

## **Eternal Materials Co., Ltd. and Subsidiaries**

### **Consolidated Financial Statements for the Nine Months Ended September 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 September 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the nine months then ended September 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\$28,258,464 thousand and NT\$27,288,485 thousand, constituting 45% of the consolidated total assets as of September 30, 2024 and 2023; total liabilities amounted to NT\$11,004,506 thousand and NT\$9,553,893 thousand, representing 32% and 27% of the consolidated total liabilities as of September 30, 2024 and 2023, respectively; total comprehensive income amounted to NT\$236,121 thousand, NT\$683,787 thousand, NT\$963,293 thousand and NT\$378,469 thousand, representing 49%, 36%, 31% and 22% of the consolidated total comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 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\$2,723,900 thousand and NT\$2,466,722 thousand as of September 30, 2024 and 2023, respectively; the share of the profit of associates and joint ventures accounted for using the equity method amounted to NT\$96,648 thousand, NT\$103,073 thousand, NT\$285,547 thousand and NT\$212,581 thousand for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, respectively; the share of the other comprehensive income of associates and joint ventures amounted to loss of NT\$16,371 thousand, profit of NT\$64,729 thousand, profit of NT\$68,550 thousand and profit of NT\$35,659 thousand for the three months ended September 30, 2024 and 2023,

and for the nine months ended September 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 September 30, 2024 and 2023, and its consolidated financial performance for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months ended September 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

November 8, 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	September 30,2024		December 31,2023		September 30,2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,912,675	10	\$ 6,356,603	11	\$ 6,212,097	11
Financial assets at fair value through profit or loss — current (Note 7)	543,459	1	—	—	80,968	—
Notes receivable, net (Notes 8 and 32)	5,053,795	8	4,512,991	8	5,024,302	9
Notes receivable from related parties, net (Notes 8 and 31)	55,312	—	50,447	—	32,440	—
Accounts receivable, net (Note 8)	11,119,758	18	10,476,717	18	11,411,326	19
Accounts receivable from related parties, net (Notes 8 and 31)	176,917	—	173,065	—	202,508	—
Other receivables (Notes 8 and 31)	686,795	1	638,761	1	680,497	1
Inventories (Note 9)	9,038,489	15	8,478,672	14	8,600,551	14
Non-current assets held for sale (Note 10)	160,619	—	170,314	—	183,160	—
Other financial assets - current (Notes 11 and 32)	1,170,187	2	1,267,006	2	1,410,154	3
Other current assets - others	862,378	1	905,349	2	739,306	1
Total current assets	34,780,384	56	33,029,925	56	34,577,309	58
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	7,709	—	9,182	—	9,991	—
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,283,305	2	1,038,841	2	1,001,831	2
Investments accounted for using the equity method (Note 14)	2,723,900	4	2,468,207	4	2,466,722	4
Property, plant and equipment (Notes 15 and 32)	20,176,681	32	18,322,920	31	18,187,604	30
Right-of-use assets (Note 16)	1,712,857	3	1,658,505	3	1,366,801	2
Investment properties (Note 17)	1,235,427	2	1,221,322	2	1,273,378	2
Intangible assets (Note 18)	222,430	—	231,643	—	234,388	—
Deferred tax assets	270,939	1	270,831	1	292,356	1
Other non-current assets - others (Notes 19 and 32)	234,947	—	286,878	1	682,964	1
Total non-current assets	27,868,195	44	25,508,329	44	25,516,035	42
TOTAL	\$62,648,579	100	\$58,538,254	100	\$60,093,344	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 32)	\$ 4,076,731	7	\$ 5,557,448	10	\$ 6,274,696	11
Contract liabilities - current (Note 23)	703,845	1	873,877	2	778,011	1
Notes payable	1,264,101	2	778,344	1	692,639	1
Accounts payable (Note 31)	5,166,129	8	4,844,775	8	5,031,521	8
Other payables - others	1,983,221	3	1,822,801	3	2,086,414	4
Current tax liabilities	630,574	1	422,718	1	121,112	—
Liabilities directly associated with non-current assets held for sale (Note 10)	1,716	—	2,543	—	2,804	—
Lease liabilities - current (Note 16)	79,803	—	81,604	—	81,920	—
Current portion of long-term liabilities (Notes 20 and 32)	4,889,270	8	3,741,170	7	687,135	1
Other current liabilities - others	56,742	—	68,172	—	62,892	—
Total current liabilities	18,852,132	30	18,193,452	32	15,819,144	26
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	2,497,987	4	2,497,203	4	5,495,603	9
Long-term borrowings (Notes 20 and 32)	10,172,982	16	9,360,843	16	10,059,163	17
Deferred tax liabilities	2,285,587	4	2,344,656	4	2,447,012	4
Lease liabilities - non-current (Note 16)	125,256	—	169,040	—	184,146	1
Other non-current liabilities	677,151	1	757,091	1	745,982	1
Total non-current liabilities	15,758,963	25	15,128,833	25	18,931,906	32
Total liabilities	34,611,095	55	33,322,285	57	34,751,050	58
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Ordinary shares	11,782,655	19	11,782,655	19	11,782,655	20
Capital surplus	1,088,976	2	664,785	1	372,272	1
Retained earnings						
Legal reserve	5,230,730	8	5,083,381	9	5,083,381	8
Special reserve	1,358,789	2	977,601	2	977,601	2
Unappropriated earnings	7,509,142	12	7,584,997	13	7,206,264	12
Total retained earnings	14,098,661	22	13,645,979	24	13,267,246	22
Other equity	343,360	1	( 1,358,789)	( 2)	( 366,931)	( 1)
Total equity attributable to owners of the Company	27,313,652	44	24,734,630	42	25,055,242	42
NON-CONTROLLING INTERESTS (Note 22)	723,832	1	481,339	1	287,052	—
Total equity	28,037,484	45	25,215,969	43	25,342,294	42
TOTAL	\$62,648,579	100	\$58,538,254	100	\$60,093,344	100

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche auditors' review report dated November 8, 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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 31)	\$11,333,522	100	\$11,267,525	100	\$32,923,653	100	\$31,692,726	100
OPERATING COSTS (Notes 9, 24 and 31)	9,087,631	80	8,961,326	80	26,315,435	80	25,606,387	81
GROSS PROFIT	2,245,891	20	2,306,199	20	6,608,218	20	6,086,339	19
OPERATING EXPENSES (Notes 8, 24 and 31)								
Selling and marketing expenses	705,581	6	661,897	6	1,952,924	6	1,872,983	5
General and administrative expenses	599,112	5	516,245	4	1,763,492	5	1,625,870	5
Research and development expenses	412,987	4	383,794	3	1,157,546	4	1,136,468	4
Expected credit loss (gain)	9,866	-	(11,296)	-	42,880	-	(7,366)	-
Total operating expenses	1,727,546	15	1,550,640	13	4,916,842	15	4,627,955	14
PROFIT FROM OPERATIONS	518,345	5	755,559	7	1,691,376	5	1,458,384	5
NON-OPERATING INCOME AND EXPENSES								
Interest Income (Note 24)	24,342	-	31,180	-	77,068	-	89,127	-
Other income (Notes 24 and 31)	150,408	1	69,111	-	328,336	1	207,697	-
Other gains and losses (Note 24)	3,193	-	16,023	-	(20,005)	-	(24,349)	-
Loss on disposal of financial assets at amortized cost	(1,953)	-	(2,741)	-	(8,506)	-	(6,845)	-
Finance costs (Note 24)	(114,790)	(1)	(121,102)	(1)	(335,632)	(1)	(337,928)	(1)
Share of the profit of associates and joint ventures (Note 14)	96,648	1	103,073	1	285,547	1	212,581	1
Total non-operating income and expenses	157,848	1	95,544	-	326,808	1	140,283	-
PROFIT BEFORE INCOME TAX	676,193	6	851,103	7	2,018,184	6	1,598,667	5
INCOME TAX EXPENSE (Notes 4 and 25)	(217,229)	(2)	(256,466)	(2)	(643,673)	(2)	(514,132)	(2)
NET PROFIT FOR THE PERIOD	458,964	4	594,637	5	1,374,511	4	1,084,535	3

