

Eternal Materials Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2024 and 2023 and Independent Auditors' Review Report

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

Eternal Materials Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Eternal Materials Co., Ltd. (the "Company") and its subsidiaries as of June 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the six months then ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as described in the following paragraph, we conducted our reviews in accordance with Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Note 13 to the consolidated financial statements, total assets of some non-significant subsidiaries included in the consolidated financial statements amounted to NT\$28,139,814 thousand and NT\$23,633,766 thousand, representing 46% and 42% of the consolidated total assets as of June 30, 2024 and 2023, respectively; total liabilities amounted to NT\$10,203,205 thousand and NT\$8,918,443 thousand, representing 29% and 27% of the consolidated total liabilities as of June 30, 2024 and 2023, respectively; total comprehensive income amounted to profit of NT\$176,520 thousand, loss of NT\$300,752 thousand, profit of NT\$727,172 thousand and loss of NT\$305,318 thousand, representing 20%, 63%, 27% and 146% of the consolidated total comprehensive income for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, respectively. The above amounts and information were based on the financial statements prepared and disclosed by these subsidiaries, which were not reviewed by independent auditors for the same reporting periods. In addition, as described in Note 14 to the consolidated financial statements, the balance of investments accounted for using the equity method of the Company and its subsidiaries amounted to NT\$2,741,449 thousand and NT\$2,412,665 thousand as of June 30, 2024 and 2023, respectively; the share of the profit of associates and joint ventures accounted for using the equity method amounted to NT\$106,271 thousand, NT\$70,672 thousand, NT\$188,899 thousand and NT\$109,508 thousand for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, respectively; the share of the other comprehensive income of associates and joint ventures amounted to profit of NT\$18,036 thousand, loss of NT\$34,577 thousand, profit of NT\$84,921 thousand and loss of NT\$29,070 thousand for the three months ended June 30, 2024 and 2023, and for the six months ended

June 30, 2024 and 2023, respectively. The above amounts and information on investees were based on the financial statements recognized and disclosed by investees, which were not reviewed by independent auditors for the same reporting periods.

Qualified Conclusion

Base on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of some non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed by independent auditors, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Company and its subsidiaries as of June 30, 2024 and 2023, and its consolidated financial performance for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and international Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chao-Chun Wang and Yu-Hsiang Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 9, 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’ review 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’ review report and consolidated financial statements shall prevail.

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30,2024		December 31,2023		June 30,2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,624,163	9	\$ 6,356,603	11	\$ 5,050,482	9
Financial assets at fair value through profit or loss — current (Note 7)	383,682	1	—	—	258,839	1
Notes receivable, net (Notes 8 and 31)	4,181,851	7	4,512,991	8	4,767,984	8
Notes receivable from related parties, net (Notes 8 and 30)	41,246	—	50,447	—	25,250	—
Accounts receivable, net (Note 8)	11,397,182	19	10,476,717	18	10,196,348	18
Accounts receivable from related parties, net (Notes 8 and 30)	202,867	—	173,065	—	183,920	—
Other receivables (Notes 8 and 30)	609,049	1	638,761	1	660,214	1
Inventories (Note 9)	8,874,968	14	8,478,672	14	8,975,714	16
Non-current assets held for sale (Note 10)	167,472	—	170,314	—	179,611	—
Other financial assets - current (Notes 11 and 31)	1,926,763	3	1,267,006	2	1,707,980	3
Other current assets - others	854,548	2	905,349	2	563,242	1
Total current assets	34,263,791	56	33,029,925	56	32,569,584	57
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	9,951	—	9,182	—	10,387	—
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,422,174	2	1,038,841	2	934,595	2
Investments accounted for using the equity method (Note 14)	2,741,449	5	2,468,207	4	2,412,665	4
Property, plant and equipment (Notes 15 and 31)	19,640,216	32	18,322,920	31	17,499,733	31
Right-of-use assets (Note 16)	1,652,692	3	1,658,505	3	1,334,823	2
Investment properties (Note 17)	1,249,971	2	1,221,322	2	1,236,084	2
Intangible assets (Note 18)	223,556	—	231,643	—	239,074	—
Deferred tax assets	254,568	—	270,831	1	283,399	1
Other non-current assets - others (Notes 19 and 31)	239,170	—	286,878	1	342,555	1
Total non-current assets	27,433,747	44	25,508,329	44	24,293,315	43
TOTAL	\$61,697,538	100	\$58,538,254	100	\$56,862,899	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 31)	\$ 4,387,583	7	\$ 5,557,448	10	\$ 5,869,228	10
Contract liabilities - current (Note 23)	604,936	1	873,877	2	511,674	1
Notes payable	993,611	2	778,344	1	567,015	1
Accounts payable (Note 30)	5,327,505	8	4,844,775	8	4,267,577	8
Other payables - others	1,773,466	3	1,822,801	3	1,899,559	4
Current tax liabilities	483,466	1	422,718	1	120,197	—
Liabilities directly associated with non-current assets held for sale (Note 10)	2,302	—	2,543	—	1,931	—
Lease liabilities - current (Note 16)	76,018	—	81,604	—	51,903	—
Current portion of long-term liabilities (Notes 20 and 31)	4,303,770	7	3,741,170	7	1,885,129	3
Other current liabilities - others	61,255	—	68,172	—	69,750	—
Total current liabilities	18,013,912	29	18,193,452	32	15,243,963	27
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	2,497,722	4	2,497,203	4	5,495,035	10
Long-term borrowings (Notes 20 and 31)	11,115,693	18	9,360,843	16	9,333,523	17
Deferred tax liabilities	2,338,815	4	2,344,656	4	2,376,852	4
Lease liabilities - non-current (Note 16)	125,674	—	169,040	—	219,626	—
Other non-current liabilities	679,356	1	757,091	1	744,412	1
Total non-current liabilities	16,757,260	27	15,128,833	25	18,169,448	32
Total liabilities	34,771,172	56	33,322,285	57	33,413,411	59
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Ordinary shares	11,782,655	19	11,782,655	19	11,782,655	21
Capital surplus	665,543	1	664,785	1	372,829	1
Retained earnings						
Legal reserve	5,230,730	8	5,083,381	9	5,083,381	9
Special reserve	1,358,789	2	977,601	2	977,601	2
Unappropriated earnings	7,005,229	12	7,584,997	13	6,606,071	11
Total retained earnings	13,594,748	22	13,645,979	24	12,667,053	22
Other equity	379,503	1	(1,358,789)	(2)	(1,656,296)	(3)
Total equity attributable to owners of the Company	26,422,449	43	24,734,630	42	23,166,241	41
NON-CONTROLLING INTERESTS (Note 22)						
	503,917	1	481,339	1	283,247	—
Total equity	26,926,366	44	25,215,969	43	23,449,488	41
TOTAL	\$61,697,538	100	\$58,538,254	100	\$56,862,899	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated August 9, 2024)

Eternal Materials Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$11,569,586	100	\$10,849,709	100	\$21,590,131	100	\$20,425,201	100
OPERATING COSTS (Notes 9, 24 and 30)	9,371,099	81	8,779,424	81	17,227,804	80	16,645,061	81
GROSS PROFIT	2,198,487	19	2,070,285	19	4,362,327	20	3,780,140	19
OPERATING EXPENSES (Notes 8, 24 and 30)								
Selling and marketing expenses	661,494	6	637,188	6	1,247,343	6	1,211,086	6
General and administrative expenses	592,859	5	576,088	5	1,164,380	5	1,109,625	6
Research and development expenses	377,039	3	391,542	4	744,559	4	752,674	4
Expected credit loss	3,473	–	6,734	–	33,014	–	3,930	–
Total operating expenses	1,634,865	14	1,611,552	15	3,189,296	15	3,077,315	16
PROFIT FROM OPERATIONS	563,622	5	458,733	4	1,173,031	5	702,825	3
NON-OPERATING INCOME AND EXPENSES								
Interest Income (Note 24)	28,102	–	28,837	–	52,726	–	57,947	–
Other income (Notes 24 and 30)	70,750	1	83,330	1	177,928	1	138,586	1
Other gains and losses (Note 24)	(16,610)	–	(4,486)	–	(23,198)	–	(40,372)	–
Loss on disposal of financial assets at amortized cost	(5,097)	–	(1,394)	–	(6,553)	–	(4,104)	–
Finance costs (Note 24)	(112,232)	(1)	(114,694)	(1)	(220,842)	(1)	(216,826)	(1)
Share of the profit of associates and joint ventures (Note 14)	106,271	1	70,672	1	188,899	1	109,508	–
Total non-operating income and expenses	71,184	1	62,265	1	168,960	1	44,739	–
PROFIT BEFORE INCOME TAX	634,806	6	520,998	5	1,341,991	6	747,564	3
INCOME TAX EXPENSE (Notes 4 and 25)	(179,778)	(2)	(164,747)	(2)	(426,444)	(2)	(257,666)	(1)
NET PROFIT FOR THE PERIOD	455,028	4	356,251	3	915,547	4	489,898	2

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 14, 22 and 25)								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	(\$ 701)	-	\$ -	-	(\$ 701)	-	\$ -	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	183,634	2	31,811	-	370,339	2	59,019	-
Remeasurement of defined benefit plans of associated and joint ventures accounted for using the equity method	-	-	-	-	1,585	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	358	-	5,377	-	528	-	4,038	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statement of foreign operations	228,686	2	(832,978)	(7)	1,277,380	6	(732,388)	(3)
Share of the other comprehensive income (loss) of associates and joint ventures	18,036	-	(34,577)	-	83,336	-	(29,070)	-
Other comprehensive income (loss) for the period, net of income tax	430,013	4	(830,367)	(7)	1,732,467	8	(698,401)	(3)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 885,041	8	(\$ 474,116)	(4)	\$ 2,648,014	12	(\$ 208,503)	(1)
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 445,472		\$ 357,851		\$ 891,190		\$ 494,568	
Non-controlling interests	9,556		(1,600)		24,357		(4,670)	
	<u>\$ 455,028</u>		<u>\$ 356,251</u>		<u>\$ 915,547</u>		<u>\$ 489,898</u>	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 880,235		(\$ 450,227)		\$ 2,629,209		(\$ 184,127)	
Non-controlling interests	4,806		(23,889)		18,805		(24,376)	
	<u>\$ 885,041</u>		<u>(\$ 474,116)</u>		<u>\$ 2,648,014</u>		<u>(\$ 208,503)</u>	
EARNINGS PER SHARE (Note 26)								
Basic	\$ 0.38		\$ 0.30		\$ 0.76		\$ 0.42	
Diluted	0.38		0.30		0.75		0.42	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated August 9, 2024)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company										
	Retained Earnings					Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	\$ 11,782,655	\$ 664,785	\$ 5,083,381	\$ 977,601	\$ 7,584,997	(\$ 1,886,840)	\$ 528,051	(\$ 1,358,789)	\$ 24,734,630	\$ 481,339	\$ 25,215,969
Appropriation of 2023 earnings(Note 22)											
Legal reserve appropriated	-	-	147,349	-	(147,349)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	381,188	(381,188)	-	-	-	-	-	-
Cash dividends—NT\$ 0.8 per share	-	-	-	-	(942,612)	-	-	-	(942,612)	-	(942,612)
	-	-	147,349	381,188	(1,471,149)	-	-	-	(942,612)	-	(942,612)
Net profit for the for the six months ended June 30, 2024	-	-	-	-	891,190	-	-	-	891,190	24,357	915,547
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	1,296	1,366,235	370,488	1,736,723	1,738,019	(5,552)	1,732,467
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	892,486	1,366,235	370,488	1,736,723	2,629,209	18,805	2,648,014
Changes in ownership interests in subsidiaries	-	758	-	-	-	464	-	464	1,222	3,773	4,995
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(1,105)	-	1,105	1,105	-	-	-
BALANCE AT JUNE 30, 2024	\$ 11,782,655	\$ 665,543	\$ 5,230,730	\$ 1,358,789	\$ 7,005,229	(\$ 520,141)	\$ 899,644	\$ 379,503	\$ 26,422,449	\$ 503,917	\$ 26,926,366
BALANCE AT JANUARY 1, 2023	\$ 11,782,655	\$ 368,946	\$ 4,803,617	\$ 1,181,819	\$ 7,600,968	(\$ 1,335,011)	\$ 357,410	(\$ 977,601)	\$ 24,760,404	\$ 310,936	\$ 25,071,340
Appropriation of 2022 earnings(Note 22)											
Legal reserve appropriated	-	-	279,764	-	(279,764)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(204,218)	204,218	-	-	-	-	-	-
Cash dividends—NT\$1.2 per share	-	-	-	-	(1,413,919)	-	-	-	(1,413,919)	-	(1,413,919)
	-	-	279,764	(204,218)	(1,489,465)	-	-	-	(1,413,919)	-	(1,413,919)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 22)	-	3,883	-	-	-	-	-	-	3,883	-	3,883
Net profit (loss) for the six months ended June 30, 2023	-	-	-	-	494,568	-	-	-	494,568	(4,670)	489,898
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	(741,752)	63,057	(678,695)	(678,695)	(19,706)	(698,401)
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	494,568	(741,752)	63,057	(678,695)	(184,127)	(24,376)	(208,503)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,313)	(3,313)
BALANCE AT JUNE 30, 2023	\$ 11,782,655	\$ 372,829	\$ 5,083,381	\$ 977,601	\$ 6,606,071	(\$ 2,076,763)	\$ 420,467	(\$ 1,656,296)	\$ 23,166,241	\$ 283,247	\$ 23,449,488

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

(With Deloitte & Touche auditors’ review report dated August 9, 2024)

Eternal Materials Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,341,991	\$ 747,564
Adjustments for:		
Depreciation expense	1,095,052	1,044,665
Amortization expense	9,318	10,667
Expected credit loss	33,014	3,930
Net gain on fair value changes of financial assets at fair value through profit or loss	(2,258)	(3,384)
Finance costs	220,842	216,826
Loss on disposal of financial assets at amortized cost	6,553	4,104
Interest income	(52,726)	(57,947)
Dividends income	–	(13,013)
Share of the profit of associates and joint ventures	(188,899)	(109,508)
Loss on disposal of property, plant and equipment	3,587	5,326
Gain on disposal of investments	–	(2,547)
Impairment loss recognized on non-financial assets	70,433	25,264
Others	44	(6)
Changes in operating assets and liabilities		
Notes receivable	534,252	559,860
Notes receivable from related parties	11,377	21,117
Accounts receivable	(653,691)	1,044,961
Accounts receivable from related parties	(21,789)	(2,179)
Other receivables	46,519	(37,330)
Inventories	(280,342)	532,806
Other current assets	30,715	104,149
Contract liabilities	(230,761)	94,928
Notes payable	171,643	(48,583)
Accounts payable	309,386	(195,706)
Other payables	(20,698)	(141,817)
Other current liabilities	(7,457)	(20,145)
Other non-current liabilities	(85,842)	(31,205)
Cash generated from operations	2,340,263	3,752,797
Interest received	46,427	49,849
Dividends received	578	52,241
Interest paid	(217,215)	(206,257)
Income taxes paid	(310,028)	(595,129)
Net cash generated from operating activities	1,860,025	3,053,501

