Table 5)
- XI. Information on investees. (Table 6)
- (3) Information on investment in Mainland China
 - I. Information on investees in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, profit or loss and investment income or loss recognized for this year, book value of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
 - II. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third region, and the price:
 - (I) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period: (None)
 - (II) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the year: Table 5
 - (III) The amount of property transactions and the amount of the resulting gains or losses. (None)
 - (IV) The balance of negotiable instrument endorsements or guarantees or collateral pledged at the end of the period and the purposes. (Table 2)
 - (V) The highest balance, the closing balance, the interest rate range, and total current-period interest with respect to financing of funds. (Table 1)
 - (VI) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of labor services. (None)
- (4) Information on major shareholders: The name of shareholders, each holding 5% or more of total shares, and the number and percentage of shares held. (Table 8)

38. Additional Disclosures

Segment Information

The Group's information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided. The Group's reportable operating segments are as follows:

- ThinTech Materials Technology Co., Ltd.

Mainly engaging in the processing and sales of various thin film sputtering targets and precious metals, as well as trading of general metals.

- Taicang TCMC, Ltd.

Mainly engaging in the manufacturing and sales of metal targets.

- Changzhou CSPM, Ltd.

Production and sale of titanium and titanium alloys, nickel and nickel alloys

- Others - The subsidiaries of the consolidated entity are the operating segments. Please refer to Note 12. All the operating segments have not reached the quantitative threshold.

(1) Segment revenue and operating performance

The Group's segment revenue and operating performance are as follows:

	The Company	Taicang TCMC	CSPM	Other	Adjustments and write-offs	Consolidation
2024						
Revenue from clients other than the parent company and subsidiaries	\$ 2,695,837	\$ 139,498	\$ 2,430,746	\$ -	\$ -	\$ 5,266,081
Revenue from the parent company and subsidiaries	<u>5,474</u>	<u>18,527</u>	<u>57,400</u>	<u>-</u>	<u>(81,401)</u>	<u>-</u>
Total revenue	<u>\$ 2,701,311</u>	<u>\$ 158,025</u>	<u>\$ 2,488,146</u>	<u>\$ -</u>	<u>(\$ 81,401)</u>	<u>\$ 5,266,081</u>
Profit of segments	\$ 34,380	(\$ 45,072)	\$ 97,900	\$ -	\$ 2,577	\$ 89,785
Interest income	3,063	161	7,038	66	(103)	10,225
Financial costs	(13,146)	(4,552)	(4,998)	-	103	(22,593)
Share of profit on subsidiaries and affiliates using the equity method	19,360	-	-	26,683	(45,469)	574
Other non-operating income and expenses	<u>41,532</u>	<u>20,028</u>	<u>(494)</u>	<u>(43)</u>	<u>(6,509)</u>	<u>54,514</u>
Net income before tax	85,189	(29,435)	99,446	26,706	(49,401)	132,505
Income tax expense	<u>15,930</u>	<u>-</u>	<u>23,209</u>	<u>1,259</u>	<u>-</u>	<u>40,398</u>
Net income for the period	<u>\$ 69,259</u>	<u>(\$ 29,435)</u>	<u>\$ 76,237</u>	<u>\$ 25,447</u>	<u>(\$ 49,401)</u>	<u>\$ 92,107</u>
2023						
Revenue from clients other than the parent company and subsidiaries	\$ 2,211,390	\$ 191,651	\$ 3,481,454	\$ -	\$ -	\$ 5,884,495
Revenue from the parent company and subsidiaries	<u>9,700</u>	<u>13,315</u>	<u>32,272</u>	<u>-</u>	<u>(55,287)</u>	<u>-</u>
Total revenue	<u>\$ 2,221,090</u>	<u>\$ 204,966</u>	<u>\$ 3,513,726</u>	<u>\$ -</u>	<u>(\$ 55,287)</u>	<u>\$ 5,884,495</u>
Profit of segments	\$ 48,868	(\$ 1,122)	\$ 107,185	\$ -	\$ 307	\$ 155,238
Interest income	6,024	250	4,409	-	(798)	9,885
Financial costs	(11,552)	(6,242)	(12,033)	-	798	(29,029)
Share of profit on subsidiaries and affiliates using the equity method	42,570	-	-	7,321	(48,840)	1,051
Other non-operating income and expenses	<u>13,580</u>	<u>225</u>	<u>3,595</u>	<u>-</u>	<u>(306)</u>	<u>17,094</u>
Net income before tax	99,490	(6,889)	103,156	7,321	(48,839)	154,239
Income tax expense	<u>11,514</u>	<u>-</u>	<u>34,004</u>	<u>-</u>	<u>-</u>	<u>45,518</u>
Net income for the period	<u>\$ 87,976</u>	<u>(\$ 6,889)</u>	<u>\$ 69,152</u>	<u>\$ 7,321</u>	<u>(\$ 48,839)</u>	<u>\$ 108,721</u>