(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 September 30				For the Nine Months Ended September 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)	-	\$ -	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	( 74,226)	( 1)	59,384	1	296,113	1	118,403	-
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	2,200	-	( 552)	-	2,728	-	3,486	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statement of foreign operations	108,569	1	1,175,165	10	1,385,949	5	442,777	2
Share of the other comprehensive income (loss) of associates and joint ventures	( 16,371)	-	64,729	1	66,965	-	35,659	-
Other comprehensive income (loss) for the period, net of income tax	20,172	-	1,298,726	12	1,752,639	6	600,325	2
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 479,136	4	\$ 1,893,363	17	\$ 3,127,150	10	\$ 1,684,860	5
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 456,644		\$ 600,193		\$ 1,347,834		\$ 1,094,761	
Non-controlling interests	2,320		( 5,556)		26,677		( 10,226)	
	\$ 458,964		\$ 594,637		\$ 1,374,511		\$ 1,084,535	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 433,754		\$ 1,889,558		\$ 3,062,963		\$ 1,705,431	
Non-controlling interests	45,382		3,805		64,187		( 20,571)	
	\$ 479,136		\$ 1,893,363		\$ 3,127,150		\$ 1,684,860	
EARNINGS PER SHARE (Note 26)								
Basic	\$ 0.39		\$ 0.51		\$ 1.14		\$ 0.93	
Diluted	0.39		0.51		1.14		0.93	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche auditors' review report dated November 8, 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)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 22)	-	( 70)	-	-	-	-	-	-	( 70)	-	( 70)
Net profit for the nine months ended September 30, 2024	-	-	-	-	1,347,834	-	-	-	1,347,834	26,677	1,374,511
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	1,296	1,415,371	298,462	1,713,833	1,715,129	37,510	1,752,639
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	1,349,130	1,415,371	298,462	1,713,833	3,062,963	64,187	3,127,150
Difference between the consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition (Note 27)	-	423,503	-	-	-	37,491	-	37,491	460,994	217,178	678,172
Changes in ownership interests in subsidiaries (Note 27)	-	758	-	-	-	464	-	464	1,222	3,773	4,995
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	( 42,645)	( 42,645)
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 22)	-	-	-	-	46,164	-	( 49,639)	( 49,639)	( 3,475)	-	( 3,475)
BALANCE AT SEPTEMBER 30, 2024	\$ 11,782,655	\$ 1,088,976	\$ 5,230,730	\$ 1,358,789	\$ 7,509,142	(\$ 433,514)	\$ 776,874	\$ 343,360	\$ 27,313,652	\$ 723,832	\$ 28,037,484
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)	-	3,326	-	-	-	-	-	-	3,326	-	3,326
Net profit (loss) for the nine months ended September 30, 2023	-	-	-	-	1,094,761	-	-	-	1,094,761	( 10,226)	1,084,535
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	488,781	121,889	610,670	610,670	( 10,345)	600,325
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	1,094,761	488,781	121,889	610,670	1,705,431	( 20,571)	1,684,860
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	( 3,313)	( 3,313)
BALANCE AT SEPTEMBER 30, 2023	\$ 11,782,655	\$ 372,272	\$ 5,083,381	\$ 977,601	\$ 7,206,264	(\$ 846,230)	\$ 479,299	(\$ 366,931)	\$ 25,055,242	\$ 287,052	\$ 25,342,294

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

(With Deloitte & Touche auditors’ review report dated November 8, 2024)

# Eternal Materials Co., Ltd. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,018,184	\$ 1,598,667
Adjustments for:		
Depreciation expense	1,656,252	1,556,685
Amortization expense	14,484	15,519
Expected credit loss (gain)	42,880	( 7,366)
Net gain on fair value changes of financial assets at fair value through profit or loss	( 2,857)	( 3,867)
Finance costs	335,632	337,928
Loss on disposal of financial assets at amortized cost	8,506	6,845
Interest income	( 77,068)	( 89,127)
Dividends income	( 44,044)	( 13,013)
Share of profit or loss of associates and joint ventures accounted for using equity method	( 285,547)	( 212,581)
Loss on disposal of property, plant and equipment	7,917	5,939
Gain on disposal of investments	( 12,509)	( 2,547)
Impairment loss recognized on non-financial assets	102,438	13,103
Others	49	( 24)
Changes in operating assets and liabilities		
Notes receivable	( 367,627)	493,315
Notes receivable from related parties	( 3,001)	15,159
Accounts receivable	( 293,131)	161,219
Accounts receivable from related parties	2,713	( 13,868)
Other receivables	( 5,311)	( 85,139)
Inventories	( 339,570)	1,113,757
Other current assets	86,880	( 26,331)
Contract liabilities	( 191,561)	358,655
Notes payable	449,053	49,672
Accounts payable	133,600	416,442
Other payables	85,944	( 1,191)
Other current liabilities	( 13,571)	( 28,118)
Other non-current liabilities	( 98,073)	( 40,080)
Cash generated from operations	3,210,662	5,619,653
Interest received	71,040	86,211
Dividends received	140,660	165,460
Interest paid	( 343,408)	( 334,027)
Income taxes paid	( 672,054)	( 821,028)
Net cash generated from operating activities	2,406,900	4,716,269

(Continued)



# Eternal Materials Co., Ltd. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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	42,753	-
Purchase of financial assets at fair value through profit or loss	( 1,176,881)	( 735,845)
Proceeds from disposal of financial assets at fair value through profit or loss	644,038	657,611
Proceeds from disposal of investments accounted for using the equity method	9,343	-
Proceeds from capital reduction of investments accounted for using the equity method	-	35,889
Proceeds from disposal of non-current assets held for sale	49,812	168,318
Payments for property, plant and equipment	( 2,751,570)	( 2,210,158)
Proceeds from disposal of property, plant and equipment	6,357	13,670
Payments for intangible assets	( 3,013)	( 2,604)
Decrease in long-term lease receivables	14,916	24,381
Decrease (Increase) in other financial assets	156,021	( 158,679)
Increase in other non-current assets	( 1,466)	( 359,979)
Net cash used in investing activities	( 3,009,690)	( 2,617,396)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase(decrease) in short-term borrowings	( 1,741,401)	899,173
Proceeds from long-term borrowings	7,908,116	5,722,999
Repayments of long-term borrowings	( 6,027,977)	( 6,510,025)
Increase in guarantee deposits received	9,157	9,792
Repayment of the principal portion of lease liabilities	( 66,779)	( 67,189)
Dividends paid	( 942,612)	( 1,413,919)
Acquisition and disposal of ownership interests in subsidiaries (without losing control)	832,222	-
Changes in non-controlling interests	-	( 3,313)
Net cash used in financing activities	( 29,274)	( 1,362,482)
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	191,055	46,798
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	( 441,009)	783,189
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	6,382,309	5,450,766
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	\$ 5,941,300	\$ 6,233,955

### Reconciliation of cash and cash equivalents as of the end of the period

	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents in the consolidated balance sheets	\$ 5,912,675	\$ 6,212,097
Cash and cash equivalents classified to non-current assets held for sale	28,625	21,858
Cash and cash equivalents in the consolidated statements of cash flows	\$ 5,941,300	\$ 6,233,955

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche auditors' review report dated November 8, 2024)

# Eternal Materials Co., Ltd. and Subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 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 November 8, 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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
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 have assessed that the application of above standards and interpretations will not have a material impact on the Company and its subsidiaries’ financial position and financial performance.