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	(\$ 50,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,196	-
Purchase of financial assets at fair value through profit or loss	(635,533)	(656,901)
Proceeds from disposal of financial assets at fair value through profit or loss	262,513	393,174
Proceeds from disposal of non-current assets held for sale	49,812	168,318
Payments for property, plant and equipment	(1,860,845)	(1,481,866)
Proceeds from disposal of property, plant and equipment	3,153	5,809
Payments for intangible assets	(2,598)	(3,211)
Decrease in long-term lease receivables	10,663	21,638
Increase in other financial assets	(585,268)	(515,709)
Increase in other non-current assets	(2,204)	(40,850)
Net cash used in investing activities	(2,759,111)	(2,159,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase(decrease) in short-term borrowings	(1,259,663)	564,880
Proceeds from long-term borrowings	5,485,530	4,111,432
Repayments of long-term borrowings	(3,244,819)	(4,359,497)
Increase in guarantee deposits received	6,152	4,286
Repayment of the principal portion of lease liabilities	(44,377)	(43,341)
Dividends paid	(942,612)	(1,413,919)
Disposal of ownership interests in subsidiaries (without losing control)	4,995	-
Changes in non-controlling interests	-	(3,313)
Net cash generated from (used in) financing activities	5,206	(1,139,472)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	163,412	(136,767)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(730,468)	(382,336)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,382,309	5,450,766
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,651,841</u>	<u>\$ 5,068,430</u>
	June 30	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 5,624,163	\$ 5,050,482
Cash and cash equivalents classified to non-current assets held for sale	27,678	17,948
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 5,651,841</u>	<u>\$ 5,068,430</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated August 9, 2024)

Eternal Materials Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Eternal Materials Co., Ltd. (the “Company”) was established in December 1964. The Company is mainly engaged in the research, manufacturing, processing, selling and trading of diversified industrial synthetic resins, epoxy resin, acrylates, methacrylates, coating, molding compound, copper clad laminates, film materials, photoresist materials, electronic chemical materials, composite materials and bio-medical testing materials.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since March 1994.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on August 9, 2024.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- a. The application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC), (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed and issued into effect by the FSC will not have material impact on the Company and its subsidiaries’ accounting policies.

- b. The IFRS Accounting Standards endorsed by FSC for application starting from 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 Company and its subsidiaries 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.	

As of the date the consolidated financial statements were authorized for issue, the Company and its subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Company and its subsidiaries’ financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards announced by IASB 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 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 Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective 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 income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company and its subsidiaries 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 Company and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company and its subsidiaries label items as “other” only if they 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 Company and its subsidiaries as a whole, the Company and its subsidiaries shall disclose related information about its MPMs in a single note to the financial statements.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company and its subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Company and its subsidiaries’ financial position and financial performance and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRS Accounting Standards annual financial statements.

b. Basis of consolidation

The detailed information of subsidiaries (including the percentages of ownership and main businesses) is provided in Note 13 and Tables 8 and 9.

c. Other material accounting policies

Except for the following, refer to the summary of material accounting policies in the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;
- b) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c) Liabilities for which the Company 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the Company and its subsidiaries' own equity instruments do not affect its classification as current or non-current if the Company and its subsidiaries classify the option as an equity instrument.

2) Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period

income taxes are assessed on an annual basis and calculated on an interim period's pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements of the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 14,623	\$ 14,497	\$ 11,085
Checking accounts and demand deposits	4,085,966	5,123,505	4,516,837
Cash equivalents (investments with original maturities of three months or less)			
Time deposits	1,523,574	1,218,601	522,560
	<u>\$ 5,624,163</u>	<u>\$ 6,356,603</u>	<u>\$ 5,050,482</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets - current			
Hybrid financial assets			
Structured time deposits	<u>\$ 383,682</u>	<u>\$ -</u>	<u>\$ 258,839</u>
Financial assets - non-current			
Non-derivative financial assets			
Mutual fund			
Pacven Walden Ventures V, L.P.	<u>\$ 9,951</u>	<u>\$ 9,182</u>	<u>\$ 10,387</u>

8. NOTES, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	<u>\$ 4,181,851</u>	<u>\$ 4,512,991</u>	<u>\$ 4,767,984</u>
Notes receivable from related parties	<u>\$ 41,246</u>	<u>\$ 50,447</u>	<u>\$ 25,250</u>
Accounts receivable	\$ 11,645,262	\$ 10,698,826	\$ 10,461,579
Less: Allowance for loss	<u>(248,080)</u>	<u>(222,109)</u>	<u>(265,231)</u>
	<u>\$ 11,397,182</u>	<u>\$ 10,476,717</u>	<u>\$ 10,196,348</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable from related parties	\$ 203,030	\$ 173,223	\$ 184,019
Less: Allowance for loss	(163)	(158)	(99)
	<u>\$ 202,867</u>	<u>\$ 173,065</u>	<u>\$ 183,920</u>
Other receivables	\$ 638,849	\$ 668,561	\$ 690,014
Less: Allowance for loss	(29,800)	(29,800)	(29,800)
	<u>\$ 609,049</u>	<u>\$ 638,761</u>	<u>\$ 660,214</u>
			(Concluded)

a. Notes receivable and accounts receivable

The notes and accounts receivable of the Company and its subsidiaries are measured at amortized cost. For the related credit management policies, refer to Note 29.

The loss allowance of the Company and its subsidiaries' accounts receivable is recognized by using lifetime expected credit losses. The lifetime expected credit losses on accounts receivable are estimated using a provision matrix approach considering the past collection experience of the customers, the increase in overdue payments and the forward-looking information of global economic growth rate.

The following table details the loss allowance of notes and accounts receivable based on the Company and its subsidiaries' provision matrix:

June 30, 2024

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 14,477,771	\$ 724,760	\$ 494,558	\$ 188,584	\$ 185,716	\$ 16,071,389
Loss allowance (lifetime ECL)	(7,695)	(4,140)	(13,583)	(37,109)	(185,716)	(248,243)
Amortized cost	<u>\$ 14,470,076</u>	<u>\$ 720,620</u>	<u>\$ 480,975</u>	<u>\$ 151,475</u>	<u>\$ -</u>	<u>\$ 15,823,146</u>

December 31, 2023

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 13,628,700	\$ 944,805	\$ 580,147	\$ 99,108	\$ 182,727	\$ 15,435,487
Loss allowance (lifetime ECL)	(7,190)	(7,746)	(12,679)	(11,925)	(182,727)	(222,267)
Amortized cost	<u>\$ 13,621,510</u>	<u>\$ 937,059</u>	<u>\$ 567,468</u>	<u>\$ 87,183</u>	<u>\$ -</u>	<u>\$ 15,213,220</u>

June 30, 2023

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 14,094,094	\$ 538,329	\$ 425,293	\$ 161,553	\$ 219,563	\$ 15,438,832
Loss allowance (lifetime ECL)	(7,503)	(4,716)	(11,205)	(22,343)	(219,563)	(265,330)
Amortized cost	<u>\$ 14,086,591</u>	<u>\$ 533,613</u>	<u>\$ 414,088</u>	<u>\$ 139,210</u>	<u>\$ -</u>	<u>\$ 15,173,502</u>

The movements of the loss allowance for doubtful accounts receivable were as follows:

	For the Six Months Ended June 30	
	2024	2023
Balance, beginning of the period	\$ 222,267	\$ 266,258
Recognized	33,014	3,930
Written-off	(14,927)	(689)
Effects of foreign currency exchange differences	7,889	(4,169)
Balance, end of the period	<u>\$ 248,243</u>	<u>\$ 265,330</u>

b. Other receivables

The Company and its subsidiaries' loss allowance is based on historical experience and current financial position. As of June 30, 2024, December 31, 2023, and June 30, 2023, the balance of the loss allowance of the Company and its subsidiaries was \$29,800 thousand.

9. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	\$ 3,135,708	\$ 3,077,555	\$ 3,389,957
Supplies	139,928	128,349	141,934
Finished goods	4,927,839	4,772,596	5,256,428
Work in progress	222,277	207,783	4,623
Inventory in transit	449,216	292,389	182,772
	<u>\$ 8,874,968</u>	<u>\$ 8,478,672</u>	<u>\$ 8,975,714</u>

The cost of inventories recognized as operating costs for the three months ended June 30, 2024 and 2023, and the six months ended June 30, 2024 and 2023 was \$9,350,741 thousand, \$8,753,161 thousand, \$17,194,461 thousand and \$16,594,075 thousand, respectively, including write-down of inventories of \$76,010 thousand, \$24,334 thousand, \$70,433 thousand and \$25,264 thousand, respectively.

10. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

In May 2023, the board of directors of the Company resolved to dispose of the entire equity interest held by its subsidiary Eternal (China) Investment Co., Ltd. in another subsidiary Eternal Optical Material (Suzhou) Co., Ltd.. The disposal contract for the transaction was signed in February 2024, the trading counterparty was a non-related party, and the total transaction amount was RMB \$122,787 thousand. The disposal procedure had not been completed as of June 30, 2024; therefore, the relevant assets and liabilities attributed to the subsidiary were reclassified as disposal groups held for sale and presented separately in the consolidated balance sheets. The major classes of assets and liabilities of the disposal groups held for sale were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 27,678	\$ 25,706	\$ 17,948
Accounts receivable, net	2,179	1,819	5,901
Other receivables	–	66	147
Other current assets - others	724	955	1,949
Property, plant and equipment	57,257	58,770	64,185
Right-of-use assets	1,432	1,386	1,401
Investment properties	78,202	81,432	87,882
Intangible assets	–	180	198
	<u>\$ 167,472</u>	<u>\$ 170,314</u>	<u>\$ 179,611</u>
Non-current assets held for sale			
Other payables - others	\$ 1,544	\$ 1,569	\$ 1,010
Contract liabilities - current	–	252	204
Other non-current liabilities	758	722	717
	<u>\$ 2,302</u>	<u>\$ 2,543</u>	<u>\$ 1,931</u>
Liabilities directly associated with non-current assets held for sale			

The disposal price of this transaction was higher than the carrying amount of the relevant net assets; therefore, no impairment loss should be recognized.

11. OTHER FINANCIAL ASSETS - CURRENT

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits with original maturities of more than three months	\$ 1,904,392	\$ 1,266,764	\$ 1,707,739
Restricted time deposit	22,371	242	241
	<u>\$ 1,926,763</u>	<u>\$ 1,267,006</u>	<u>\$ 1,707,980</u>

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	June 30, 2024	December 31, 2023	June 30, 2023
Domestic investments			
Listed shares			
President Securities Corp.	\$ 982,651	\$ 655,657	\$ 580,582
Unlisted shares			
Universal Venture Capital Investment Corp.	58,100	52,949	50,515
Der Yang Biotechnology Venture Capital Co., Ltd.	–	2,979	2,858
Research Innovation Capital Corporation	48,689	49,374	49,814
	<u>1,089,440</u>	<u>760,959</u>	<u>683,769</u>

	June 30, 2024	December 31, 2023	June 30, 2023
Foreign investments			
Unlisted shares			
Grace THW Holding Limited	\$ 295,053	\$ 239,455	\$ 214,417
TBG Diagnostics Limited	37,681	38,427	36,409
	<u>332,734</u>	<u>277,882</u>	<u>250,826</u>
	<u>\$ 1,422,174</u>	<u>\$ 1,038,841</u>	<u>\$ 934,595</u>

The Company participated in cash capital increase of Research Innovation Capital Corporation. As of June 30, 2024, the Company holds a 25.84% interest in it. Because the fundraising of Research Innovation Capital Corporation has not yet been completed, and taking into account the capital plan of Research Innovation Capital Corporation, the Company expects the percentage of its interests in Research Innovation Capital Corporation to be less than 20%. Therefore, the Company does not have a significant influence on Research Innovation Capital Corporation.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company and its subsidiaries' strategy of holding these investments for long-term purposes.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Remarks
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Eternal Holdings Inc.	International investment	100	100	100	1)
	Eternal Global (BVI) Co., Ltd.	International investment	100	100	100	1)
	Mixville Holdings Inc.	International investment	100	100	100	1)
	CHOU-KOU Materials Co., Ltd.	Selling, trading and providing services of resins material, electronic material and other related products; manufacturing and selling of dry film photoresist	100	100	100	1)
	Eternal Electronic Material (Thailand) Co., Ltd.	Trading services, cutting and selling of dry film photoresist	90	75	75	1) and 2)
	New E Materials Co., Ltd.	Researching, developing, manufacturing and selling of photoelectric, semiconductor process related electronic chemical materials and equipment spare parts	62.80	62.80	62.80	1)
	Eternal Precision Mechanics Co., Ltd.	Manufacturing and selling of vacuum laminator	84.48	84.61	100	1) and 3)
	Elga Europe S.r.l.	Manufacturing, selling, distribution and processing of electronic chemical products	72.68	72.68	72.68	1)
	Eternal Technology Corporation	Manufacturing and selling of photoresist; selling of chemical products	100	100	–	1) and 5)
	Eternal Global (BVI) Co., Ltd.	Manufacturing and selling of resins material and processing products	100	100	100	
Eternal Holdings Inc.	Eternal International (BVI) Co., Ltd.	International investment	100	100	100	1)
	E-Chem Corp.	International investment	100	100	100	1)
	Eternal Nanyang Investment Co., Ltd.	International investment	90	90	90	1)
	PT Eternal Materials Indonesia	Trading of chemical products	67	67	67	1)
	Eternal Materials India Private Limited	Trading of chemical products	99	99	–	1) and 4)

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Remarks
			June 30, 2024	December 31, 2023	June 30, 2023	
Eternal International (BVI) Co., Ltd.	Eternal Technology Corporation	Manufacturing and selling of photoresist; selling of chemical products	–	–	100	1) and 5)
	Eternal (China) Investment Co., Ltd.	Managing, investing consulting services, researching, leasing, manufacturing and selling of resins material and photoelectric chemical materials	100	100	100	1)
E-Chem Corp.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Manufacturing and selling of acrylic resin and methacrylic acid	90	90	90	
	Eternal Materials India Private Limited	Trading of chemical products	1	1	–	1) and 4)
Eternal Nanyang Investment Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	Manufacturing, selling, trading and providing services of resins material and chemical related products	100	100	100	1)
Mixville Holdings Inc.	High Expectation Limited	International investment	100	100	100	1)
High Expectation Limited	Eternal Materials (Guangdong) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing of products	100	100	100	1)
Eternal (China) Investment Co., Ltd.	Eternal Optical Material (Suzhou) Co., Ltd.	Manufacturing and selling of optical films, and leasing business	100	100	100	1) and Note 10
	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Researching, developing and manufacturing of photoresist dry film, liquid photo imaginable solder masks and printed circuit board related materials	100	100	100	1)
	Eternal Synthetic Resins (Changshu) Co., Ltd.	Manufacturing and selling of unsaturated polyester resin	100	100	100	1)
	Eternal Chemical (Chengdu) Co., Ltd.	Researching, manufacturing and selling of resins material	100	100	100	1)
	Eternal Electronic (Suzhou) Co., Ltd.	Researching, developing, and manufacturing of dry film photoresist and dry film solder mask which used in electronic materials, researching resin materials and selling, providing after sales service of self-produced products	100	100	100	1)
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Researching, developing, manufacturing and selling of electronic high-tech chemical and related products	100	100	100	
	Eternal Chemical (Tianjin) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	100	100	100	1)
	Eternal Specialty Materials (Suzhou) Co., Ltd.	Researching and developing chemical products, and selling, providing technical services of self-produced products	100	100	100	
	Elga Europe S.r.l.	Manufacturing, selling, distribution and processing of electronic chemical products	22.32	22.32	22.32	1)
	Eternal Material Industry (Tongling) Co., Ltd.	Manufacturing, selling and providing technical services of products related to resins material	100	100	100	1)
Eternal Precision Mechanics Co., Ltd.	Nikko-Materials Co., Ltd.	Manufacturing and selling of vacuum laminator	100	100	100	1)
	Eternal Precision Mechanics (Guangzhou) Ltd.	Manufacturing and selling of calculators, telecommunication and other electronic equipment	100	100	–	1) and 6)

(Concluded)

- 1) This is an immaterial subsidiary for which its financial statements are not reviewed by the Company's independent auditors.
- 2) In March 2024, the board of directors of the Company resolved to subscribe for additional new shares of its subsidiary Eternal Electronic Material (Thailand) Co., Ltd. not in proportion to its existing ownership percentage. This transaction did not result in the Company and its subsidiaries losing control of the subsidiary. Therefore, it was accounted for as an equity transaction, the percentage of ownership after subscription is 90%.