Profit (loss) of segments refers to the profit earned by each segment, excluding the apportioned headquarters management costs and directors' remuneration, interest income, gains or losses on disposal of property, plant and equipment, foreign currency exchange gains or losses, financial instrument valuation gains or losses, financial costs, and income tax expenses. This amount measured is provided to the chief operating decision-maker for allocation of resources to segments and measurement of their performance.

(2) Total segment assets and liabilities

	December 31, 2024	December 31, 2023 (After Restatement)
Segment assets		
Continuing operations		
The Company	\$ 2,798,149	\$ 2,820,740
Taicang TCMC	-	213,757
CSPM	2,706,094	3,297,198
Other	645,833	573,046
Adjustments and write-offs	(1,874,191)	(1,795,263)
Total consolidated assets	<u>\$ 4,275,885</u>	<u>\$ 5,109,478</u>
Segment liabilities		
Continuing operations		
The Company	\$ 960,957	\$ 478,995
Taicang TCMC	-	159,298
CSPM	970,874	1,659,928
Adjustments and write-offs	(13,704)	(21,669)
Total consolidated liabilities	<u>\$ 1,918,127</u>	<u>\$ 2,276,552</u>

(3) Other segment information

Other information reviewed by the chief operating decision-maker or regularly provided to the chief operating decision-maker:

	The Company	Taicang TCMC	CSPM	Total
2024				
Recognized in profit or loss of segments				
Depreciation and amortization	<u>\$ 32,187</u>	<u>\$ 7,071</u>	<u>\$ 55,840</u>	<u>\$ 95,098</u>
2023				
Recognized in profit or loss of segments				
Depreciation and amortization	<u>\$ 28,147</u>	<u>\$ 9,572</u>	<u>\$ 55,896</u>	<u>\$ 93,615</u>

(4) Revenue from main products and services

The Group's revenue from main products and services is as follows:

	2024	2023
Production and sales revenue		
Precious metals	\$2,007,362	\$1,532,208
Sputtering targets	571,156	619,486
Titanium/nickel Products	1,815,522	2,886,031
Rutile products, etc.	604,707	583,955
Others	267,334	262,815
	<u>\$5,266,081</u>	<u>\$5,884,495</u>

(5) Information by region

The Group mainly operates business in Taiwan and Asia.

The Group's operating revenue from external clients is classified based on the countries where they are located, and the information on the non-current assets classified by location is as follows:

	Revenue from external clients		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Taiwan	\$ 2,581,385	\$ 2,141,982	\$ 326,858	\$ 328,119
Asia	2,633,918	3,698,997	484,221	557,173
The Americas	39,616	24,711	-	-
Europe	11,162	18,805	-	-
	<u>\$ 5,266,081</u>	<u>\$ 5,884,495</u>	<u>\$ 811,079</u>	<u>\$ 885,292</u>

Non-current assets exclude financial assets, investments using the equity method, net defined benefit assets, guarantee deposits paid, and deferred tax assets.