- c. The IFRS Accounting Standards announced by IASB but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
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 discontinued 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 their 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 completed.

#### 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 9 and 10.

##### 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

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 14, 473	\$ 14, 497	\$ 11, 382
Checking accounts and demand deposits	4, 422, 543	5, 123, 505	5, 471, 415
Cash equivalents (investments with original maturities of three months or less)			
Time deposits	1, 475, 659	1, 218, 601	729, 300
	<u>\$ 5, 912, 675</u>	<u>\$ 6, 356, 603</u>	<u>\$ 6, 212, 097</u>

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets - current</u>			
Hybrid financial assets			
Structured time deposits	<u>\$ 543, 459</u>	<u>\$ -</u>	<u>\$ 80, 968</u>
<u>Financial assets - non-current</u>			
Non-derivative financial assets			
Mutual fund			
Pacven Walden Ventures V, L.P.	<u>\$ 7, 709</u>	<u>\$ 9, 182</u>	<u>\$ 9, 991</u>

## 8. NOTES, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	<u>\$ 5, 053, 795</u>	<u>\$ 4, 512, 991</u>	<u>\$ 5, 024, 302</u>
Notes receivable from related parties	<u>\$ 55, 312</u>	<u>\$ 50, 447</u>	<u>\$ 32, 440</u>
Accounts receivable	\$ 11, 376, 978	\$ 10, 698, 826	\$ 11, 665, 414
Less: Allowance for loss	<u>( 257, 220)</u>	<u>( 222, 109)</u>	<u>( 254, 088)</u>
	<u>\$ 11, 119, 758</u>	<u>\$ 10, 476, 717</u>	<u>\$ 11, 411, 326</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable from related parties	\$ 177,103	\$ 173,223	\$ 202,765
Less: Allowance for loss	( 186)	( 158)	( 257)
	<u>\$ 176,917</u>	<u>\$ 173,065</u>	<u>\$ 202,508</u>
Other receivables	\$ 716,595	\$ 668,561	\$ 710,297
Less: Allowance for loss	( 29,800)	( 29,800)	( 29,800)
	<u>\$ 686,795</u>	<u>\$ 638,761</u>	<u>\$ 680,497</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 30.

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:

September 30, 2024

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 14,740,052	\$ 946,292	\$ 560,695	\$ 206,202	\$ 209,947	\$ 16,663,188
Loss allowance (lifetime ECL)	( 10,947)	( 11,572)	( 14,682)	( 26,447)	( 193,758)	( 257,406)
Amortized cost	<u>\$ 14,729,105</u>	<u>\$ 934,720</u>	<u>\$ 546,013</u>	<u>\$ 179,755</u>	<u>\$ 16,189</u>	<u>\$ 16,405,782</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>

September 30, 2023

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 15,159,877	\$ 865,271	\$ 542,978	\$ 148,207	\$ 208,588	\$ 16,924,921
Loss allowance (lifetime ECL)	( 7,884)	( 6,550)	( 12,597)	( 18,726)	( 208,588)	( 254,345)
Amortized cost	<u>\$ 15,151,993</u>	<u>\$ 858,721</u>	<u>\$ 530,381</u>	<u>\$ 129,481</u>	<u>\$ -</u>	<u>\$ 16,670,576</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ 222,267	\$ 266,258
Recognized (Reversal)	42,880 (	7,366)
Written-off	( 15,498)	( 7,212)
Effects of foreign currency exchange differences	7,757	2,665
Balance, end of the period	<u>\$ 257,406</u>	<u>\$ 254,345</u>

b. Other receivables

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

## 9. INVENTORIES

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Raw materials	\$ 3,208,822	\$ 3,077,555	\$ 3,178,521
Supplies	139,018	128,349	142,437
Finished goods	5,150,770	4,772,596	5,082,334
Work in progress	201,461	207,783	6,049
Inventory in transit	338,418	292,389	191,210
	<u>\$ 9,038,489</u>	<u>\$ 8,478,672</u>	<u>\$ 8,600,551</u>

The cost of inventories recognized as operating costs for the three months ended September 30, 2024 and 2023, and the nine months ended September 30, 2024 and 2023 was \$9,067,118 thousand, \$8,936,892 thousand, \$26,261,579 thousand and \$25,530,967 thousand, respectively, including write-down of inventories of \$32,005 thousand, reversal of write-down of inventories of \$12,161 thousand, write-down of inventories of \$102,438 thousand and write-down of inventories of \$13,103 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 September 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents	\$ 28,625	\$ 25,706	\$ 21,858
Accounts receivable, net	1,338	1,819	4,365
Other receivables	–	66	–
Other current assets - others	718	955	2,531
Property, plant and equipment	54,589	58,770	64,721
Right-of-use assets	1,408	1,386	1,449
Investment properties	73,941	81,432	88,040
Intangible assets	–	180	196
	<u>\$ 160,619</u>	<u>\$ 170,314</u>	<u>\$ 183,160</u>
Non-current assets held for sale			
Other payables - others	\$ 964	\$ 1,569	\$ 1,528
Contract liabilities - current	–	252	528
Other non-current liabilities	752	722	748
	<u>\$ 1,716</u>	<u>\$ 2,543</u>	<u>\$ 2,804</u>
Liabilities directly associated with non-current assets held for sale			

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

#### 11. OTHER FINANCIAL ASSETS - CURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with original maturities of more than three months	\$ 1,147,995	\$ 1,266,764	\$ 1,409,903
Restricted time deposit	22,192	242	251
	<u>\$ 1,170,187</u>	<u>\$ 1,267,006</u>	<u>\$ 1,410,154</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic investments			
Listed shares			
President Securities Corp.	\$ 844,122	\$ 655,657	\$ 625,627
Unlisted shares			
Universal Venture Capital Investment Corp.	57,142	52,949	52,446
Der Yang Biotechnology Venture Capital Co., Ltd.	–	2,979	2,999
Research Innovation Capital Corporation	48,406	49,374	49,668
	<u>949,670</u>	<u>760,959</u>	<u>730,740</u>



	September 30, 2024	December 31, 2023	September 30, 2023
Foreign investments			
Unlisted shares			
Grace THW Holding Limited	\$ 306,956	\$ 239,455	\$ 231,922
TBG Diagnostics Limited	26,679	38,427	39,169
	<u>333,635</u>	<u>277,882</u>	<u>271,091</u>
	<u>\$ 1,283,305</u>	<u>\$ 1,038,841</u>	<u>\$ 1,001,831</u>

The Company participated in cash capital increase of Research Innovation Capital Corporation. As of September 30, 2024, the Company holds a 22.88% 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:

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

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Remarks
			September 30, 2024	December 31, 2023	September 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 Note 27
	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	72.32	84.61	100	1), 2) and Note 27
	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	100	1)
	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	99	1)

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Remarks
			September 30, 2024	December 31, 2023	September 30, 2023	
Eternal International (BVI) Co., Ltd.	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	1)
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 imagable 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	100	1)

(Concluded)

- 1) This is an immaterial subsidiary for which its financial statements are not reviewed by the Company's independent auditors.
  - 2) In the fourth quarter of 2023, the Company and its subsidiaries subscribed for additional new shares of the subsidiary Eternal Precision Mechanics Co., Ltd. at a percentage different from its 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%.
- b. The Company and its subsidiaries did not have any subsidiary with material non-controlling interests.