- 3) In the fourth quarter of 2023, the Company and its subsidiaries subscribed for additional new shares of the subsidiary Eternal Precision Mechanics Co., Ltd. not in proportion to the existing ownership percentage and the employees of the Company and its subsidiaries subscribed to the employee share options of the subsidiary Eternal Precision Mechanics Co., Ltd., reducing of the percentage of ownership from 100% to 84.61%. In June 2024, the board of directors of the Company resolved to dispose of 7,500 thousand ordinary shares of the subsidiary Eternal Precision Mechanics Co., Ltd. This transaction does not result in the Company and its subsidiaries losing control of the subsidiary. Therefore, it will be accounted for as an equity transaction. The disposal procedure is expected to be completed in the third quarter of 2024.
- 4) The company was established as a new subsidiary in August 2023.
- 5) The subsidiary Eternal International (BVI) Co., Ltd. had a reorganization in July 2023 to transfer the equity interest of the subsidiary Eternal Technology Corporation to the Company.
- 6) The company was established as a new subsidiary in September 2023.
- b. The Company and its subsidiaries did not have any subsidiary with material non-controlling interests.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2024	December 31, 2023	June 30, 2023
Associates that are not individually material	<u>\$ 2,741,449</u>	<u>\$ 2,468,207</u>	<u>\$ 2,412,665</u>

Information about associates that are not individually material was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
The Company and its subsidiaries' share of				
Net profit for the period	\$ 106,271	\$ 70,672	\$ 188,899	\$ 109,508
Other comprehensive income for the period	<u>18,036</u>	<u>(34,577)</u>	<u>84,921</u>	<u>(29,070)</u>
Total comprehensive income for the period	<u>\$ 124,307</u>	<u>\$ 36,095</u>	<u>\$ 273,820</u>	<u>\$ 80,438</u>

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

<u>Name of Associate</u>	June 30, 2024	December 31, 2023	June 30, 2023
Daxin Materials Corporation	<u>\$ 3,455,012</u>	<u>\$ 2,325,985</u>	<u>\$ 2,588,331</u>

In March 2023, the board of directors of the Company resolved to dispose of the financing provided and equity interest held by its subsidiary, Eternal (China) Investment Co., Ltd., in the associate Shanghai Dowill Paint Technology Co., Ltd.. The disposal was completed in May 2023, and the gain on disposal of investments of \$2,547 thousand was recognized (recorded as other gains and losses).

The Company and its subsidiaries held 50% ownership of Covestro Eternal Resins (Kunshan) Co., Ltd. but had no control over it. Therefore, Covestro Eternal Resins (Kunshan) Co., Ltd. was accounted for using the equity method and not included in the consolidated financial statements.

The Company and its subsidiaries' investments accounted for using the equity method as of June 30, 2024 and 2023 are based on the associates' financial statements which have not been reviewed by independent auditors for the same period.

Refer to Tables 8 and 9 for the main businesses and countries of incorporation of the associates that are not individually material.

15. PROPERTY, PLANT AND EQUIPMENT

For the Six Months Ended June 30, 2024

	Land	Buildings	Machinery and Equipment	Storage Equipment	Examination Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Carrying amount at January 1, 2024	\$ 2,712,872	\$ 4,629,869	\$ 5,992,543	\$ 661,205	\$ 500,961	\$ 266,878	\$ 3,558,592	\$18,322,920
Cost								
Balance at January 1, 2024	\$ 2,712,872	\$11,774,346	\$23,535,543	\$ 1,688,065	\$ 1,817,490	\$ 954,402	\$ 3,558,592	\$46,041,310
Additions	211,941	670,440	953,482	68,962	55,193	19,821	(172,866)	1,806,973
Disposals	-	(5,849)	(67,730)	(8,869)	(21,839)	(15,587)	-	(119,874)
Transferred to investment properties	-	-	-	-	-	-	(261)	(261)
Effect of foreign currency exchange difference	4,810	372,218	616,895	46,155	22,665	31,257	123,015	1,217,015
Balance at June 30, 2024	\$ 2,929,623	\$12,811,155	\$25,038,190	\$ 1,794,313	\$ 1,873,509	\$ 989,893	\$ 3,508,480	\$48,945,163
Accumulated depreciation and impairment								
Balance at January 1, 2024	\$ -	\$ 7,144,477	\$17,543,000	\$ 1,026,860	\$ 1,316,529	\$ 687,524	\$ -	\$27,718,390
Depreciation	-	264,394	597,204	40,088	61,934	40,036	-	1,003,656
Disposals	-	(4,464)	(63,807)	(8,377)	(21,060)	(15,426)	-	(113,134)
Effect of foreign currency exchange difference	-	201,916	427,937	27,231	16,257	22,694	-	696,035
Balance at June 30, 2024	\$ -	\$ 7,606,323	\$18,504,334	\$ 1,085,802	\$ 1,373,660	\$ 734,828	\$ -	\$29,304,947
Carrying amount at June 30, 2024	\$ 2,929,623	\$ 5,204,832	\$ 6,533,856	\$ 708,511	\$ 499,849	\$ 255,065	\$ 3,508,480	\$19,640,216

For the Six Months Ended June 30, 2023

	Land	Buildings	Machinery and Equipment	Storage Equipment	Examination Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Carrying amount at January 1, 2023	\$ 2,705,522	\$ 4,887,232	\$ 6,093,148	\$ 673,854	\$ 524,164	\$ 299,695	\$ 2,289,335	\$17,472,950
Cost								
Balance at January 1, 2023	\$ 2,705,522	\$11,653,533	\$22,972,582	\$ 1,658,571	\$ 1,786,946	\$ 957,333	\$ 2,289,335	\$44,023,822
Additions	-	164,482	500,925	26,337	32,139	19,521	581,988	1,325,392
Disposals	-	(4,596)	(94,569)	(21,678)	(38,376)	(21,095)	-	(180,314)
Transferred to investment properties	-	-	-	-	-	-	(976)	(976)
Transferred to non-current assets held for sale	-	(99,504)	(185,113)	(751)	(2,712)	(8,614)	-	(296,694)
Effect of foreign currency exchange difference	6,801	(166,608)	(306,711)	(24,004)	(10,422)	(18,195)	(40,888)	(560,027)
Balance at June 30, 2023	\$ 2,712,323	\$11,547,307	\$22,887,114	\$ 1,638,475	\$ 1,767,575	\$ 928,950	\$ 2,829,459	\$44,311,203
Accumulated depreciation and impairment								
Balance at January 1, 2023	\$ -	\$ 6,766,301	\$16,879,434	\$ 984,717	\$ 1,262,782	\$ 657,638	\$ -	\$26,550,872
Depreciation	-	253,603	567,184	38,059	62,771	38,992	-	960,609
Disposals	-	(4,377)	(87,429)	(20,559)	(38,082)	(19,928)	-	(170,375)
Transferred to non-current assets held for sale	-	(62,376)	(161,110)	(673)	(1,226)	(7,124)	-	(232,509)
Effect of foreign currency exchange difference	-	(74,976)	(192,009)	(10,929)	(7,305)	(11,908)	-	(297,127)
Balance at June 30, 2023	\$ -	\$ 6,878,175	\$17,006,070	\$ 990,615	\$ 1,278,940	\$ 657,670	\$ -	\$26,811,470
Carrying amount at June 30, 2023	\$ 2,712,323	\$ 4,669,132	\$ 5,881,044	\$ 647,860	\$ 488,635	\$ 271,280	\$ 2,829,459	\$17,499,733

The above items of property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	3-50 years
Machinery and equipment	3-20 years
Storage equipment	2-20 years
Examination equipment	5-15 years
Other equipment	3-12 years

Refer to Note 31 for the amounts of property, plant and equipment pledged by the Company and its subsidiaries as collateral for bank borrowings.

Land (including those recorded as investment properties) held by the Company was revalued in 1980, 1990, 1997 and 2004, and as of June 30, 2024, December 31, 2023 and June 30, 2023, the revaluation increments of the land were \$1,973,324 thousand.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts			
Land	\$ 1,450,302	\$ 1,410,010	\$ 1,069,359
Buildings	88,246	107,719	115,559
Machinery and equipment	86,530	105,612	122,831
Storage equipment	13,454	16,153	9,450
Other equipment	14,160	19,011	17,624
	<u>\$ 1,652,692</u>	<u>\$ 1,658,505</u>	<u>\$ 1,334,823</u>
		For the Six Months Ended June 30	
		2024	2023
Additions to right-of-use assets		<u>\$ 5,100</u>	<u>\$ 113,062</u>
	For the Three Months Ended June 30	For the Six Months Ended June 30	
	2024	2024	2023
Depreciation charge for right-of-use assets			
Land	\$ 8,745	\$ 6,693	\$ 13,669
Buildings	9,893	10,054	21,725
Machinery and equipment	6,056	7,062	13,548
Storage equipment	1,729	747	1,498
Other equipment	2,415	2,102	4,208
	<u>\$ 28,838</u>	<u>\$ 26,658</u>	<u>\$ 54,648</u>

In addition, part of the land use rights located in mainland China is subleased under operating leases, and the relevant right-of-use assets are recorded as investment properties, refer to Note 17 for the details.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts			
Current	\$ 76,018	\$ 81,604	\$ 51,903
Non-current	\$ 125,674	\$ 169,040	\$ 219,626

Range of discount rate (%) for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.72~6.66	1.72~6.66	1.72~6.66
Buildings	0.86~6.09	0.86~6.09	0.63~5.62
Machinery and equipment	0.22~6.58	0.22~6.58	0.22~6.58
Storage equipment	1.63~5.21	1.63~3.78	1.63~3.78
Other equipment	0.69~6.16	0.69~6.16	0.63~4.60

c. Material lease activities and terms

Major lease arrangements of the Company and its subsidiaries are land use rights contracts with lease terms of 39 to 56 years.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term and low-value asset leases	\$ 42,963	\$ 43,908	\$ 82,566	\$ 82,504

	For the Six Months Ended June 30	
	2024	2023
Total cash outflow for all lease arrangements (including short-term and low-value asset leases)	\$ 129,525	\$ 126,832

17. INVESTMENT PROPERTIES

For the Six Months Ended June 30, 2024

	Land	Buildings	Right-of-use Assets	Total
Carrying amount at January 1, 2024	\$ 50,923	\$1,108,809	\$ 61,590	\$1,221,322
<u>Cost</u>				
Balance at January 1, 2024	\$ 50,923	\$1,407,452	\$ 72,174	\$1,530,549
Transferred from property, plant and equipment	–	261	–	261
Effects of foreign currency exchange differences	(2,325)	63,669	3,630	64,974
Balance at June 30, 2024	\$ 48,598	\$1,471,382	\$ 75,804	\$1,595,784
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2024	\$ –	\$ 298,643	\$ 10,584	\$ 309,227
Depreciation	–	21,209	1,077	22,286
Effect of foreign currency exchange differences	–	13,733	567	14,300
Balance at June 30, 2024	\$ –	\$ 333,585	\$ 12,228	\$ 345,813
Carrying amount at June 30, 2024	\$ 48,598	\$1,137,797	\$ 63,576	\$1,249,971

For the Six Months Ended June 30, 2023

	Land	Buildings	Right-of-use Assets	Total
Carrying amount at January 1, 2023	\$ 53,386	\$1,263,803	\$ 68,329	\$1,385,518
<u>Cost</u>				
Balance at January 1, 2023	\$ 53,386	\$1,674,171	\$ 77,392	\$1,804,949
Transferred from property, plant and equipment	–	976	–	976
Transferred to non-current assets held for sale	–	(236,250)	(3,892)	(240,142)
Effects of foreign currency exchange differences	(2,693)	(39,612)	(1,753)	(44,058)
Balance at June 30, 2023	\$ 50,693	\$1,399,285	\$ 71,747	\$1,521,725
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ –	\$ 410,368	\$ 9,063	\$ 419,431
Depreciation	–	28,276	1,132	29,408
Transferred to non-current assets held for sale	–	(151,764)	(496)	(152,260)
Effect of foreign currency exchange differences	–	(10,709)	(229)	(10,938)
Balance at June 30, 2023	\$ –	\$ 276,171	\$ 9,470	\$ 285,641
Carrying amount at June 30, 2023	\$ 50,693	\$1,123,114	\$ 62,277	\$1,236,084

The investment properties were leased for terms of 1 to 10 years.