(6) Information on main clients

The clients, each of whom contributes to 10% or more of the Group's total revenue are as follows:

	2024	2023
Company C	<u>\$767,658</u>	<u>\$644,129</u>

Table 1

No.	Lender	Borrower	Account title	Related party status	Highest balance for the period	Ending balance (Note 1)	Amount drawn	Interest rate range (%)	Nature of loan	Business transaction amount	Reasons for short-term financing	Allowance for bad debts	Collateral		Limit on loan to each borrower	Total limit on loans to others	Remarks
													Name	Value			
0	The Company	Taicang TCMC, Ltd.	Other receivables	No	\$ 107,957	\$ -	\$ -	2.4~2.48	Note 2	\$ -	Repayment of loans	\$ -	-	\$ -	\$ -	\$ -	Notes 3 and 4
0	The Company	Changzhou CSPM, Ltd.	Other receivables	Yes	27,270	26,868	-	-	Note 2	-	To meet the need for working capital	-	-	-	551,157	734,876	Note 3

Note 5: It has been written off when the consolidated financial statements were prepared.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Endorsements/Guarantees to Others
For the Years Ended December 31, 2024

Table 2

Unit: NT\$ thousand
(unless specified otherwise)

No.	Name of endorser/guarantor	Party endorsed/guaranteed		Limit of endorsements/guarantees to a single enterprise	Highest balance of endorsement/guarantee for the period	Ending balance of endorsements/guarantees (Note 2)	Amount drawn	Amount of endorsement/guarantee with property as collateral	Cumulative endorsements/guarantees provided as a % of the net worth as per the latest financial statements	Maximum limit of endorsements/guarantees	Endorsement/guarantee by the parent company to a subsidiary	Endorsement/guarantee by a subsidiary to the parent company	Endorsement/guarantee to an entity in China	Remarks
		Name of company	Relations											
0	The Company	Taicang TCMC, Ltd.	Company with business dealings	\$ -	\$ 276,633	\$ -	\$ -	\$ -	-	\$ -	N	N	N	Notes 1 and 3
0	The Company	Changzhou CSPM, Ltd.	An investee whose with 50% or more of its voting shares held by the parent company and subsidiaries	734,876	59,085	58,214	-	-	3.17	734,876	Y	N	Y	Note 1

Note 1: The limit of the Company's guarantee for a single enterprise is 40% of the net worth, and the maximum limit of endorsements/guarantees is 40% of the net worth.
Note 2: USD is converted at the spot exchange rate of 1 USD = 32.785NTD.
Note 3: On November 2024, the Company completed the transfer of its equity in the Company to others and is no longer a subsidiary of the Company.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Securities Held at the End of the Year
December 31, 2024

Table 3

Unit: NT\$ thousand
(unless specified otherwise)

Company	Type and name of securities held	Relations with securities issuer	Account title	December 31, 2024				Remarks
				Number of shares/units	Carrying amount	Shareholding (%)	Fair value	
The Company	Common stock							
	Lianyou Metals Co., Ltd.	-	Financial assets at fair value through profit or loss - current	140,016	\$ 6,165	0.40	\$ 6,165	Note 1
	Lianyou Metals Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	674,089	29,679	1.94	29,679	Note 1
	LINCO Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	50,000	1,579	0.07	1,579	Note 2
	Funds							
	CDIB-Innolux II Limited Partnership	-	Financial assets at fair value through profit or loss - non-current		12,415		12,415	Note 2

Note1 : The fair value is based on the trading price and the liquidity discount.
Note2 : The calculation is based on the net worth on December 31, 2024.

Table 4

Company	Type of Marketable Securities	Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition (Note1)		Disposal (Note1)				Ending Balance(Note1)	
						Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount
The Company	Common stock	OmniGains Investment Corporation (Note2)	Investments accounted for using equity method	Gains Investment Corporation	Parent company	-	\$ -	23,168,349	\$ 618,679	-	\$ -	\$ -	\$ -	23,168,349	\$ 618,679
The Company	Certificate of entitlement	Changzhou China Steel Precision Materials Co., Ltd.(Note 2)	Investments accounted for using equity method	China Steel Asia Pacific Holding Pte. Ltd.	Sister company	-	-	17,808,000	603,394	-	-	-	-	17,808,000	603,394

Note2: See Note12 for Consolidated Financial Statements.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries
For the Years Ended December 31, 2024

Table 5

Unit: NT\$ thousand
(unless specified otherwise)