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Associates that are not individually material	<u>\$ 2,723,900</u>	<u>\$ 2,468,207</u>	<u>\$ 2,466,722</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Company and its subsidiaries' share of Net profit for the period	\$ 96,648	\$ 103,073	\$ 285,547	\$ 212,581
Other comprehensive income (loss) for the period	( 16,371)	64,729	68,550	35,659
Total comprehensive income for the period	<u>\$ 80,277</u>	<u>\$ 167,802</u>	<u>\$ 354,097</u>	<u>\$ 248,240</u>

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

<u>Name of Associate</u>	September 30, 2024	December 31, 2023	September 30, 2023
Daxin Materials Corporation	<u>\$ 5,618,997</u>	<u>\$ 2,325,985</u>	<u>\$ 2,506,348</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 September 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 9 and 10 for the main businesses and countries of incorporation of the associates that are not individually material.

## 15. PROPERTY, PLANT AND EQUIPMENT

### For the Nine Months Ended September 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
<b>Cost</b>								
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	731,680	1,157,033	84,371	66,863	27,790	474,106	2,753,784
Disposals	-	( 13,611)	( 130,826)	( 17,929)	( 31,690)	( 27,138)	-	( 221,194)
Transferred to investment properties	-	-	-	-	-	-	( 565)	( 565)
Effect of foreign currency exchange difference	31,020	392,108	703,973	58,179	23,647	34,883	105,420	1,349,230
Balance at September 30, 2024	\$ 2,955,833	\$12,884,523	\$25,265,723	\$ 1,812,686	\$ 1,876,310	\$ 989,937	\$ 4,137,553	\$49,922,565
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2024	\$ -	\$ 7,144,477	\$17,543,000	\$ 1,026,860	\$ 1,316,529	\$ 687,524	\$ -	\$27,718,390
Depreciation	-	396,126	907,224	60,750	93,189	60,819	-	1,518,108
Disposals	-	( 11,536)	( 121,433)	( 16,694)	( 30,549)	( 26,103)	-	( 206,315)
Effect of foreign currency exchange difference	-	193,248	449,134	30,658	17,281	25,380	-	715,701
Balance at September 30, 2024	\$ -	\$ 7,722,315	\$18,777,925	\$ 1,101,574	\$ 1,396,450	\$ 747,620	\$ -	\$29,745,884
Carrying amount at September 30, 2024	\$ 2,955,833	\$ 5,162,208	\$ 6,487,798	\$ 711,112	\$ 479,860	\$ 242,317	\$ 4,137,553	\$20,176,681

### For the Nine Months Ended September 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
<b>Cost</b>								
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	-	233,622	772,169	35,845	80,419	43,195	906,427	2,071,677
Disposals	-	( 5,028)	( 131,396)	( 26,972)	( 58,959)	( 26,583)	-	( 248,938)
Transferred to investment properties	-	-	-	-	-	-	( 976)	( 976)
Transferred to non-current assets held for sale	-	( 103,775)	( 193,059)	( 783)	( 2,828)	( 8,984)	-	( 309,429)
Effect of foreign currency exchange difference	7,936	145,335	213,908	14,210	8,838	11,104	30,475	431,806
Balance at September 30, 2023	\$ 2,713,458	\$11,923,687	\$23,634,204	\$ 1,680,871	\$ 1,814,416	\$ 976,065	\$ 3,225,261	\$45,967,962
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2023	\$ -	\$ 6,766,301	\$16,879,434	\$ 984,717	\$ 1,262,782	\$ 657,638	\$ -	\$26,550,872
Depreciation	-	378,736	841,827	56,740	93,708	58,713	-	1,429,724
Disposals	-	( 4,784)	( 119,522)	( 25,350)	( 56,189)	( 24,797)	-	( 230,642)
Transferred to non-current assets held for sale	-	( 66,623)	( 168,560)	( 703)	( 1,339)	( 7,483)	-	( 244,708)
Effect of foreign currency exchange difference	-	85,827	167,029	7,876	6,091	8,289	-	275,112
Balance at September 30, 2023	\$ -	\$ 7,159,457	\$17,600,208	\$ 1,023,280	\$ 1,305,053	\$ 692,360	\$ -	\$27,780,358
Carrying amount at September 30, 2023	\$ 2,713,458	\$ 4,764,230	\$ 6,033,996	\$ 657,591	\$ 509,363	\$ 283,705	\$ 3,225,261	\$18,187,604

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 32 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 September 30, 2024, December 31, 2023 and September 30, 2023, the revaluation increments of the land were \$1,973,324 thousand.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amounts			
Land	\$ 1,506,979	\$ 1,410,010	\$ 1,105,183
Buildings	84,102	107,719	114,509
Machinery and equipment	88,771	105,612	116,730
Storage equipment	12,371	16,153	12,279
Other equipment	20,634	19,011	18,100
	<u>\$ 1,712,857</u>	<u>\$ 1,658,505</u>	<u>\$ 1,366,801</u>
		<b>For the Nine Months Ended September 30</b>	
		<b>2024</b>	<b>2023</b>
Additions to right-of-use assets		<u>\$ 15,036</u>	<u>\$ 128,713</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2024</b>	<b>2023</b>
Depreciation charge for right-of-use assets			
Land	\$ 9,007	\$ 6,868	\$ 26,299
Buildings	10,178	10,871	30,018
Machinery and equipment	6,325	6,884	18,565
Storage equipment	1,805	1,631	5,188
Other equipment	2,207	2,167	7,110
	<u>\$ 29,522</u>	<u>\$ 28,421</u>	<u>\$ 87,180</u>
			<u>\$ 83,069</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

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amounts			
Current	\$ 79,803	\$ 81,604	\$ 81,920
Non-current	<u>\$ 125,256</u>	<u>\$ 169,040</u>	<u>\$ 184,146</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.72~6.66	1.72~6.66	1.72~6.66
Buildings	0.86~6.09	0.86~6.09	0.86~6.09
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	0.69~4.81

c. Material lease activities and terms

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

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term and low-value asset leases	\$ 43,902	\$ 40,698	\$ 126,468	\$ 123,202
			For the Nine Months Ended September 30	
			2024	2023
Total cash outflow for all lease arrangements (including short-term and low-value asset leases)			\$ 197,039	\$ 534,824

## 17. INVESTMENT PROPERTIES

For the Nine Months Ended September 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
Cost				
Balance at January 1, 2024	\$ 50,923	\$1,407,452	\$ 72,174	\$1,530,549
Transferred from property, plant and equipment	-	565	-	565
Effects of foreign currency exchange differences	815	56,561	3,021	60,397
Balance at September 30, 2024	\$ 51,738	\$1,464,578	\$ 75,195	\$1,591,511

	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2024	\$ –	\$ 298,643	\$ 10,584	\$ 309,227
Depreciation	–	32,048	1,627	33,675
Effect of foreign currency exchange differences	–	12,712	470	13,182
Balance at September 30, 2024	<u>\$ –</u>	<u>\$ 343,403</u>	<u>\$ 12,681</u>	<u>\$ 356,084</u>
Carrying amount at September 30, 2024	<u>\$ 51,738</u>	<u>\$1,121,175</u>	<u>\$ 62,514</u>	<u>\$1,235,427</u>