The maturity analysis of lease payments receivable under operating leases of investment properties is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	\$ 174,159	\$ 164,767	\$ 182,751
Year 2	160,003	107,344	109,231
Year 3	156,789	112,222	110,930
Year 4	159,492	111,148	111,465
Year 5	134,274	103,608	112,168
Year 6 onwards	26,956	138,544	184,460
	<u>\$ 811,673</u>	<u>\$ 737,633</u>	<u>\$ 811,005</u>

The fair value of the major of the subsidiaries' right-of-use assets and buildings located in China was evaluated by independent appraisers. The rest of investment properties were evaluated by the management of the Company and its subsidiaries using the income approach and by reference to market evidence of transaction prices for similar properties, the evaluation was using the Level 3 approach. The fair values were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value	<u>\$ 3,252,747</u>	<u>\$ 3,124,939</u>	<u>\$ 3,027,285</u>

The following items of investment properties are depreciated on a straight-line basis over their useful lives as follows:

Buildings	20-50 years
Right-of-use assets	34-36 years

Operating income and expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Rental income	<u>\$ 53,157</u>	<u>\$ 58,579</u>	<u>\$ 101,929</u>	<u>\$ 124,731</u>
Operating expenses directly related to investment properties	<u>\$ 28,322</u>	<u>\$ 18,103</u>	<u>\$ 50,065</u>	<u>\$ 49,818</u>

18. INTANGIBLE ASSETS

For the Six Months Ended June 30, 2024

	Goodwill	Expertise	Customer Relationships	Computer Software	Others	Total
Carrying amount at January 1, 2024	\$ 30,474	\$ -	\$ -	\$195,164	\$ 6,005	\$231,643
<u>Cost</u>						
Balance at January 1, 2024	\$ 67,474	\$127,513	\$ 104,038	\$259,886	\$101,913	\$660,824
Additions	-	-	-	2,449	149	2,598
Disposals	-	-	-	-	(282)	(282)
Effects of foreign currency exchange differences	(2,115)	-	-	(154)	7,999	5,730
Balance at June 30, 2024	\$ 65,359	\$127,513	\$ 104,038	\$262,181	\$109,779	\$668,870
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2024	\$ 37,000	\$127,513	\$ 104,038	\$ 64,722	\$ 95,908	\$429,181
Amortization expense	-	-	-	7,742	1,024	8,766
Disposals	-	-	-	-	(282)	(282)
Effects of foreign currency exchange differences	-	-	-	(116)	7,765	7,649
Balance at June 30, 2024	\$ 37,000	\$127,513	\$ 104,038	\$ 72,348	\$104,415	\$445,314
Carrying amount at June 30, 2024	\$ 28,359	\$ -	\$ -	\$189,833	\$ 5,364	\$223,556

For the Six Months Ended June 30, 2023

	Goodwill	Expertise	Customer Relationships	Computer Software	Others	Total
Carrying amount at January 1, 2023	\$ 32,713	\$ -	\$ -	\$206,659	\$ 9,458	\$248,830
<u>Cost</u>						
Balance at January 1, 2023	\$ 69,713	\$127,513	\$ 104,038	\$253,775	\$105,183	\$660,222
Additions	-	-	-	1,270	1,941	3,211
Transferred to non-current assets held for sale	-	-	-	-	(762)	(762)
Effects of foreign currency exchange differences	(2,450)	-	-	(17)	9,283	6,816
Balance at June 30, 2023	\$ 67,263	\$127,513	\$ 104,038	\$255,028	\$115,645	\$669,487
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2023	\$ 37,000	\$127,513	\$ 104,038	\$ 47,116	\$ 95,725	\$411,392
Amortization expense	-	-	-	8,397	1,659	10,056
Transferred to non-current assets held for sale	-	-	-	-	(564)	(564)
Effects of foreign currency exchange differences	-	-	-	(2)	9,531	9,529
Balance at June 30, 2023	\$ 37,000	\$127,513	\$ 104,038	\$ 55,511	\$106,351	\$430,413
Carrying amount at June 30, 2023	\$ 30,263	\$ -	\$ -	\$199,517	\$ 9,294	\$239,074

The Company and its subsidiaries will test the recoverable amount of goodwill at the end of the annual financial reporting period.

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Expertise	9 years
Customer relationships	7 years
Computer software	2-20 years
Other intangible assets	3-20 years

19. FINANCE LEASE RECEIVABLES

The lease period of the Company and its subsidiaries' lease contracts for both renovation works and machinery and equipment is ten-year, and the implicit interest rate range of the leases is 4.82%-6.23%. The Company and its subsidiaries entered into a lease agreement with an associate Allnex - Eternal Resins (Guangdong) Co., Ltd. for the leasing out of machinery and equipment for ten years, and the implicit interest rate in the lease was 6.23%. This agreement was deemed as a sales agreement. The gain on disposal will be deferred and subsequently recognized as profit over the lease term. The balance of finance lease receivables from related parties generated from the aforementioned transactions was \$7,957 thousand, \$9,405 thousand, and \$9,049 thousand as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

The Company and its subsidiaries measured the loss allowance of the finance lease receivables based on lifetime expected credit losses. As of June 30, 2024, December 31, 2023 and June 30, 2023, no loss allowance was recognized.

The composition of finance lease receivables (including related parties) is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Undiscounted lease payments			
Year 1	\$ 19,231	\$ 18,680	\$ 18,202
Year 2	19,523	18,588	18,570
Year 3	19,425	18,495	18,478
Year 4	19,328	18,403	18,386
Year 5	17,186	18,310	18,294
Year 6 onwards	14,323	21,818	28,466
	109,016	114,294	120,396
Less: Unearned financial income	(13,812)	(15,726)	(17,772)
Finance lease receivable (recorded as other non-current assets - others)	\$ 95,204	\$ 98,568	\$ 102,624

20. BORROWINGS

a. Short-term borrowings

Type of Borrowings	Interest Rate Range (%)	Amount
June 30, 2024		
Mortgage secured loans	1. 12~2. 30	\$ 235, 254
Unsecured loans	0. 60~6. 15	2, 293, 527
Purchase loans	4. 25~6. 46	298, 471
Secured loans	4. 18~5. 06	1, 560, 331
		<u>\$ 4, 387, 583</u>
December 31, 2023		
Mortgage secured loans	0. 40~2. 30	\$ 148, 506
Unsecured loans	0. 58~6. 45	3, 643, 149
Purchase loans	6. 15~6. 87	281, 907
Secured loans	4. 26~5. 09	1, 483, 886
		<u>\$ 5, 557, 448</u>
June 30, 2023		
Mortgage secured loans	1. 30~3. 10	\$ 204, 427
Unsecured loans	0. 58~6. 47	3, 792, 575
Purchase loans	4. 35~6. 64	321, 575
Secured loans	3. 95~4. 43	1, 550, 651
		<u>\$ 5, 869, 228</u>

b. Long-term borrowings

Type of Borrowings	Agreement Period and Interest Payable Schedule	Interest Rate Range (%)	Amount
June 30, 2024			
Mortgage secured loans	From December 17, 2010 to April 15, 2029. Interest is paid based on schedule.	1. 60~5. 49	\$ 20, 736
Secured loans	From July 14, 2023 to April 1, 2031. Interest is paid based on schedule.	3. 05~6. 20	2, 044, 147
Unsecured loans	From October 26, 2021 to June 3, 2029. Interest is paid based on schedule.	1. 24~3. 50	10, 355, 007
			<u>12, 419, 890</u>
Less: Current portion			<u>(1, 304, 197)</u>
			<u>\$ 11, 115, 693</u>
			(Continued)

Type of Borrowings	Agreement Period and Interest Payable Schedule	Interest Rate Range (%)	Amount
December 31, 2023			
Mortgage secured loans	From December 17, 2010 to December 31, 2025. Interest is paid based on schedule.	1.60 ~ 1.75	\$ 25,413
Secured loans	From July 14, 2023 to December 29, 2028. Interest is paid based on schedule.	3.40 ~ 6.29	1,458,080
Unsecured loans	From May 31, 2021 to December 6, 2026. Interest is paid based on schedule.	1.05 ~ 3.50	8,619,551
			<hr/> 10,103,044
Less: Current portion			<hr/> (742,201)
			<hr/> \$ 9,360,843
June 30, 2023			
Mortgage secured loans	From December 17, 2010 to December 31, 2025. Interest is paid based on schedule.	0.86 ~ 1.75	\$ 32,099
Secured loans	From November 25, 2020 to November 25, 2025. Interest is paid based on schedule.	6.10 ~ 6.26	1,370,160
Unsecured loans	From October 2, 2017 to June 29, 2026. Interest is paid based on schedule.	1.05 ~ 3.33	9,816,393
			<hr/> 11,218,652
Less: Current portion			<hr/> (1,885,129)
			<hr/> \$ 9,333,523
			(Concluded)

c. Facility agreements and financial covenants

- 1) During the period of the credit facility agreements, the Company and its subsidiaries made agreements with the creditors that the current ratio, liability ratio, interest coverage ratio and net tangible assets of the consolidated financial statements will be maintained within a certain specified ratio or amount and reviewed at least once a year. If the Company or its subsidiaries breach these clauses, the bank and syndicated banks can cancel the credit line or declare that part or all of the loan together with accrued interest is immediately due. The Company and its subsidiaries were in compliance with the syndicated credit facility agreements based on its consolidated financial statements for the years ended December 31, 2023 and 2022.
- 2) As of June 30, 2024, the Company and its subsidiaries utilized the credits under signed facility agreements of the following banks.

Bank	Currency	Credit line
HSBC Bank (Taiwan) Limited	NTD	\$ 900, 000
CTBC Bank Co., Ltd.	NTD	450, 000
Far Eastern International Bank Co., Ltd.	NTD	650, 000

- 3) As of June 30, 2024, the Company and its subsidiaries executed syndicated credit facility agreements with the following banks:

In June 2024, the Company entered into a syndicated credit facility agreement with ten banks led by E.SUN Commercial Bank Co., Ltd. for a NT\$6,120,000 thousand credit line; the proceeds are for repaying the existing liabilities and expanding medium-term working capital.

In October 2023, the subsidiary entered into a syndicated credit facility agreement with five banks led by CTBC Bank Co., Ltd. for a USD60,000 thousand credit line; the proceeds are for expanding medium-term working capital and repaying the subsidiary's existing liabilities.

- 4) Refer to Note 31 for the assets pledged as collateral for bank borrowings of the Company and its subsidiaries.

d. Bonds Payable

	June 30, 2024	December 31, 2023	June 30, 2023
5 year secured bonds - issued at par value			
Issued in November 2019; interest at 0.82%; principal repayable at maturity and interest payable annually	\$ 3, 000, 000	\$ 3, 000, 000	\$ 3, 000, 000
Less: Issuance cost	(427)	(1, 031)	(1, 641)
	<u>2, 999, 573</u>	<u>2, 998, 969</u>	<u>2, 998, 359</u>
5 year secured bonds - issued at par value			
Issued in August 2021; interest rate at 0.58%; principal repayable at maturity and interest payable annually	2, 500, 000	2, 500, 000	2, 500, 000
Less: Issuance cost	(2, 278)	(2, 797)	(3, 324)
	<u>2, 497, 722</u>	<u>2, 497, 203</u>	<u>2, 496, 676</u>
	5, 497, 295	5, 496, 172	5, 495, 035
Less: Current portion	(2, 999, 573)	(2, 998, 969)	-
	<u>\$ 2, 497, 722</u>	<u>\$ 2, 497, 203</u>	<u>\$ 5, 495, 035</u>

In October 2019, the Company entered into a syndicated guarantee facility agreement with four banks led by the Bank of Taiwan for a NT\$3,024,600 thousand credit line; the proceeds are for the repayment of existing borrowings.

In July 2021, the Company entered into a syndicated credit facility agreement with nine banks including E.SUN Commercial Bank, Ltd. and the Bank of Taiwan for a NT\$6,660,000 thousand credit line; the proceeds are for the repayment of bank borrowings and the expansion of medium-term working capital.

21. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2024 and 2023, and the six months ended June 30, 2024 and 2023, the pension expenses of defined benefit plans were \$5,396 thousand, \$7,420 thousand, \$10,792 thousand and \$15,211 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

22. EQUITY

a. Share capital

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	1,800,000	1,800,000	1,800,000
Shares authorized	<u>\$ 18,000,000</u>	<u>\$ 18,000,000</u>	<u>\$ 18,000,000</u>
Number of shares issued and fully paid (in thousands)	1,178,266	1,178,266	1,178,266
Shares issued	<u>\$ 11,782,655</u>	<u>\$ 11,782,655</u>	<u>\$ 11,782,655</u>

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset deficit, distributed as cash or transferred to share capital (Note 1)			
Additional paid-in capital	\$ 309,017	\$ 309,017	\$ 309,017
Treasury share transactions	19,642	19,642	19,642
Difference between the consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition	<u>12,872</u>	<u>12,872</u>	<u>12,872</u>
	<u>341,531</u>	<u>341,531</u>	<u>341,531</u>
May be used to offset deficit only			
Share of changes in equities of associates or joint ventures	27,357	27,357	27,357
Changes in percentage of ownership interests in subsidiaries (Note 2)	293,249	292,491	–
Others	<u>58</u>	<u>58</u>	<u>58</u>
	<u>320,664</u>	<u>319,906</u>	<u>27,415</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
May not be used for any purpose			
Share of changes in equities of associates or joint ventures	3,348	3,348	3,883
	<u>\$ 665,543</u>	<u>\$ 664,785</u>	<u>\$ 372,829</u>
			(Concluded)

Note 1: The capital surplus could be used to offset a deficit or distributed as cash dividends or transferred to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital per year).

Note 2: Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

The Company's Articles stipulate that annual profit should be utilized in the following order:

- 1) Payment of income tax.
- 2) Offset accumulated deficit.
- 3) Appropriate as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the paid-in capital.
- 4) Setting aside or reversing a special reserve in accordance with the shareholders' meeting or as requested by the authorities.
- 5) The remainder along with the unappropriated earnings are considered as distributable earnings. In accordance with the dividend policy, the proposal of earnings appropriation is prepared by the board of directors and resolved in the shareholders' meeting.

The Company explicitly stipulates in the Articles of Incorporation to authorize the distributable dividends and bonuses in accordance with Article 240 of Company Act, or the legal reserve and capital surplus stipulated in Paragraph 1 of Article 241 of Company Act, in whole or in part may be paid in cash after a resolution has been approved by more than half of the directors with the attendance of more than two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's fully paid share capital, the excess may be transferred to capital or distributed in cash.

As the Company elected to use the exemptions in IFRS 1, \$426,930 thousand was set aside as special reserve. However, as some of the previously disclosed assets were disposed of in September 2021, \$645 thousand was reversed from the special reserve. Therefore, as of June 30, 2024, December 31, 2023 and June 30, 2023, the special reserve were \$426,285 thousand.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriations of Earnings		Dividends Per Share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$ 147,349	\$ 279,764		
Special reserve (reversal)	381,188	(204,218)		
Cash dividends	942,612	1,413,919	\$ 0.8	\$ 1.2

The above appropriations for cash dividends were resolved by the Company's board of directors in March 2024 and 2023, respectively. The other proposed appropriations were resolved by the shareholders in their meeting in June 2024 and 2023, respectively.

d. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2024	2023
Balance, beginning of the period	(\$ 1,886,840)	(\$ 1,335,011)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	1,282,899	(712,682)
Share of exchange differences of associates and joint ventures accounted for using the equity method	83,336	(29,070)
Other comprehensive income (loss) for the period	1,366,235	(741,752)
Partial disposal of subsidiaries	464	-
Balance, end of the period	(\$ 520,141)	(\$ 2,076,763)

Exchange differences on the translation of the financial statements of foreign operations arose mainly due to the impact of the exchange rate fluctuations of the RMB to the NTD on the subsidiaries which the Company and its subsidiaries invested in mainland China.