No.	Name of trader	Transaction counterparty	Relations with trader	Transaction			
				Item	Amount	Transaction conditions	As a % of total consolidated revenue or total assets
0	The Company	Taicang TCMC, Ltd.	Parent company to subsidiary	Sales revenue	\$ 1,932	As per the contract	-
0	The Company	Taicang TCMC, Ltd.	Parent company to subsidiary	Interest income	103	As per the contract	-
0	The Company	Taicang TCMC, Ltd.	Parent company to subsidiary	Other income	494	As per the contract	-
0	The Company	Changzhou CSPM, Ltd.	Parent company to subsidiary	Sales revenue	3,542	As per the contract	-
0	The Company	Changzhou CSPM, Ltd.	Parent company to subsidiary	Prepayments to suppliers	8,515	As per the contract	-
0	The Company	Changzhou CSPM, Ltd.	Parent company to subsidiary	Other income	6,015	As per the contract	-
0	The Company	Changzhou CSPM, Ltd.	Parent company to subsidiary	Other receivables	2,011	As per the contract	-
1	Taicang TCMC, Ltd.	The Company	Subsidiary to parent company	Sales revenue	11,403	As per the contract	-
1	Taicang TCMC, Ltd.	Changzhou CSPM, Ltd.	Subsidiary to Subsidiary	Sales revenue	7,124	As per the contract	-
2	Changzhou CSPM, Ltd.	The Company	Subsidiary to parent company	Sales revenue	32,642	As per the contract	1
2	Changzhou CSPM, Ltd.	The Company	Subsidiary to parent company	Accounts receivable	3,178	As per the contract	-
2	Changzhou CSPM, Ltd.	Taicang TCMC, Ltd.	Subsidiary to Subsidiary	Sales revenue	24,758	As per the contract	1

Table 6

[illegible]

Note 3: It has been written off when the consolidated financial statements were prepared.

ThinTech Materials Technology Co., Ltd. and Its Subsidiaries
Information on investment in Mainland China
For the Years Ended December 31, 2024

Table 7

Unit: NT\$ thousand
(unless specified otherwise)

Name of investee	Principal business activities	Paid-in capital	Investment method (Note 3)	Cumulative investment amount remitted From Taiwan at the beginning of this year	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Remarks
					Outward remittance	Inward remittance							
Taicang TCMC, Ltd.	Manufacturing and sales of metal targets	\$ 222,938	2	\$ 222,938	\$ -	\$ 222,938	\$ -	(\$ 47,027)	-	(\$ 47,027)	\$ -	\$ -	Notes 5、6 and 7 Notes 5 and 6
Changzhou CSPM, Ltd.	Production and sale of titanium and titanium alloys, nickel and nickel alloys	1,668,101	3	-	1,519,148 (Note 4)	-	1,519,148	76,237	70.00	53,365	1,210,720	12,594	

Name of investor	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024 (Note 1)	Amount of investment approved by the Investment Commission, MOEA (Note 1)	Limit of investment by the Company in China (Note 2)
ThinTech Materials Technology Co., Ltd.	\$1,519,148	\$1,519,148	\$ -

Note 1: The amounts were calculated based on the foreign exchange rate as of December 31, 2024.

Note 2: The Company is not subject to the limitations on the amount of investment in Mainland China as certified by the Industrial Development Bureau (IDB) of the Ministry of Economic Affairs (MOEA) that the Company is in compliance with the scope of operation of the head office.

Note 3: Investment methods are divided into the three types below.

1.

Direct investment in China.

2.

Indirect investment in China through a third-region company (see Table 6 for third-region investment companies).

3.

Other methods.

Note 4: The cumulative amount invested here was reinvested in October 2023 through OmniGains.

Note 5: It is recognized and disclosed based on the financial statements for the same periods audited by the Company's CPAs.

Note 6: The foreign currency amounts in the above table are converted into NTD at the exchange rate prevailing on the balance sheet date.

Note 7: On November 2024, the Company completed the transfer of the equity sale to others and is no longer a subsidiary of the Company.

Table 8

Note 1: The major shareholders in this table are shareholders holding at least 5% of the ordinary and preference shares (including treasury shares) with dematerialized registration and delivery completed on the last business day of the year calculated by the Taiwan Depository & Clearing Corporation.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings including their shareholdings plus their shares in a trust and shares with the right to make decisions on trust property, please refer to MOPS.