For the Nine Months Ended September 30, 2023

	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
Carrying amount at January 1, 2023	<u>\$ 53,386</u>	<u>\$1,263,803</u>	<u>\$ 68,329</u>	<u>\$1,385,518</u>
<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	–	( 246,392)	( 4,059)	( 250,451)
Effects of foreign currency exchange differences	( 2,508)	27,494	1,494	26,480
Balance at September 30, 2023	<u>\$ 50,878</u>	<u>\$1,456,249</u>	<u>\$ 74,827</u>	<u>\$1,581,954</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ –	\$ 410,368	\$ 9,063	\$ 419,431
Depreciation	–	42,199	1,693	43,892
Transferred to non-current assets held for sale	–	( 161,865)	( 546)	( 162,411)
Effect of foreign currency exchange differences	–	7,450	214	7,664
Balance at September 30, 2023	<u>\$ –</u>	<u>\$ 298,152</u>	<u>\$ 10,424</u>	<u>\$ 308,576</u>
Carrying amount at September 30, 2023	<u>\$ 50,878</u>	<u>\$1,158,097</u>	<u>\$ 64,403</u>	<u>\$1,273,378</u>

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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Year 1	\$ 159,180	\$ 164,767	\$ 194,633
Year 2	158,225	107,344	112,375
Year 3	155,382	112,222	116,096
Year 4	154,135	111,148	115,701
Year 5	112,339	103,608	113,103
Year 6 onwards	12,121	138,544	167,103
	<u>\$ 751,382</u>	<u>\$ 737,633</u>	<u>\$ 819,011</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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value	<u>\$ 3,245,381</u>	<u>\$ 3,124,939</u>	<u>\$ 3,145,453</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

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Rental income	<u>\$ 54,794</u>	<u>\$ 68,380</u>	<u>\$ 156,723</u>	<u>\$ 193,111</u>
Operating expenses directly related to investment properties	<u>\$ 21,581</u>	<u>\$ 19,450</u>	<u>\$ 71,646</u>	<u>\$ 69,268</u>



## 18. INTANGIBLE ASSETS

### For the Nine Months Ended September 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	–	–	–	2,591	422	3,013
Disposals	–	–	–	–	( 282)	( 282)
Effects of foreign currency exchange differences	740	–	–	171	12,219	13,130
Balance at September 30, 2024	\$ 68,214	\$127,513	\$ 104,038	\$262,648	\$114,272	\$676,685
<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	–	–	–	11,698	1,574	13,272
Disposals	–	–	–	–	( 282)	( 282)
Effects of foreign currency exchange differences	–	–	–	69	12,015	12,084
Balance at September 30, 2024	\$ 37,000	\$127,513	\$ 104,038	\$ 76,489	\$109,215	\$454,255
Carrying amount at September 30, 2024	\$ 31,214	\$ –	\$ –	\$186,159	\$ 5,057	\$222,430

### For the Nine Months Ended September 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	1,334	2,604
Transferred to non-current assets held for sale	–	–	–	–	( 795)	( 795)
Effects of foreign currency exchange differences	( 2,281)	–	–	14	11,088	8,821
Balance at September 30, 2023	\$ 67,432	\$127,513	\$ 104,038	\$255,059	\$116,810	\$670,852
<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	–	–	–	12,197	2,376	14,573
Transferred to non-current assets held for sale	–	–	–	–	( 599)	( 599)
Effects of foreign currency exchange differences	–	–	–	2	11,096	11,098
Balance at September 30, 2023	\$ 37,000	\$127,513	\$ 104,038	\$ 59,315	\$108,598	\$436,464
Carrying amount at September 30, 2023	\$ 30,432	\$ –	\$ –	\$195,744	\$ 8,212	\$234,388

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 \$7,893 thousand, \$9,405 thousand, and \$9,593 thousand as of September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 30, 2023, no loss allowance was recognized.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Undiscounted lease payments			
Year 1	\$ 19,077	\$ 18,680	\$ 18,983
Year 2	19,366	18,588	19,367
Year 3	19,269	18,495	19,271
Year 4	19,173	18,403	19,175
Year 5	17,048	18,310	19,079
Year 6 onwards	9,944	21,818	26,861
	103,877	114,294	122,736
Less: Unearned financial income	( 12,671)	( 15,726)	( 17,600)
Finance lease receivable (recorded as other non-current assets - others)	\$ 91,206	\$ 98,568	\$ 105,136

## 20. BORROWINGS

### a. Short-term borrowings

Type of Borrowings	Interest Rate Range (%)	Amount
September 30, 2024		
Mortgage secured loans	0.87~1.55	\$ 301,632
Unsecured loans	0.77~5.78	1,667,362
Purchase loans	4.25~6.25	325,429
Secured loans	4.17~4.90	1,782,308
		<u>\$ 4,076,731</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>
September 30, 2023		
Mortgage secured loans	1.05~2.54	\$ 219,496
Unsecured loans	0.58~6.14	4,258,908
Purchase loans	6.36~6.59	242,968
Secured loans	3.95~4.62	1,553,324
		<u>\$ 6,274,696</u>

### b. Long-term borrowings

Type of Borrowings	Agreement Period and Interest Payable Schedule	Interest Rate Range (%)	Amount
September 30, 2024			
Mortgage secured loans	From December 17, 2010 to April 15, 2029. Interest is paid based on schedule.	1.60~5.49	\$ 17,866
Secured loans	From July 14, 2023 to April 1, 2031. Interest is paid based on schedule.	2.95~6.20	2,234,956
Unsecured loans	From October 26, 2021 to June 3, 2029. Interest is paid based on schedule.	1.34~3.50	9,809,550
			<u>12,062,372</u>
Less: Current portion			<u>( 1,889,390 )</u>
			<u>\$ 10,172,982</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
September 30, 2023			
Mortgage secured loans	From December 17, 2010 to December 31, 2025. Interest is paid based on schedule.	0.86 ~ 1.75	\$ 28,777
Secured loans	From November 25, 2020 to June 30, 2028. Interest is paid based on schedule.	3.40 ~ 6.53	1,483,343
Unsecured loans	From October 2, 2017 to August 18, 2026. Interest is paid based on schedule.	1.05 ~ 3.33	9,234,178
			<hr/> 10,746,298
Less: Current portion			<hr/> ( 687,135 )
			<hr/> \$ 10,059,163
			(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 September 30, 2024, the Company and its subsidiaries utilized the credits under signed facility agreements of the following banks.