2) Unrealized gains and losses on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2024	2023
Balance, beginning of the period	\$ 528,051	\$ 357,410
Recognized for the period		
Unrealized gains and losses - equity instruments	370,488	63,057
Reclassification adjustments		
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	1,105	-
Balance, end of the period	\$ 899,644	\$ 420,467

e. Non-controlling interests

	For the Six Months Ended June 30	
	2024	2023
Balance, beginning of the period	\$ 481,339	\$ 310,936
Share of net profit (loss) for the period	24,357	(4,670)
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign operations	(5,519)	(19,706)
Remeasurements of defined benefit plans	(33)	-
Dividends distributed by subsidiaries	-	(3,313)
Non-controlling interests due to the capital increase of a subsidiary	1,406	-
Partial disposal of subsidiaries	2,367	-
Balance, end of the period	<u>\$ 503,917</u>	<u>\$ 283,247</u>

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from the sale of goods	\$11,516,329	\$10,779,760	\$21,489,707	\$20,291,440
Lease revenue	53,257	69,949	100,424	133,761
	<u>\$11,569,586</u>	<u>\$10,849,709</u>	<u>\$21,590,131</u>	<u>\$20,425,201</u>

Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Notes and accounts receivable	<u>\$ 15,823,146</u>	<u>\$ 15,213,220</u>	<u>\$ 15,173,502</u>	<u>\$ 17,132,279</u>
Contract liabilities				
Sale of goods	<u>\$ 604,936</u>	<u>\$ 873,877</u>	<u>\$ 511,674</u>	<u>\$ 444,225</u>

The changes in the balance of contract liabilities resulted primarily from the difference in timing between the satisfaction of performance obligations and customer payment.

Revenue recognized in the current period from the balance of contract liabilities at the beginning of the year is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
From the balance of contract liabilities at the beginning of the year				
Sale of goods	\$ 211,458	\$ 97,677	\$ 481,846	\$ 219,455

24. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on bank deposits	\$ 26,150	\$ 25,504	\$ 48,301	\$ 50,249
Others	1,952	3,333	4,425	7,698
	<u>\$ 28,102</u>	<u>\$ 28,837</u>	<u>\$ 52,726</u>	<u>\$ 57,947</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Subsidy income	\$ 37,937	\$ 24,935	\$ 70,309	\$ 40,279
Dividend income	–	13,013	–	13,013
Others	32,813	45,382	107,619	85,294
	<u>\$ 70,750</u>	<u>\$ 83,330</u>	<u>\$ 177,928</u>	<u>\$ 138,586</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Loss on disposal of property, plant and equipment	(\$ 2,346)	(\$ 4,014)	(\$ 3,587)	(\$ 5,326)
Gain on disposal of investments (Note 14)	–	2,547	–	2,547
Gain on financial assets				
Financial assets at FVTPL	1,430	1,627	2,258	3,384
Finance fees	(12,016)	(11,764)	(24,735)	(23,303)
Net foreign exchange gains and losses	5,897	17,686	21,103	2,516
Others	(9,575)	(10,568)	(18,237)	(20,190)
	<u>(\$ 16,610)</u>	<u>(\$ 4,486)</u>	<u>(\$ 23,198)</u>	<u>(\$ 40,372)</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest Expense				
Interest on loans	\$ 121,228	\$ 120,969	\$ 237,095	\$ 228,225
Interest on lease liabilities	1,239	531	2,582	987
Less: Amounts included in the cost of qualifying assets	(10,235)	(6,806)	(18,835)	(12,386)
	<u>\$ 112,232</u>	<u>\$ 114,694</u>	<u>\$ 220,842</u>	<u>\$ 216,826</u>

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Capitalized interest amount	<u>\$ 10,235</u>	<u>\$ 6,806</u>	<u>\$ 18,835</u>	<u>\$ 12,386</u>
Capitalization rates (%)	1.87~3.50	1.80~1.93	1.75~3.50	1.60~1.93

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 511,041	\$ 477,282	\$ 1,003,656	\$ 960,609
Investment properties	11,265	14,608	22,286	29,408
Right-of-use assets	28,838	26,658	57,658	54,648
Intangible assets	4,432	4,966	8,766	10,056
Other non-current assets - others	277	267	552	611
Non-current assets held for sale	5,778	-	11,452	-
	<u>\$ 561,631</u>	<u>\$ 523,781</u>	<u>\$ 1,104,370</u>	<u>\$ 1,055,332</u>
Analysis of depreciation by function				
Operating costs	\$ 437,667	\$ 391,134	\$ 851,655	\$ 807,082
Operating expenses	119,255	127,414	243,397	237,583
	<u>\$ 556,922</u>	<u>\$ 518,548</u>	<u>\$ 1,095,052</u>	<u>\$ 1,044,665</u>
Analysis of amortization by function				
Operating costs	\$ 344	\$ 378	\$ 648	\$ 773
Operating expenses	4,365	4,855	8,670	9,894
	<u>\$ 4,709</u>	<u>\$ 5,233</u>	<u>\$ 9,318</u>	<u>\$ 10,667</u>

f. Employee benefits

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits				
Salaries	\$ 987,138	\$ 1,013,002	\$ 1,947,303	\$ 1,981,727
Labor and health insurance	88,547	85,564	180,035	171,831
Others	93,044	87,754	175,621	170,075
	<u>\$ 1,168,729</u>	<u>\$ 1,186,320</u>	<u>\$ 2,302,959</u>	<u>\$ 2,323,633</u>
Post-employment benefits				
Defined contribution plans	53,548	66,212	116,971	129,177
Defined benefit plans (Note 21)	5,396	7,420	10,792	15,211
	<u>\$ 58,944</u>	<u>\$ 73,632</u>	<u>\$ 127,763</u>	<u>\$ 144,388</u>
	<u>\$ 1,227,673</u>	<u>\$ 1,259,952</u>	<u>\$ 2,430,722</u>	<u>\$ 2,468,021</u>
Analysis by function				
Operating costs	\$ 562,279	\$ 556,071	\$ 1,106,162	\$ 1,092,782
Operating expenses	665,394	703,881	1,324,560	1,375,239
	<u>\$ 1,227,673</u>	<u>\$ 1,259,952</u>	<u>\$ 2,430,722</u>	<u>\$ 2,468,021</u>

g. Compensation of employees and remuneration of directors

The Company distributed the compensation of employees and remuneration of directors at rates of 4.5% (inclusive)-5.5% and no higher than 1%, respectively, of pre-tax profit prior to the deduction of the compensation of employees and remuneration of directors. The accrual amounts of compensation of employees and remuneration of directors are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Compensation of employees	<u>\$ 24,645</u>	<u>\$ 18,335</u>	<u>\$ 49,500</u>	<u>\$ 25,000</u>
Remuneration of directors	<u>\$ 3,525</u>	<u>\$ 2,537</u>	<u>\$ 7,110</u>	<u>\$ 3,500</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will be adjusted in the next year.

The compensation of employees and remuneration of directors (all in cash) approved by the Company's board of directors in March 2024 and 2023, and accrual amounts recognized in the consolidated financial statements were as follows:

	For the Year Ended December 31			
	2023		2022	
	Compensation of employees	Remuneration of Directors	Compensation of employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	\$ 79,662	\$ 11,507	\$ 127,083	\$ 18,356
Amounts recognized in the financial statements	80,000	11,300	130,000	18,250
Difference	(\$ 338)	\$ 207	(\$ 2,917)	\$ 106

The differences were adjusted to profit and loss for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors approved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX

a. Income tax expense (benefit) recognized in profit or loss

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax	\$ 212,485	\$ 53,903	\$ 413,896	\$ 132,329
Deferred tax	(32,707)	110,844	12,548	125,337
	<u>\$ 179,778</u>	<u>\$ 164,747</u>	<u>\$ 426,444</u>	<u>\$ 257,666</u>

b. Income tax expense (benefit) recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Deferred tax				
Recognized in the current period				
Remeasurement of defined benefit plans	(\$ 293)	\$ -	(\$ 293)	\$ -
Remeasurement of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	(86)	-	(86)	-
Unrealized gains and losses on financial assets at fair value through other comprehensive income	21	(5,377)	(149)	(4,038)
	<u>(\$ 358)</u>	<u>(\$ 5,377)</u>	<u>(\$ 528)</u>	<u>(\$ 4,038)</u>

c. Income tax assessment

The Company's income tax returns as of 2022 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic earnings per share	\$ 0.38	\$ 0.30	\$ 0.76	\$ 0.42
Diluted earnings per share	\$ 0.38	\$ 0.30	\$ 0.75	\$ 0.42

The net profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Net profit for the period attributable to owners of the Company	\$ 445,472	\$ 357,851	\$ 891,190	\$ 494,568

Number of ordinary shares

Unit: Thousand Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,178,266	1,178,266	1,178,266	1,178,266
Effect of potentially dilutive ordinary shares				
Compensation of employees	1,602	774	2,489	2,243
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,179,868	1,179,040	1,180,755	1,180,509

Since the Company is allowed to settle the compensation paid to employees by cash or shares, the Company assumed that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the shares have a dilutive effect. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees in the meeting in the following year.

27. CASH FLOW INFORMATION

a. Information on investment activities

	For the Six Months Ended June 30	
	2024	2023
Acquisition of property, plant and equipment	\$ 1,806,973	\$ 1,325,392
Decrease in payables for equipment	72,707	169,020
Increase in other non-current liabilities	—	(160)
	<u>1,879,680</u>	<u>1,494,252</u>
Capitalized interest	(18,835)	(12,386)
	<u>\$ 1,860,845</u>	<u>\$ 1,481,866</u>

b. Changes in major liabilities arising from financing activities

For the six months ended June 30, 2024

	January 1, 2024	Cash Flows	Non-cash Changes		June 30, 2024
			Exchange Rate Adjustment	Issuance Cost	
Short-term borrowings	\$ 5,557,448	(\$ 1,259,663)	\$ 89,798	\$ —	\$ 4,387,583
Long-term borrowings	10,103,044	2,240,711	76,135	—	12,419,890
Bonds payable	5,496,172	—	—	1,123	5,497,295

For the six months ended June 30, 2023

	January 1, 2023	Cash Flows	Non-cash Changes		June 30, 2023
			Exchange Rate Adjustment	Issuance Cost	
Short-term borrowings	\$ 5,364,058	\$ 564,880	(\$ 59,710)	\$ —	\$ 5,869,228
Long-term borrowings	11,533,473	(248,065)	(66,756)	—	11,218,652
Bonds payable	5,493,921	—	—	1,114	5,495,035

28. CAPITAL MANAGEMENT

The Company and its subsidiaries' objectives in capital management are to safeguard the Company and its subsidiaries' ability to continue as a going concern and to provide reasonable returns to shareholders, to maintain an optimal capital structure and to reduce the cost of capital. The Company's capital management policy is to maintain a strong capital base that maintains the confidence of investors, creditors and the market, as well as support future operations. Capital includes the Company's shares, capital surplus, and retained earnings.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Financial assets and liabilities that are not measured at fair value are of short-term duration and are usually repriced at the current market interest rate. Either their carrying amounts are close to their fair values, or their fair values could not be reliably measured.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>June 30, 2024</u>				
Financial instruments at FVTPL				
Structured deposit	\$ –	\$ 383,682	\$ –	\$ 383,682
Mutual funds	\$ –	\$ –	\$ 9,951	\$ 9,951
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 982,651	\$ –	\$ –	\$ 982,651
Domestic and foreign unlisted shares	\$ –	\$ –	\$ 439,523	\$ 439,523
<u>December 31, 2023</u>				
Financial instruments at FVTPL				
Mutual funds	\$ –	\$ –	\$ 9,182	\$ 9,182
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 655,657	\$ –	\$ –	\$ 655,657
Domestic and foreign unlisted shares	\$ –	\$ –	\$ 383,184	\$ 383,184
<u>June 30, 2023</u>				
Financial instruments at FVTPL				
Structured deposit	\$ –	\$ 258,839	\$ –	\$ 258,839
Mutual funds	\$ –	\$ –	\$ 10,387	\$ 10,387
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 580,582	\$ –	\$ –	\$ 580,582
Domestic and foreign unlisted shares	\$ –	\$ –	\$ 354,013	\$ 354,013

There was no transfer between Level 1 and Level 2 for the six months ended June 30, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the Six Months Ended June 30, 2024

	Mutual Funds	Stocks	
	Financial Assets	Financial Assets	
	at FVTPL	at FVTOCI	Total
<u>Financial assets</u>			
Balance, beginning of the period	\$ 9,182	\$ 383,184	\$ 392,366
Recognized in profit or loss (recorded as other gains and losses)	247	–	247
Recognized in other comprehensive income	–	43,345	43,345
Disposal	–	(1,196)	(1,196)
Effects of foreign currency exchange differences	522	14,190	14,712
Balance, end of the period	<u>\$ 9,951</u>	<u>\$ 439,523</u>	<u>\$ 449,474</u>
Unrealized other gains and losses for the period	<u>\$ 247</u>		<u>\$ 247</u>

For the Six Months Ended June 30, 2023

	Mutual Funds	Stocks	
	Financial Assets	Financial Assets	
	at FVTPL	at FVTOCI	Total
<u>Financial assets</u>			
Balance, beginning of the period	\$ 9,402	\$ 300,457	\$ 309,859
Additions	–	50,000	50,000
Recognized in profit or loss (recorded as other gains and losses)	977	–	977
Recognized in other comprehensive income	–	627	627
Disposal	(142)	–	(142)
Effects of foreign currency exchange differences	150	2,929	3,079
Balance, end of the period	<u>\$ 10,387</u>	<u>\$ 354,013</u>	<u>\$ 364,400</u>
Unrealized other gains and losses for the period	<u>\$ 977</u>		<u>\$ 977</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

The fair value of structured time deposits is measured by the future cash flows that are estimated and discounted by the expected yield based on the observable index at the end of period.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of mutual funds were estimated using the net worth of the latest financial statement. The fair values of domestic and foreign unlisted shares were estimated using the net worth of their

latest financial statement and the market approach by reference to industry category, the revaluation of similar companies and the company's operations.

c. Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<hr/> Financial assets <hr/>			
Fair value through profit or loss			
Mandatorily classified as at fair value through profit or loss	\$ 393,633	\$ 9,182	\$ 269,226
Financial assets at amortized cost (Note 1)	24,080,270	23,618,377	22,752,957
Financial assets at fair value through other comprehensive income - equity instruments	1,422,174	1,038,841	934,595
<hr/> Financial liabilities <hr/>			
Financial liabilities at amortized cost (Note 2)	30,488,134	28,681,187	29,401,518

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other financial assets - current and non-current (recorded as other non-current assets - others), other receivables, refundable deposits (recorded as other non-current assets - others), and long-term receivables (recorded as other non-current assets - others).