<b>Bank</b>	<b>Currency</b>	<b>Credit line</b>
HSBC Bank (Taiwan) Limited	NTD	\$ 900, 000
CTBC Bank Co., Ltd.	NTD	450, 000

- 3) As of September 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 32 for the assets pledged as collateral for bank borrowings of the Company and its subsidiaries.

d. Bonds Payable

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
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	( 120)	( 1, 031)	( 1, 337)
	<u>2, 999, 880</u>	<u>2, 998, 969</u>	<u>2, 998, 663</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, 013)	( 2, 797)	( 3, 060)
	<u>2, 497, 987</u>	<u>2, 497, 203</u>	<u>2, 496, 940</u>
	<u>5, 497, 867</u>	<u>5, 496, 172</u>	<u>5, 495, 603</u>
Less: Current portion	( 2, 999, 880)	( 2, 998, 969)	–
	<u>\$ 2, 497, 987</u>	<u>\$ 2, 497, 203</u>	<u>\$ 5, 495, 603</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 September 30, 2024 and 2023, and the nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were \$5,696 thousand, \$7,192 thousand, \$16,488 thousand and \$22,403 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

	September 30, 2024	December 31, 2023	September 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

	September 30, 2024	December 31, 2023	September 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>436,375</u>	<u>12,872</u>	<u>12,872</u>
	<u>765,034</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	27,287	27,357	27,357
Changes in percentage of ownership interests in subsidiaries (Note 2)	293,249	292,491	–
Others	58	58	58
	<u>320,594</u>	<u>319,906</u>	<u>27,415</u>
May not be used for any purpose			
Share of changes in equities of associates or joint ventures	<u>3,348</u>	<u>3,348</u>	<u>3,326</u>
	<u>\$ 1,088,976</u>	<u>\$ 664,785</u>	<u>\$ 372,272</u>

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 September 30, 2024, December 31, 2023 and September 30, 2023, the special reserve were \$426,285 thousand.

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

	<b>Appropriations of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
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

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
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, 348, 406	453, 122
Share of exchange differences of associates and joint ventures accounted for using the equity method	66, 965	35, 659
Other comprehensive income (loss) for the period	1, 415, 371	488, 781
Partial disposal of subsidiaries (without losing control)	37, 955	–
Balance, end of the period	(\$ 433, 514)	(\$ 846, 230)

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ 528, 051	\$ 357, 410
Recognized for the period		
Unrealized gains and losses - equity instruments	298, 462	121, 889
Reclassification adjustments		
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	( 49, 639)	–
Balance, end of the period	\$ 776, 874	\$ 479, 299



e. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ 481,339	\$ 310,936
Share of net profit (loss) for the period	26,677	( 10,226)
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign operations	37,543	( 10,345)
Remeasurements of defined benefit plans	( 33)	–
Dividends distributed by subsidiaries	( 42,645)	( 3,313)
Non-controlling interests due to the capital increase of a subsidiary (Note 27)	1,406	–
Acquisition and partial disposal of subsidiaries (without losing control) (Note 27)	219,545	–
Balance, end of the period	<u>\$ 723,832</u>	<u>\$ 287,052</u>

## 23. REVENUE

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers				
Revenue from the sale of goods	\$11,279,331	\$11,194,284	\$32,769,038	\$31,485,724
Lease revenue	54,191	73,241	154,615	207,002
	<u>\$11,333,522</u>	<u>\$11,267,525</u>	<u>\$32,923,653</u>	<u>\$31,692,726</u>

### Contract balances

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>January 1, 2023</b>
Notes and accounts receivable	<u>\$ 16,405,782</u>	<u>\$ 15,213,220</u>	<u>\$ 16,670,576</u>	<u>\$ 17,132,279</u>
Contract liabilities				
Sale of goods	<u>\$ 703,845</u>	<u>\$ 873,877</u>	<u>\$ 778,011</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:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
From the balance of contract liabilities at the beginning of the year				
Sale of goods	\$ 68,370	\$ 41,137	\$ 550,216	\$ 260,592

## 24. PROFIT BEFORE INCOME TAX

### a. Interest income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on bank deposits	\$ 22,416	\$ 29,351	\$ 70,717	\$ 79,600
Others	1,926	1,829	6,351	9,527
	<u>\$ 24,342</u>	<u>\$ 31,180</u>	<u>\$ 77,068</u>	<u>\$ 89,127</u>

### b. Other income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Subsidy income	\$ 71,300	\$ 30,379	\$ 141,609	\$ 70,658
Dividend income	44,044	–	44,044	13,013
Others	35,064	38,732	142,683	124,026
	<u>\$ 150,408</u>	<u>\$ 69,111</u>	<u>\$ 328,336</u>	<u>\$ 207,697</u>

### c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Loss on disposal of property, plant and equipment	(\$ 4,330)	(\$ 613)	(\$ 7,917)	(\$ 5,939)
Gain on disposal of investments (Note 14)	12,509	–	12,509	2,547
Gain on financial assets				
Financial assets at FVTPL	599	483	2,857	3,867
Finance fees	( 13,150)	( 11,911)	( 37,885)	( 35,214)
Net foreign exchange gains	18,882	38,726	39,985	41,242
Others	( 11,317)	( 10,662)	( 29,554)	( 30,852)
	<u>\$ 3,193</u>	<u>\$ 16,023</u>	<u>(\$ 20,005)</u>	<u>(\$ 24,349)</u>

d. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest Expense				
Interest on loans	\$ 127,256	\$ 128,352	\$ 364,351	\$ 356,577
Interest on lease liabilities	1,210	715	3,792	1,702
Less: Amounts included in the cost of qualifying assets	( 13,676)	( 7,965)	( 32,511)	( 20,351)
	<u>\$ 114,790</u>	<u>\$ 121,102</u>	<u>\$ 335,632</u>	<u>\$ 337,928</u>

Information about capitalized interest was as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Capitalized interest amount	<u>\$ 13,676</u>	<u>\$ 7,965</u>	<u>\$ 32,511</u>	<u>\$ 20,351</u>
Capitalization rates (%)	1.96~3.50	1.91~3.40	1.75~3.50	1.60~3.40

e. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 514,452	\$ 469,115	\$ 1,518,108	\$ 1,429,724
Investment properties	11,389	14,484	33,675	43,892
Right-of-use assets	29,522	28,421	87,180	83,069
Intangible assets	4,506	4,517	13,272	14,573
Other non-current assets - others	660	335	1,212	946
Non-current assets held for sale	5,837	-	17,289	-
	<u>\$ 566,366</u>	<u>\$ 516,872</u>	<u>\$ 1,670,736</u>	<u>\$ 1,572,204</u>
Analysis of depreciation by function				
Operating costs	\$ 433,329	\$ 393,483	\$ 1,284,984	\$ 1,200,565
Operating expenses	127,871	118,537	371,268	356,120
	<u>\$ 561,200</u>	<u>\$ 512,020</u>	<u>\$ 1,656,252</u>	<u>\$ 1,556,685</u>
Analysis of amortization by function				
Operating costs	\$ 353	\$ 341	\$ 1,001	\$ 1,114
Operating expenses	4,813	4,511	13,483	14,405
	<u>\$ 5,166</u>	<u>\$ 4,852</u>	<u>\$ 14,484</u>	<u>\$ 15,519</u>

f. Employee benefits

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits				
Salaries	\$ 1,015,783	\$ 930,840	\$ 2,963,086	\$ 2,912,567
Labor and health insurance	87,022	86,848	267,057	258,679
Others	92,135	89,582	267,756	259,657
	<u>\$ 1,194,940</u>	<u>\$ 1,107,270</u>	<u>\$ 3,497,899</u>	<u>\$ 3,430,903</u>
Post-employment benefits				
Defined contribution plans	66,730	62,343	183,701	191,520
Defined benefit plans (Note 21)	5,696	7,192	16,488	22,403
	<u>\$ 72,426</u>	<u>\$ 69,535</u>	<u>\$ 200,189</u>	<u>\$ 213,923</u>
	<u><u>\$ 1,267,366</u></u>	<u><u>\$ 1,176,805</u></u>	<u><u>\$ 3,698,088</u></u>	<u><u>\$ 3,644,826</u></u>
Analysis by function				
Operating costs	\$ 572,119	\$ 545,222	\$ 1,678,281	\$ 1,638,004
Operating expenses	695,247	631,583	2,019,807	2,006,822
	<u><u>\$ 1,267,366</u></u>	<u><u>\$ 1,176,805</u></u>	<u><u>\$ 3,698,088</u></u>	<u><u>\$ 3,644,826</u></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:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Compensation of employees	<u>\$ 26,000</u>	<u>\$ 36,000</u>	<u>\$ 75,500</u>	<u>\$ 61,000</u>
Remuneration of directors	<u>\$ 3,790</u>	<u>\$ 5,000</u>	<u>\$ 10,900</u>	<u>\$ 8,500</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax	\$ 282,515	\$ 194,670	\$ 696,411	\$ 326,999
Deferred tax	( 65,286)	61,796	( 52,738)	187,133
	<u>\$ 217,229</u>	<u>\$ 256,466</u>	<u>\$ 643,673</u>	<u>\$ 514,132</u>