Note 2: The balances included financial liabilities at amortized cost, which comprise short-term borrowings, notes and accounts payable, other payables - others, long-term borrowings (including current portion), bonds payable (including current portion), guarantee deposits received (recorded as other non-current liabilities).

d. Financial risk management objectives and policies

The financial risk management objectives of the Company and its subsidiaries are mainly to manage the market risk, credit risk and liquidity risk related to operating activities and to verify, measure and manage the financial risks according to the policies. The Company and its subsidiaries have set up policies, procedures and internal controls to manage the risks in their financial activities. The significant financial activities of the Company and its subsidiaries are in accordance with relevant regulations and internal controls approved by the board of directors. During the execution of financial management activities, the Company and its subsidiaries should be in compliance with the relevant rules of financial risk management.

1) Market risk

a) Foreign currency risk

The Company and its subsidiaries' operating activities and net investments in foreign operations are denominated mainly in foreign currencies. Consequently, the Company and its subsidiaries are exposed to foreign currency risk. To protect against reductions in the value of foreign currency assets and against the volatility of future cash flows caused by changes in foreign exchange rates, the Company and its subsidiaries utilize derivative financial instruments, such as foreign exchange

forward contracts, or maintain net foreign currency assets and liabilities. Foreign currency risk could be reduced but might not be fully eliminated by these methods.

For the carrying amounts of the Company and its subsidiaries' significant non-functional currency denominated monetary assets and liabilities (including those eliminated on consolidation) at the balance sheet date, refer to Note 34.

Sensitivity analysis

The following table details the sensitivity to a 1% change in the functional currencies against the relevant foreign currencies.

		Impact on Profit or Loss	
		For the Six Months Ended June 30	
		2024	2023
<u>Foreign Currencies : Functional Currencies</u>			
Financial assets			
Monetary items			
USD:NTD	\$	29,481	\$ 24,781
USD:RMB		9,984	6,302
USD:MYR		4,207	3,893
RMB:NTD		1,866	1,729
JPY:NTD		3,563	3,646
EUR:NTD		1,125	1,186
Financial liabilities			
Monetary items			
USD:NTD		22,427	21,791
USD:RMB		5,340	3,909
USD:MYR		5,202	3,727
JPY:NTD		1,232	3,038
USD:THB		1,660	387

b) Interest rate risk

The borrowings of the Company and its subsidiaries with fixed interest rates were not exposed to cash flow risk. The borrowings with floating interest rates were exposed to cash flow risk as effective interest rates change.

The carrying amounts of the Company and its subsidiaries' financial assets and financial liabilities with exposure to interest rate risks at the balance sheet dates were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 3,563,829	\$ 2,602,302	\$ 2,351,269
Financial liabilities	5,698,987	5,746,816	5,766,564
Cash flow interest rate risk			
Financial assets	4,384,186	5,076,242	4,535,970
Financial liabilities	16,807,473	15,660,492	17,087,880

If interest rates had been 1% higher and all other variables were held constant, the Company and its subsidiaries' financial liabilities would have increased annual cash outflows by \$168,075 thousand and \$170,879 thousand at June 30, 2024 and 2023, respectively.

c) Other price risk

The Company and its subsidiaries were exposed to equity price risk through their investments in equity securities. If equity prices had been 1% higher/lower, other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$9,827 thousand and \$5,806 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refer to the risk of financial loss to the Company and its subsidiaries arising from default by clients or counterparties of financial instruments on the contract obligations. According to the Company and its subsidiaries' policy, each operating entity in the Company and its subsidiaries is responsible for managing and analyzing the credit risk of each of their new clients before standard payment and delivery terms and conditions are offered. The credit quality of the customers is assessed through internal risk control procedures by taking into account their financial position, past experience and other factors, and the Company and its subsidiaries engage in credit enhancement by covering specific outstanding trade receivables by collateral. While the Company and its subsidiaries have procedures to monitor and limit exposure to credit risk on accounts receivable, there can be no assurance that such procedures will effectively limit credit risk and avoid losses. This risk is heightened during periods when economic conditions worsen.

3) Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate cash and cash equivalents, bank borrowings, and so on. The table below summarizes the maturity profile of the Company and its subsidiaries' financial liabilities based on contractual undiscounted payments, including principal and interest.

June 30, 2024

	Less Than 1 Year	1-2 Years	2-3 Years	3-5 Years	Over 5 Years	Total
Non-derivative financial liabilities						
Short-term borrowings	\$ 4,424,909	\$ -	\$ -	\$ -	\$ -	\$ 4,424,909
Notes payable	993,611	-	-	-	-	993,611
Accounts payable	5,327,505	-	-	-	-	5,327,505
Other payables	1,773,466	-	-	-	-	1,773,466
Lease liabilities	79,797	55,806	31,808	33,054	8,340	208,805
Long-term borrowings (including current portion)	5,710,805	3,422,175	1,744,976	2,121,159	73,285	13,072,400
Bonds payable (including current portion)	3,039,100	14,500	2,514,500	-	-	5,568,100
	<u>\$ 21,349,193</u>	<u>\$ 3,492,481</u>	<u>\$ 4,291,284</u>	<u>\$ 2,154,213</u>	<u>\$ 81,625</u>	<u>\$ 31,368,796</u>

December 31, 2023

	Less Than 1 Year	1-2 Years	2-3 Years	3-5 Years	Over 5 Years	Total
Non-derivative financial liabilities						
Short-term borrowings	\$ 5,605,550	\$ -	\$ -	\$ -	\$ -	\$ 5,605,550
Notes payable	778,344	-	-	-	-	778,344
Accounts payable	4,844,775	-	-	-	-	4,844,775
Other payables	1,822,801	-	-	-	-	1,822,801
Lease liabilities	86,308	71,287	42,441	48,377	12,130	260,543
Long-term borrowings (including current portion)	3,568,198	4,025,067	1,568,610	1,547,116	-	10,708,991
Bonds payable (including current portion)	3,039,100	14,500	2,509,455	-	-	5,563,055
	<u>\$ 19,745,076</u>	<u>\$ 4,110,854</u>	<u>\$ 4,120,506</u>	<u>\$ 1,595,493</u>	<u>\$ 12,130</u>	<u>\$ 29,584,059</u>

June 30, 2023

	Less Than 1 Year	1-2 Years	2-3 Years	3-5 Years	Over 5 Years	Total
Non-derivative financial liabilities						
Short-term borrowings	\$ 5,921,103	\$ -	\$ -	\$ -	\$ -	\$ 5,921,103
Notes payable	567,015	-	-	-	-	567,015
Accounts payable	4,267,577	-	-	-	-	4,267,577
Other payables	1,899,559	-	-	-	-	1,899,559
Lease liabilities	85,041	71,332	55,760	54,193	19,799	286,125
Long-term borrowings (including current portion)	5,564,441	2,267,607	3,730,132	-	-	11,562,180
Bonds payable	39,100	3,023,059	14,500	2,502,304	-	5,578,963
	<u>\$ 18,343,836</u>	<u>\$ 5,361,998</u>	<u>\$ 3,800,392</u>	<u>\$ 2,556,497</u>	<u>\$ 19,799</u>	<u>\$ 30,082,522</u>

e. Transfers of financial assets

Subsidiaries factored accounts receivable, discounted notes receivable with clients or banks and transferred a portion of the banker's acceptance bills of receivables from China to vendors for repayment. If above financial assets are not paid at maturity, the subsidiaries have the right to request the clients to pay the unsettled balance or the bank and vendors have the right to request the subsidiaries to pay the unsettled balance. As the subsidiaries have not transferred the significant risks and rewards relating to these financial assets, they continue to recognize the full carrying amount of the financial assets and treat the financial assets that have been transferred to banks and vendors as collateral for borrowings or payables.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of the accounts receivable that have been transferred but have not been derecognized amounted to \$2,228,096 thousand, \$2,088,944 thousand and \$1,957,820 thousand, respectively, and the carrying amount of the related borrowings and payables were \$2,223,551 thousand, \$2,088,674 thousand and \$1,956,876 thousand, respectively.

30. TRANSACTIONS WITH RELATED PARTIES

Except for the transactions disclosed in other notes, the transactions between the Company and its subsidiaries and other related parties are as follows:

a. Related party names and relationships

Related Party Name	Relationship
Allnex-Eternal Resins Corporation Limited	Associate
Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate
Eterkon Semiconductor Materials Co., Ltd.	Associate
Daxin Materials Corporation	Associate
Resonac New Material (Zhuhai) Co., Ltd.	Associate
Shanghai Dowill Paint Technology Co., Ltd.	Associate (no longer a related party since June 2023)
Covestro Eternal Resins (Far East) Ltd.	Associate
Covestro Eternal Resins (Kunshan) Co., Ltd.	Associate
Kwang Yang Motor Co., Ltd.	Key management personnel

b. Operating revenue

Account Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Revenue from sales of goods	Associates	<u>\$ 187,407</u>	<u>\$ 158,085</u>	<u>\$ 350,260</u>	<u>\$ 311,595</u>

Sales to related parties were made at prices similar to that of general transactions. The payment terms are 60-150 days from the end of the month.

c. Purchase of goods

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Associates	\$ 150	\$ 1,822	\$ 1,579	\$ 2,041

Purchases from related parties were made at prices similar to that of general transactions. The payment terms are 30-120 days from the date the goods are received.

d. Other income

Related Party Category / Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Associates				
Allnex-Eternal Resins (Guangdong) Co., Ltd.	\$ 12,588	\$ 12,277	\$ 26,138	\$ 25,377
Others	3,961	4,007	7,041	6,659
Key management personnel	—	—	—	5
	\$ 16,549	\$ 16,284	\$ 33,179	\$ 32,041

Inclusive of rental income, service revenue and so on.

e. Receivables from related parties

Account Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Notes and accounts receivable	Associates	\$ 244,113	\$ 223,512	\$ 209,170

The receivables arose mainly from sales transactions; the receivables were not guaranteed, pledged and do not bear interest. As of June 30, 2024, December 31, 2023 and June 30, 2023, the balance of loss allowance of accounts receivable from related parties was \$163 thousand, \$158 thousand and \$99 thousand, respectively.

f. Payables to related parties

Account Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable	Associates	\$ 157	\$ —	\$ 510

The payables arose mainly from purchase transactions; the payables were not guaranteed and do not bear interest.

g. Loans to related parties

Account Item	Related Party Category / Name	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables	Associates			
	Eterkon			
	Semiconductor Materials Co., Ltd.	\$ 109,278	\$ 104,045	\$ 103,429

The Company and its subsidiaries provided loans to related parties at rates comparable to market interest rates.

h. Dividends receivable

Account Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables	Associates	\$ -	\$ -	\$ 53,452

i. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 24,024	\$ 25,813	\$ 47,525	\$ 45,010
Post-employment benefits	297	267	594	534
	<u>\$ 24,321</u>	<u>\$ 26,080</u>	<u>\$ 48,119</u>	<u>\$ 45,544</u>

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Company and its subsidiaries' assets mortgaged or pledged as collateral for bank borrowings, discounted notes, supplier payment, customs guarantee, performance guarantee and banker's acceptance were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 2,224,066	\$ 2,088,944	\$ 1,957,820
Property, plant and equipment	268,151	267,336	264,309
Other financial assets – current and non-current (recorded as other non-current assets - others)			
Time deposit certificates and deposit of escrow account	40,659	18,369	18,346
	<u>\$ 2,532,876</u>	<u>\$ 2,374,649</u>	<u>\$ 2,240,475</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. The Company and its subsidiaries have issued but unused letters of credit with an aggregate amount of \$90,371 thousand as of June 30, 2024.

- b. The Company and its subsidiaries have contracts that were not yet incurred to purchase property, plant and equipment and intangible assets of \$2,352,472 thousand at June 30, 2024.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company and its subsidiaries before elimination and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)		Exchange Rate	Carrying Amount
<hr/> June 30, 2024 <hr/>				
Financial assets				
Monetary items				
USD	\$ 90,852	32.4500	(USD:NTD)	\$ 2,948,147
USD	30,767	7.1268	(USD:RMB)	998,389
USD	12,964	4.7205	(USD:MYR)	420,682
RMB	40,971	4.5532	(RMB:NTD)	186,551
JPY	1,768,476	0.2015	(JPY:NTD)	356,295
EUR	3,225	34.8856	(EUR:NTD)	112,506
Non-monetary items				
Investments accounted for using the equity method				
USD	913,204	32.4500	(USD:NTD)	29,633,482
RMB	5,863,995	0.1403	(RMB:USD)	26,700,177
RMB	29,148	4.5532	(RMB:NTD)	132,717
JPY	8,149,049	0.2015	(JPY:NTD)	1,641,789
MYR	231,813	0.2118	(MYR:USD)	1,593,547
THB	421,377	0.8867	(THB:NTD)	373,635
Financial liabilities				
Monetary items				
USD	69,111	32.4500	(USD:NTD)	2,242,652
USD	16,456	7.1268	(USD:RMB)	533,997
USD	16,032	4.7205	(USD:MYR)	520,238
JPY	611,440	0.2015	(JPY:NTD)	123,187
USD	5,115	36.8497	(USD:THB)	165,982
<hr/> December 31, 2023 <hr/>				
Financial assets				
Monetary items				
USD	76,820	30.7050	(USD:NTD)	2,358,758
USD	22,525	7.0827	(USD:RMB)	691,630
USD	12,642	4.5995	(USD:MYR)	388,173
RMB	77,272	4.3352	(RMB:NTD)	334,990
JPY	1,542,496	0.2165	(JPY:NTD)	333,935
EUR	3,252	34.0713	(EUR:NTD)	110,800

(Continued)

	Foreign Currency (In Thousands)		Exchange Rate	Carrying Amount
Non-monetary items				
Investments accounted for using the equity method				
USD	\$ 931,052	30.7050	(USD:NTD)	\$28,587,956
RMB	5,947,188	0.1412	(RMB:USD)	25,782,310
RMB	28,436	4.3352	(RMB:NTD)	123,278
JPY	7,404,388	0.2165	(JPY:NTD)	1,602,976
MYR	234,993	0.2174	(MYR:USD)	1,568,749
THB	145,390	0.9017	(THB:NTD)	131,098
Financial liabilities				
Monetary items				
USD	64,948	30.7050	(USD:NTD)	1,994,228
USD	14,870	7.0827	(USD:RMB)	456,583
USD	13,459	4.5995	(USD:MYR)	413,259
JPY	1,041,770	0.2165	(JPY:NTD)	225,533
<hr/>				
June 30, 2023				
Financial assets				
Monetary items				
USD	79,579	31.1400	(USD:NTD)	2,478,090
USD	20,239	7.2258	(USD:RMB)	630,242
USD	12,503	4.6860	(USD:MYR)	389,343
RMB	40,127	4.3096	(RMB:NTD)	172,930
JPY	1,695,894	0.2150	(JPY:NTD)	364,617
THB	134,507	0.8816	(THB:NTD)	118,581
Non-monetary items				
Investments accounted for using the equity method				
USD	900,616	31.1400	(USD:NTD)	28,045,180
RMB	6,016,870	0.1384	(RMB:USD)	25,930,062
JPY	6,581,549	0.2150	(JPY:NTD)	1,415,033
MYR	247,632	0.2134	(MYR:USD)	1,645,599
THB	137,489	0.8816	(THB:NTD)	121,210
Financial liabilities				
Monetary items				
USD	69,979	31.1400	(USD:NTD)	2,179,146
USD	12,553	7.2258	(USD:RMB)	390,900
USD	11,967	4.6860	(USD:MYR)	372,652
JPY	1,412,850	0.2150	(JPY:NTD)	303,763

(Concluded)

The total realized and unrealized foreign exchange gains were \$5,897 thousand, \$17,686 thousand, \$21,103 thousand and \$2,516 thousand for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, respectively. Considering the variety of the foreign currency transactions and functional currencies of each entity, the Company and its subsidiaries disclosed the significant foreign exchange gains and losses in aggregate.

35. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

- 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (Table 3)
 - 4) Marketable securities acquired or disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: None
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: (Table 4)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 9) Trading in derivative instruments: (Note 7)
 - 10) Others: The business relationship between the parent company and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions (Table 7)
 - 11) Information on investees (Table 8)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 5)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 5)
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds (Table 1)
 - f) 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 services: None

- c. Information of major shareholders: list of the shareholders with ownership of 5% or greater, showing the names, the number of shares and percentage of ownership held by each shareholder. (Table 10)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of industrial materials. Reported segments of the Company and its subsidiaries were as follows:

- **Resins Materials**

Mainly operating variety of industrial resins materials.

- **Electronic Materials**

Mainly operating electronic, optoelectronic industry raw material and vacuum laminator.

- **High Performance Materials**

Mainly operating UV - light curing raw material.

- **Others**

The other operating segments which did not meet the quantitative threshold for separate reporting.

Segment revenues and operating results

The Company and its subsidiaries' segment profit (loss) is measured by operating profit and is used as the basis for assessing the performance of the operating segments. The following is an analysis of the Company and its subsidiaries' revenues and results of operations by reportable segment.

	Resins Materials	Electronic Materials	High Performance Materials	Others	Adjustment and Elimination	Total
<u>For the six months ended June 30, 2024</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 10,275,289	\$ 5,662,907	\$ 5,548,373	\$ 3,138	\$ -	\$ 21,489,707
Revenue from the rental service	-	2,611	-	97,813	-	100,424
Inter-segment revenues	1,087,019	1,273,105	941,110	1,329	(3,302,563)	-
Total revenue	\$ 11,362,308	\$ 6,938,623	\$ 6,489,483	\$ 102,280	(\$ 3,302,563)	\$ 21,590,131
Segment operating profit (loss)	\$ 318,463	\$ 544,382	\$ 671,130	(\$ 360,944)	\$ -	\$ 1,173,031
<u>For the six months ended June 30, 2023</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 10,672,788	\$ 5,509,117	\$ 4,077,221	\$ 32,314	\$ -	\$ 20,291,440
Revenue from the rental service	-	13,264	-	120,497	-	133,761
Inter-segment revenues	1,152,296	1,227,842	618,254	1,326	(2,999,718)	-
Total revenue	\$ 11,825,084	\$ 6,750,223	\$ 4,695,475	\$ 154,137	(\$ 2,999,718)	\$ 20,425,201
Segment operating profit (loss)	\$ 175,105	\$ 370,706	\$ 390,873	(\$ 233,859)	\$ -	\$ 702,825

Eternal Materials Co., Ltd. and Subsidiaries

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance (Note 3)	Actual Amount Drawn	Interest Rate (%)	Nature of Financing (Note 4)	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Limit	Note
													Item	Value			
1	Eternal Chemical (China) Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	Other receivables from related parties	Y	\$ 451,022	\$ -	\$ -	-	2	\$ -	Operating needs	\$ -	-	\$ -	\$ 8,554,627	\$ 8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	Other receivables from related parties	Y	90,204	-	-	-	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Specialty Materials (Suzhou) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	880,924	-	-	-	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	1,578,577	1,138,310	719,201	1.76	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Other receivables from related parties	Y	67,653	-	-	-	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Optical Material (Suzhou) Co., Ltd.	Other receivables from related parties	Y	44,046	-	-	-	2	-	Operating needs	-	-	-	8,554,627	8,554,627	Note 6
2	Eternal Materials (Guangdong) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	7,092,271	7,092,271	Note 5
2	Eternal Materials (Guangdong) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	366,379	364,259	-	-	2	-	Operating needs	-	-	-	7,092,271	7,092,271	Note 5
3	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	Other receivables from related parties	Y	1,692,340	1,687,400	1,687,400	5.61~5.65	2	-	Operating needs	-	-	-	42,225,749	42,225,749	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	31,073,757	31,073,757	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	1,007,543	1,001,713	755,391	2.76	2	-	Operating needs	-	-	-	31,073,757	31,073,757	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	Other receivables from related parties	Y	1,190,732	819,583	464,873	2.76	2	-	Operating needs	-	-	-	31,073,757	31,073,757	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	Other receivables from related parties	Y	1,282,327	910,648	664,618	2.76	2	-	Operating needs	-	-	-	31,073,757	31,073,757	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	1,373,922	910,648	455,809	2.76	2	-	Operating needs	-	-	-	31,073,757	31,073,757	Note 5
4	Eternal (China) Investment Co., Ltd.	Eterkon Semiconductor Materials Co., Ltd.	Other receivables from related parties	Y	219,828	109,278	109,278	3.45	2	-	Operating needs	-	-	-	6,214,751	6,214,751	Note 7
4	Eternal (China) Investment Co., Ltd.	Eternal Specialty Materials (Suzhou) Co., Ltd.	Other receivables from related parties	Y	228,987	227,662	-	-	2	-	Operating needs	-	-	-	31,073,757	31,073,757	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Other receivables from related parties	Y	68,696	68,299	-	-	2	-	Operating needs	-	-	-	31,073,757	31,073,757	Note 5
5	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	676,533	-	-	-	2	-	Operating needs	-	-	-	7,701,489	7,701,489	Note 6
5	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	686,961	682,986	184,965	1.76	2	-	Operating needs	-	-	-	7,701,489	7,701,489	Note 6
6	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	3,802,612	3,802,612	Note 6
6	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	457,974	455,324	-	1.76	2	-	Operating needs	-	-	-	3,802,612	3,802,612	Note 6
7	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	1,346,598	1,346,598	Note 8
7	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	457,974	455,324	137,773	1.76	2	-	Operating needs	-	-	-	1,346,598	1,346,598	Note 8

Note 1: The representation of the numbers are as follows:

1. No. 0 represents the issuer.
2. Investees are numbered in order from No. 1.

Note 2: The maximum balance for the period had been approved by the board of directors, and translated into NTD using the exchange rate at the balance sheet date.

Note 3: The ending balance for the period had been approved by the board of directors, and translated into NTD using the exchange rate at the balance sheet date.

Note 4: Nature of financing is as follows:

1. Business relationship.
2. Short-term financing

Note 5: According to the subsidiary's Operation Procedures for Lending Funds to Others, either the financing limit for each borrowing company or the financing company's total financing limits shall not exceed 200% of the net worth of the financing company as of December 31, 2023, and it should be translated into NTD using the exchange rate at the balance sheet date.

Note 6: According to the subsidiary's Operation Procedures for Lending Funds to Others, either the financing limit for each borrowing company or the financing company's total financing limits shall not exceed 200% of the net worth of the financing company's latest financial statement, and it should be translated into NTD using the exchange rate at the balance sheet date.

Note 7: According to the subsidiary's Operation Procedures for Lending Funds to Others, either the financing limit for each borrowing company or the financing company's total financing limits shall not exceed 40% of the net worth of the financing company as of December 31, 2023, and it should be translated into NTD using the exchange rate at the balance sheet date.

Note 8: According to the subsidiary's Operation Procedures for Lending Funds to Others, either the financing limit for each borrowing company or the financing company's total financing limits shall not exceed 40% of the net worth of the financing company's latest financial statement, and it should be translated into NTD using the exchange rate at the balance sheet date.

Note 9: Amount was eliminated from the consolidated financial statements, except for investments accounted for using the equity method.

TABLE2

Eternal Materials Co., Ltd. and Subsidiaries

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsements /Guarantees Given on Behalf of Each Party	Maximum Amount Endorsements /Guarantees During the Period (Note 4)	Outstanding Endorsements /Guarantees the End of the Period (Note 5)	Actual Amount Drawn	Amount Endorsements /Guarantees by Collaterals	Ratio of Accumulated Endorsements /Guarantees to Net Equity per Latest Financial Statements (%)	Maximum Endorsements /Guarantees Amount Allowable	Endorsements /Guarantees Given by Parent on Behalf of Subsidiaries	Endorsements /Guarantees by Subsidiaries on Behalf of Parent	Endorsements /Guarantees Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Eternal Materials Co., Ltd.	Eternal Holdings Inc.	2	\$ 26,422,449	\$ 585,810	\$ 584,100	\$ -	\$ -	2.21	\$ 26,422,449	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	2	26,422,449	2,690,739	2,683,444	1,501,369	-	10.16	26,422,449	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Elga Europe S.r.l.	2	26,422,449	528,619	523,283	481,072	-	1.98	26,422,449	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Nanyang Investment Co., Ltd.	2	26,422,449	1,952,700	1,947,000	1,521,905	-	7.37	26,422,449	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	26,422,449	1,671,605	1,661,933	364,443	-	6.29	26,422,449	Y	N	Y	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	2	26,422,449	162,250	162,250	-	-	0.61	26,422,449	Y	N	N	Notes 3 and 6
1	Eternal (China) Investment Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	15,536,879	457,974	455,324	157,799	-	2.93	15,536,879	N	N	Y	Note 7

Note 1: The representation of the numbers are as follows:

- 1. No. 0 represents the issuer.
- 2. Investees are numbered in order from No. 1.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

- 1. Have a business relationship.
- 2. The company owns directly or indirectly more than 50% of the voting shares of the company.
- 3. Total ownership of more than 50% of the investee, either directly by the Company and/or indirectly by the Company’s subsidiaries.
- 4. Subsidiaries in which the Company owns directly or indirectly more than 90% of the voting shares.
- 5. Companies where the Company is required to provide guarantees or endorsements for the construction project based on the construction contract.
- 6. Companies where the shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership due to a joint venture.
- 7. According to the Consumer Protection Act, companies that are required to provide guarantees and endorsements for joint and several liabilities if involved in the business of pre-sale of real estate.

Note 3: In accordance with the parent company’s “Procedures for Provision of Endorsements and Guarantees”, limit on endorsement/guarantee given on behalf of each party is 100% of the parent company’s net worth based on the latest financial statements.

Note 4: Maximum amount endorsed/guaranteed during the period is approved by the board of directors, and translated into NTD using the exchange rate at the balance sheet date.

Note 5: Outstanding endorsements/guarantees at the end of the period are approved by the board of directors, and translated into NTD using the exchange rate at the balance sheet date.

Note 6: In accordance with the parent company’s “Procedures for Provision of Endorsements and Guarantees”, maximum endorsement/guarantee amount allowable is 100% of the parent company’s net worth based on the latest financial statements.

Note 7: In accordance with the subsidiary’s “Procedures for Provision of Endorsements and Guarantees”, the limit on endorsement/guarantee given on behalf of each party and the maximum amount endorsed/guaranteed is based on its net worth as of December 31, 2023, and translated into NTD using the exchange rate at the balance sheet date.

TABLE3

Eternal Materials Co., Ltd. and Subsidiaries

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Eternal Materials Co., Ltd.	President Securities Corp. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	33,366,767	\$ 982,651	2.29	\$ 982,651	
	TBG Diagnostics Limited (stock)	-	Financial assets at fair value through other comprehensive income - non-current	40,200,000	37,681	18.48	37,681	
	Universal Venture Capital Investment Corp. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	58,100	4.15	58,100	
	Research Innovation Capital Corporation. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	10,000,000	48,689	25.84 (Note 1)	48,689	
	Hwa Nan Venture Capital Co., Ltd. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	57,438	-	10.60	-	
Mixville Holdings Inc.	Grace THW Holding Limited (stock)	-	Financial assets at fair value through other comprehensive income - non-current	1,900,000	295,053	Note 2	295,053	
	Pacven Walden Ventures V,L.P.(fund)	-	Financial assets at fair value through profit or loss - non-current	-	9,951	Note 2	9,951	

Note 1: The Company has no significant influence on it, refer to Note12.

Note 2: The percentage of ownership is less than 1%.

TABLE4

Eternal Materials Co., Ltd. and Subsidiaries

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

Buyer	Property	Event Date	Transaction Amount (Note 1)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Eternal Specialty Materials (Suzhou) Co., Ltd.	Engaging the non-related party to build the factory on own land.	February 21, 2024	\$ 336, 982	Payment in accordance with the terms	Jiangsu Santong Construction Co., Ltd., etc.	Non- related party	-	-	-	\$ -	Price negotiation in accordance with the terms	Self-use	None
Eternal Materials (Malaysia) Sdn. Bhd.	Engaging the non-related party to build the factory on own land.	June 28, 2024	403, 370	Payment in accordance with the terms	Note 2	Note 2	-	-	-	-	Price negotiation in accordance with the terms	Self-use	None

Note 1: This is based on the expected transaction information in the capital budget approved by the board of directors. The actual transaction price will be based on the contract of the Company and its subsidiaries.

Note 2: The counterparty has not yet been determined.

TABLE5

Eternal Materials Co., Ltd. and Subsidiaries

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales (Note 2)	Amount	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% to Total	
Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Subsidiary	Sales	\$ 337, 623	5	Note 1	\$ -	-	\$ 149, 763	4	
	CHOU-KOU Materials Co., Ltd.	Subsidiary	Sales	322, 887	5	Note 1	-	-	163, 316	4	
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Subsidiary	Sales	187, 996	3	Note 1	-	-	80, 760	2	
	Eternal (China) Investment Co., Ltd.	Subsidiary	Sales	182, 731	3	Note 1	-	-	100, 497	2	
	Eternal Materials (Guangdong) Co., Ltd.	Subsidiary	Sales	112, 877	2	Note 1	-	-	50, 388	1	
Eternal Materials (Guangdong) Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Sister company	Sales	222, 100	8	Note 1	-	-	98, 461	4	
	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	Sales	222, 550	8	Note 1	-	-	117, 321	5	
Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Materials Co., Ltd.	Ultimate parent company	Sales	121, 847	5	Note 1	-	-	43, 387	3	
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Sister company	Sales	159, 062	10	Note 1	-	-	165, 095	9	

Note 1: The terms are similar to that of non-related party transactions.