### b. Income tax expense (benefit) recognized directly in equity

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
Partial disposal of subsidiaries (without losing control)	\$ 149,055	\$ -	\$ 149,055	\$ -
Disposal of investments in equity instruments at FVTOCI	3,475	-	3,475	-
	<u>\$ 152,530</u>	<u>\$ -</u>	<u>\$ 152,530</u>	<u>\$ -</u>

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

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Deferred tax				
Recognized in the current period				
Remeasurement of defined benefit plans	\$ -	\$ -	(\$ 293)	\$ -
Remeasurement of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	-	-	( 86)	-
Unrealized gains and losses on financial assets at fair value through other comprehensive income	( 2,200)	552	( 2,349)	( 3,486)
	<u>(\$ 2,200)</u>	<u>\$ 552</u>	<u>(\$ 2,728)</u>	<u>(\$ 3,486)</u>

d. Income tax assessment

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

**26. EARNINGS PER SHARE**

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Basic earnings per share	\$ 0.39	\$ 0.51	\$ 1.14	\$ 0.93
Diluted earnings per share	\$ 0.39	\$ 0.51	\$ 1.14	\$ 0.93

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

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net profit for the period attributable to owners of the Company	\$ 456,644	\$ 600,193	\$1,347,834	\$1,094,761

Number of ordinary shares

	Unit: Thousand Shares			
	For the Three Months Ended September 30		For the Nine Months Ended September 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	<u>2, 211</u>	<u>2, 152</u>	<u>2, 800</u>	<u>3, 126</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1, 180, 477</u>	<u>1, 180, 418</u>	<u>1, 181, 066</u>	<u>1, 181, 392</u>

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. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

### 1) Acquisition and partial disposal of subsidiaries (without losing control)

In June 2024, the board of directors of the Company resolved to release 7,500 thousand shares of the subsidiary Eternal Precision Mechanics Co., Ltd., the procedure was completed in the third quarter of 2024. The percentage of ownership reducing from 84.61% to 72.32% was mainly from the aforementioned release of shares of the subsidiary Eternal Precision Mechanics Co., Ltd. by the Company, and the rest from the subscription to the employee share options of the subsidiary Eternal Precision Mechanics Co., Ltd. by employees of the Company and its subsidiaries, etc. This above transactions were accounted for as equity transactions since the Company and its subsidiaries did not cease to have control over the subsidiary.

	Amount
Consideration received (paid)	\$ 832, 222
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	( 219, 545)
Adjustment of other equity attributable to owners of the Company	
Exchange differences on translating the financial statements of foreign operations	( 37, 955)
Income tax recognized directly in equity	( 149, 055)
Differences recognized from equity transactions	<u>\$ 425, 667</u>
Account item to adjust the differences recognized from equity transactions	
Capital surplus - changes in ownership interests in subsidiaries	\$ 2, 164
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition	<u>423, 503</u>
	<u>\$ 425, 667</u>

2) Subscribed for additional new shares of subsidiary not in proportion to its existing ownership percentage

In the second quarter of 2024, the Company and its subsidiaries subscribed for additional new shares of its subsidiary Eternal Electronic Material (Thailand) Co., Ltd. at a percentage different from its existing ownership percentage, increasing of its percentage of ownership from 75% to 90%. The above transactions were accounted for as equity transactions since the Company and its subsidiaries did not cease to have control over the subsidiary.

	<b>Amount</b>
Consideration paid	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	( 1,406)
Differences recognized from equity transactions	( \$ 1,406)
Account item to adjust the differences recognized from equity transactions	
Capital surplus - changes in ownership interests in subsidiaries	( \$ 1,406)

## 28. CASH FLOW INFORMATION

a. Information on investment activities

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Acquisition of property, plant and equipment	\$ 2,753,784	\$ 2,071,677
Decrease in payables for equipment	30,297	158,992
Increase in other non-current liabilities	-	( 160)
	2,784,081	2,230,509
Capitalized interest	( 32,511)	( 20,351)
Cash paid	\$ 2,751,570	\$ 2,210,158

b. Changes in major liabilities arising from financing activities

For the Nine months ended September 30, 2024

	<b>January 1, 2024</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>September 30, 2024</b>
			<b>Exchange Rate Adjustment</b>	<b>Issuance Cost</b>	
Short-term borrowings	\$ 5,557,448	(\$ 1,741,401)	\$ 260,684	\$ -	\$ 4,076,731
Long-term borrowings	10,103,044	1,880,139	79,189	-	12,062,372
Bonds payable	5,496,172	-	-	1,695	5,497,867

For the Nine months ended September 30, 2023

	<b>January 1, 2023</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>September 30, 2023</b>
			<b>Exchange Rate Adjustment</b>	<b>Issuance Cost</b>	
Short-term borrowings	\$ 5,364,058	\$ 899,173	\$ 11,465	\$ -	\$ 6,274,696
Long-term borrowings	11,533,473	( 787,026)	( 149)	-	10,746,298
Bonds payable	5,493,921	-	-	1,682	5,495,603



## 29. 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.

## 30. 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>September 30, 2024</u>				
Financial instruments at FVTPL				
Structured deposit	\$ -	\$ 543,459	\$ -	\$ 543,459
Mutual funds	\$ -	\$ -	\$ 7,709	\$ 7,709
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 844,122	\$ -	\$ -	\$ 844,122
Domestic and foreign unlisted shares	\$ -	\$ -	\$ 439,183	\$ 439,183
<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

(Continued)

<u>September 30, 2023</u>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial instruments at FVTPL				
Structured deposit	\$ –	\$ 80,968	\$ –	\$ 80,968
Mutual funds	\$ –	\$ –	\$ 9,991	\$ 9,991
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 625,627	\$ –	\$ –	\$ 625,627
Domestic and foreign unlisted shares	\$ –	\$ –	\$ 376,204	\$ 376,204

(Concluded)

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

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

For the Nine Months Ended September 30, 2024

<u>Financial assets</u>	<b>Mutual Funds Financial Assets at FVTPL</b>	<b>Stocks Financial Assets at FVTOCI</b>	<b>Total</b>
Balance, beginning of the period	\$ 9,182	\$ 383,184	\$ 392,366
Recognized in profit or loss (recorded as other gains and losses)	( 1,771)	–	( 1,771)
Recognized in other comprehensive income	–	50,479	50,479
Disposal	–	( 1,196)	( 1,196)
Effects of foreign currency exchange differences	298	6,716	7,014
Balance, end of the period	\$ 7,709	\$ 439,183	\$ 446,892
Unrealized other gains and losses for the period	(\$ 1,771)		(\$ 1,771)

For the Nine Months Ended September 30, 2023

	<b>Mutual Funds</b>	<b>Stocks</b>	
	<b>Financial Assets</b>	<b>Financial Assets</b>	
	<b>at FVTPL</b>	<b>at FVTOCI</b>	<b>Total</b>
<b>Financial assets</b>			
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)	210	–	210
Recognized in other comprehensive income	–	14,966	14,966
Disposal	(142)	–	(142)
Effects of foreign currency exchange differences	521	10,781	11,302
Balance, end of the period	<u>\$ 9,991</u>	<u>\$ 376,204</u>	<u>\$ 386,195</u>
Unrealized other gains and losses for the period	<u>\$ 210</u>		<u>\$ 210</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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<b>Financial assets</b>			
Fair value through profit or loss			
Mandatorily classified as at fair value through profit or loss	\$ 551,168	\$ 9,182	\$ 90,959
Financial assets at amortized cost (Note 1)	24,273,917	23,618,377	25,141,033
Financial assets at fair value through other comprehensive income - equity instruments	1,283,305	1,038,841	1,001,831
<b>Financial liabilities</b>			
Financial liabilities at amortized cost (Note 2)	30,098,846	28,681,187	30,420,921

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 35.