Note 2: For transactions between related parties, only one side of the transaction was disclosed.

Note 3: Amounts were eliminated from the consolidated financial statements, except for investment accounted for using the equity method.

TABLE6

Eternal Materials Co., Ltd. and Subsidiaries

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Doubtful Accounts
					Amount	Actions Taken		
Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	Subsidiary	\$ 163, 316	3. 68	\$ -	-	\$ -	\$ -
	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Subsidiary	149, 763	4. 83	-	-	-	-
	Eternal Technology Corporation	Subsidiary	147, 003	1. 52	72, 786	Collected subsequently	-	-
	Elga Europe S.r.l.	Subsidiary	107, 896	1. 09	75, 449	Collected subsequently	4, 103	-
	Eternal (China) Investment Co., Ltd.	Subsidiary	100, 497	4. 28	-	-	-	-
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Sister company	165, 095	2. 80	59, 180	Collected subsequently	-	-
Eternal Materials (Guangdong) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	117, 321	4. 06	-	-	21, 921	127
Eternal Chemical (China) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	100, 440	1. 68	-	-	14, 905	25

Note: Amount was eliminated from the consolidated financial statements, except for the investments accounted for using the equity method.

Eternal Materials Co., Ltd. and Subsidiaries

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Item (Note 5)	Amount	Terms	% to Total Revenues or Assets
0	Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	1	Revenue from sales of goods	\$ 337, 623	Note 3	1. 56
0	Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	1	Revenue from sales of goods	322, 887	Note 3	1. 50
0	Eternal Materials Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	1	Revenue from sales of goods	187, 996	Note 3	0. 87
0	Eternal Materials Co., Ltd.	Eternal (China) Investment Co., Ltd.	1	Revenue from sales of goods	182, 731	Note 3	0. 85
0	Eternal Materials Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	1	Revenue from sales of goods	112, 877	Note 3	0. 52
0	Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	1	Notes and accounts receivable from related parties	163, 316	Note 3	0. 26
0	Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	1	Notes and accounts receivable from related parties	149, 763	Note 3	0. 24
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	1	Notes and accounts receivable from related parties	147, 003	Note 3	0. 24
0	Eternal Materials Co., Ltd.	Elga Europe S.r.l.	1	Notes and accounts receivable from related parties	107, 896	Note 3	0. 17
0	Eternal Materials Co., Ltd.	Eternal (China) Investment Co., Ltd.	1	Notes and accounts receivable from related parties	100, 497	Note 3	0. 16
1	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	2	Other receivables from related parties	1, 687, 400	Note 4	2. 73
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	1	Other receivables from related parties	755, 391	Note 4	1. 22
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	1	Other receivables from related parties	464, 873	Note 4	0. 75
2	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	1	Other receivables from related parties	664, 618	Note 4	1. 08
2	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	1	Other receivables from related parties	455, 809	Note 4	0. 74
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Revenue from sales of goods	159, 062	Note 3	0. 74
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Notes and accounts receivable from related parties	165, 095	Note 3	0. 27
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	2	Other receivables from related parties	184, 965	Note 4	0. 30
4	Eternal Materials (Guangdong) Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	3	Revenue from sales of goods	222, 100	Note 3	1. 03
5	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Materials Co., Ltd.	2	Revenue from sales of goods	121, 847	Note 3	0. 56
5	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	137, 773	Note 4	0. 22
6	Eternal Chemical (China) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	719, 201	Note 4	1. 17

Note 1: The transaction information of the Company and its subsidiaries is numbered in column “No.”. The representation of the numbers are as follows:

- 1. No. 0 represents the Company.
- 2. Subsidiaries are numbered in order from No. 1.

Note 2: The relationships among the parties to the transaction are as follows:

- 1. The parent company to subsidiary.
- 2. The subsidiary to the parent company.
- 3. The subsidiary to another subsidiary.

Note 3: The terms are similar to non-related party transactions.

Note 4: In accordance with the Operation Procedures for Lending Funds to Others.

Note 5: For transactions between related parties, only one side of the transaction was disclosed.

Eternal Materials Co., Ltd. and Subsidiaries

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Eternal Materials Co., Ltd.	Eternal Holdings Inc.	Samoa	International investment	\$ 5,681,836	\$ 5,681,836	185,108,859	100.00	\$ 21,194,545	\$ 376,760	\$ 368,511	
Eternal Materials Co., Ltd.	Eternal Global (BVI) Co., Ltd.	British Virgin Islands	International investment	703,144	703,144	16,357,914	100.00	4,617,284	92,682	90,832	
Eternal Materials Co., Ltd.	Mixville Holdings Inc.	British Virgin Islands	International investment	899,392	899,392	26,630,000	100.00	3,553,117	150,900	151,558	
Eternal Materials Co., Ltd.	Advanced PETFILM Investment Co., Ltd.	Japan	International investment	788,630	788,630	270	20.00	564,421	134,701	32,067	
Eternal Materials Co., Ltd.	Daxin Materials Corporation	Taiwan	Manufacturing and selling of chemical, resins materials and electronic materials	191,052	191,052	23,423,812	22.80	773,734	257,744	58,766	
Eternal Materials Co., Ltd.	New E Materials Co., Ltd.	Taiwan	Researching, developing, manufacturing and selling of photoelectric, semiconductor process related electronic chemical materials and equipment spare parts	82,322	82,322	3,453,793	62.80	32,263	330	207	
Eternal Materials Co., Ltd.	Covestro Eternal Resins (Far East) Ltd.	Taiwan	Manufacturing and selling of powder coating resin	36,400	36,400	3,660,000	40.00	137,880	22,639	12,879	
Eternal Materials Co., Ltd.	Eternal Precision Mechanics Co., Ltd.	Taiwan	Manufacturing and selling of vacuum laminator	554,555	555,123	52,032,131	84.48	1,374,368	191,158	162,093	
Eternal Materials Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Thailand	Trading services, cutting and selling of dry film photoresist	349,081	90,919	2,812,500	90.00	373,635	(15,481)	(12,544)	
Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	Japan	Selling, trading and providing services of resins material, electronic material and other related products; manufacturing and selling of dry film photoresist	190,594	190,594	9,760	100.00	242,209	38,289	38,289	
Eternal Materials Co., Ltd.	Elga Europe S.r.l.	Italy	Manufacturing, selling, distribution and processing of electronic chemical products	287,169	287,169	-	72.68	19,823	2,436	1,771	
Eternal Materials Co., Ltd.	Eternal Technology Corporation	United States	Manufacturing and selling of photoresist; selling of chemical products	622,950	622,950	1,000	100.00	268,536	(45,386)	(45,386)	
Eternal Precision Mechanics Co., Ltd.	Nikko-Materials Co., Ltd.	Japan	Manufacturing and selling of vacuum laminator	300,150	300,150	11,520	100.00	835,160	224,765	-	Note
Eternal Holdings Inc.	Eternal International (BVI) Co., Ltd.	British Virgin Islands	International investment	5,062,308	5,062,308	161,793,592	100.00	15,674,962	100,405	-	Note
Eternal Holdings Inc.	E-Chem Corp.	Samoa	International investment	165,608	165,608	4,990,000	100.00	3,204,458	261,355	-	Note
Eternal Holdings Inc.	Eternal Nanyang Investment Co., Ltd.	Samoa	International investment	841,453	841,453	28,350,000	90.00	60,280	(71,692)	-	Note
Eternal Holdings Inc.	PT Eternal Materials Indonesia	Indonesia	Trading of chemical products	13,360	13,360	670	67.00	10,768	(5,912)	-	Note
Eternal Holdings Inc.	Eternal Materials India Private Limited	India	Selling, trading of chemical	13,643	13,643	3,465,000	99.00	9,368	(3,820)	-	Note
Eternal Holdings Inc.	Allnex-Eternal Resins Corporation Limited	Hong Kong	Trading and international investment	14,496	14,496	49,000	49.00	487,553	98,073	-	Note
Eternal Holdings Inc.	Polymer Instrumentation and Consulting Services, Ltd.	United States	Plastic products manufacturing	121,913	121,913	4,694,296	30.00	-	-	-	Note
E-Chem Corp.	Eternal Materials India Private Limited	India	Selling, trading of chemical	138	138	35,000	1.00	95	(3,820)	-	Note
Mixville Holdings Inc.	High Expectation Limited	Cayman Islands	International investment	871,519	871,519	26,005,000	100.00	3,247,535	150,409	-	Note
Eternal (China) Investment Co., Ltd.	Elga Europe S.r.l.	Italy	Manufacturing, selling, distribution and processing of electronic chemical products	58,610	58,610	-	22.32	6,597	2,436	-	Note
Eternal Nanyang Investment Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	Malaysia	Manufacturing, selling, trading and providing services of resins material and chemical related products	2,082,818	2,082,818	395,922,000	100.00	1,593,547	(20,441)	-	Note

Note: It had been consolidated into the net income (loss) of investees recognized by the Company using the equity method, and also considered into the calculation of the Company's investment income or loss.

TABLE9

Eternal Materials Co., Ltd. and Subsidiaries

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024	Note
					Outward	Inward							
Eternal Chemical (China) Co., Ltd.	Manufacturing and selling of resins material and processing products	\$ 755, 651	2	\$ 625, 549	\$ -	\$ -	\$ 625, 549	\$ 81, 721	100. 00	\$ 81, 721	\$ 4, 277, 314	\$ 2, 303, 902	Note 2
Covestro Eternal Resins (Kunshan) Co., Ltd.	Manufacturing and selling of powder coating resin	183, 470	2	91, 735	-	-	91, 735	13, 190	50. 00	11, 065	348, 492	600, 691	Note 3
Eternal Optical Material (Suzhou) Co., Ltd.	Manufacturing and selling of optical films, and leasing business	1, 563, 967	2	-	-	-	-	(10, 633)	100. 00	(10, 633)	165, 650	-	Note 3 and 10
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Researching, developing, manufacturing and selling of electronic high-tech chemical and related products	2, 256, 739	2	444, 685	-	-	444, 685	108, 546	100. 00	108, 546	3, 850, 744	983, 767	Note 2
Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Researching, developing and manufacturing of photoresist dry film, liquid photo imaginable solder masks and printed circuit board related materials	469, 402	2	-	-	-	-	2, 121	100. 00	2, 121	188, 795	-	Note 3
Eterkon Semiconductor Materials Co., Ltd.	Manufacturing and selling of epoxy molding compounds which are used in electronic parts and related products	524, 337	2	456, 427	-	-	456, 427	39, 713	40. 00	20, 642	333, 088	-	Note 3
Eternal Synthetic Resins (Changshu) Co., Ltd.	Manufacturing and selling of unsaturated polyester resin	726, 426	2	279, 811	-	-	279, 811	(14, 931)	100. 00	(14, 931)	167, 517	-	Note 3
Eternal Chemical (Tianjin) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	1, 008, 004	2	599, 320	-	-	599, 320	5, 621	100. 00	5, 621	995, 326	-	Note 3
Eternal Specialty Materials (Zhuhai) Co., Ltd.	Manufacturing and selling of acrylic resin and methacrylic acid	611, 011	2	243, 540	-	-	243, 540	267, 748	90. 00	261, 035	3, 189, 065	1, 577, 039	Note 2
Eternal Materials (Guangdong) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	1, 297, 259	2	868, 175	-	-	868, 175	150, 672	100. 00	150, 672	3, 246, 051	2, 589, 220	Note 3
Eternal (China) Investment Co., Ltd.	Managing, investing consulting services, researching, leasing, manufacturing and selling of resins material and photoelectric chemicals materials	6, 880, 878	2	3, 810, 719	-	-	3, 810, 719	99, 579	100. 00	99, 579	15, 639, 255	-	Notes 3 and 4
Eternal Chemical (Chengdu) Co., Ltd.	Researching, manufacturing and selling of resins material	1, 454, 071	2	-	-	-	-	(61, 725)	100. 00	(61, 725)	101, 134	-	Note 3
Eternal Electronic (Suzhou) Co., Ltd.	Researching, developing, and manufacturing of dry film photoresist and dry film solder masks which are used in electronic materials, researching resin materials and selling, providing after sales service of self-produced products	1, 929, 180	2	-	-	-	-	(59, 546)	100. 00	(59, 546)	2, 052, 006	-	Note 3
Eternal Specialty Materials (Suzhou) Co., Ltd.	Researching and developing chemical products, and selling, providing technical services of self-produced products	1, 199, 225	2	-	-	-	-	116, 267	100. 00	116, 267	1, 901, 306	-	Note 2
Resonac New Material (Zhuhai) Co., Ltd.	Manufacturing and selling of functional resins, resins composite material and providing technical services	366, 881	2	-	-	-	-	1, 926	30. 00	686	96, 281	-	Note 3
Eternal Material Industry (Tongling) Co., Ltd.	Manufacturing, selling and providing technical services of products related to resins material	1, 650, 580	2	-	-	-	-	(26, 045)	100. 00	(26, 045)	1, 639, 096	-	Note 3
Eternal Precision Mechanics (Guangzhou) Ltd.	Manufacturing and selling of computers, communications and other electronic equipment	132, 928	1	132, 928	-	-	132, 928	2, 908	84. 48	2, 462	112, 119	-	Note 3

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2024 (Note 5)	Investment Amount Authorized by the Investment Commission, MOEA (Note 5)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 6)
Eternal Materials Co., Ltd.	\$ 7, 622, 793	\$ 28, 198, 265	\$ -
Eternal Precision Mechanics Co., Ltd.	132, 928	132, 330	975, 820

Note 1: Investment methods are classified into the following three categories:

1. Direct investment in a company in mainland China.
2. Investing through companies in a third region (Eternal Holdings Inc., Eternal Global (BVI) Co., Ltd. and Mixville Holdings Inc.).
3. Others.

Note 2: The investment gains and losses were recognized from the financial statements reviewed by the parent company's CPA in the ROC.

Note 3: The investment gains and losses were recognized from the financial statements of the investee company which have not been reviewed by CPA.

Note 4: The investment gains and losses of Eternal (China) Investment Co., Ltd. included the income (loss) of the invested company.

Note 5: The amounts were translated into NTD using the exchange rate of application date or remittance date.

Note 6: According to the "Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China", which was modified on August 29, 2008, Eternal Materials Co., Ltd. obtained the approval of the operational headquarters from the Industrial Development Bureau of Ministry of Economic Affairs; hence, there is no need to set an upper limit for the investment amount. For the subsidiary Eternal Precision Mechanics Co., Ltd., the upper limit for the investment amount is 60% of its net worth.

TABLE10**Eternal Materials Co., Ltd.****INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2024**

Name of the Major Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership
Kwang Yang Motor Co., Ltd.	117, 800, 000	9. 99
Kao, Ying-Shih	74, 567, 152	6. 32

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements of the Company and its subsidiaries may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.