Sensitivity analysis

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

		<b>Impact on Profit or Loss</b>	
		<b>For the Nine Months</b>	
		<b>Ended September 30</b>	
		<b>2024</b>	<b>2023</b>
<b>Foreign Currencies : Functional Currencies</b>			
Financial assets			
Monetary items			
USD:NTD	\$	27,131	\$ 25,289
USD:RMB		9,570	6,387
USD:MYR		5,091	4,034
RMB:NTD		2,755	2,878
JPY:NTD		3,860	3,349
THB:NTD		330	1,099
EUR:NTD		870	1,228
JPY:RMB		829	1,253
Financial liabilities			
Monetary items			
USD:NTD		25,527	19,357
USD:RMB		4,999	4,382
USD:MYR		5,010	3,332
JPY:NTD		1,311	2,116
USD:THB		1,315	351

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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 2,755,314	\$ 2,602,302	\$ 2,262,830
Financial liabilities	5,702,926	5,746,816	5,761,669
Cash flow interest rate risk			
Financial assets	4,792,492	5,076,242	5,388,562
Financial liabilities	16,139,103	15,660,492	17,020,994

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 \$161,391 thousand and \$170,210 thousand at September 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 nine months ended September 30, 2024 and 2023 would have increased/decreased by \$8,441 thousand and \$6,256 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.

September 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	\$ 4,107,790	\$ -	\$ -	\$ -	\$ -	\$ 4,107,790
Notes payable	1,264,101	-	-	-	-	1,264,101
Accounts payable	5,166,129	-	-	-	-	5,166,129
Other payables	1,983,221	-	-	-	-	1,983,221
Lease liabilities	83,149	53,765	33,897	33,871	7,481	212,163
Long-term borrowings (including current portion)	5,814,871	2,601,597	2,007,731	2,142,757	126,784	12,693,740
Bonds payable (including current portion)	3,039,100	2,514,500	-	-	-	5,553,600
	<u>\$ 21,458,361</u>	<u>\$ 5,169,862</u>	<u>\$ 2,041,628</u>	<u>\$ 2,176,628</u>	<u>\$ 134,265</u>	<u>\$ 30,980,744</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>

(Continued)

September 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	\$ 6,323,704	\$ -	\$ -	\$ -	\$ -	\$ 6,323,704
Notes payable	692,639	-	-	-	-	692,639
Accounts payable	5,031,521	-	-	-	-	5,031,521
Other payables	2,086,414	-	-	-	-	2,086,414
Lease liabilities	87,062	73,746	51,327	50,651	16,195	278,981
Long-term borrowings (including current portion)	4,223,717	3,995,054	2,850,630	42,108	-	11,111,509
Bonds payable	39,100	3,016,859	2,513,149	-	-	5,569,108
	<u>\$ 18,484,157</u>	<u>\$ 7,085,659</u>	<u>\$ 5,415,106</u>	<u>\$ 92,759</u>	<u>\$ 16,195</u>	<u>\$ 31,093,876</u>

(Concluded)

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 September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount of the accounts receivable that have been transferred but have not been derecognized amounted to \$2,351,335 thousand, \$2,088,944 thousand and \$2,249,282 thousand, respectively, and the carrying amount of the related borrowings and payables were \$2,343,125 thousand, \$2,088,674 thousand and \$2,248,583 thousand, respectively.

### 31. 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 September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Revenue from sales of goods	Associates	\$ 180,331	\$ 176,872	\$ 530,591	\$ 488,467

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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associates	\$ -	\$ 182	\$ 1,579	\$ 2,223

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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associates				
Allnex-Eternal Resins (Guangdong) Co., Ltd.	\$ 13,661	\$ 12,454	\$ 39,799	\$ 37,831
Others	1,499	1,478	8,540	8,137
Key management personnel	-	15	-	20
	\$ 15,160	\$ 13,947	\$ 48,339	\$ 45,988

Other income is mainly rental income, service revenue and so on.

e. Receivables from related parties

Account Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts receivable	Associates	\$ 232,229	\$ 223,512	\$ 234,948

The receivables arose mainly from sales transactions; the receivables were not guaranteed, pledged and do not bear interest. As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance of loss allowance of accounts receivable from related parties was \$186 thousand, \$158 thousand and \$257 thousand, respectively.



f. Payables to related parties

<b>Account Item</b>	<b>Related Party Category</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Accounts payable	Associates	\$ –	\$ –	\$ 192

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

g. Loans to related parties

<b>Account Item</b>	<b>Related Party Category / Name</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other receivables	Associates Eterkon Semiconductor Materials Co., Ltd.	\$ 108,400	\$ 104,045	\$ 107,869

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

h. Dividends receivable

<b>Account Item</b>	<b>Related Party Category</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other receivables	Associates	\$ –	\$ –	\$ 30,544

i. Compensation of key management personnel

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 28,398	\$ 22,316	\$ 75,923	\$ 67,326
Post-employment benefits	298	268	892	802
	<u>\$ 28,696</u>	<u>\$ 22,584</u>	<u>\$ 76,815</u>	<u>\$ 68,128</u>

### 32. 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 2,343,816	\$ 2,088,944	\$ 2,249,282
Property, plant and equipment	273,359	267,336	265,023
Other financial assets – current and non-current (recorded as other non-current assets - others)			
Time deposit certificates and deposit of escrow account	40,454	18,369	18,491
	<u>\$ 2,657,629</u>	<u>\$ 2,374,649</u>	<u>\$ 2,532,796</u>

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- The Company and its subsidiaries have issued but unused letters of credit with an aggregate amount of \$230,814 thousand as of September 30, 2024.
- The Company and its subsidiaries have contracts that were not yet incurred to purchase property, plant and equipment and intangible assets of \$2,091,017 thousand at September 30, 2024.

### 34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

### 35. 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
<u>September 30, 2024</u>			
Financial assets			
Monetary items			
USD	\$ 85,721	31.6500 (USD:NTD)	\$ 2,713,070
USD	30,236	7.0074 (USD:RMB)	956,969
USD	16,085	4.1065 (USD:MYR)	509,090
RMB	61,002	4.5167 (RMB:NTD)	275,525
JPY	1,740,529	0.2218 (JPY:NTD)	385,962
Non-monetary items			
Investments accounted for using the equity method			
USD	921,629	31.6500 (USD:NTD)	29,169,571
RMB	5,784,307	0.1427 (RMB:USD)	26,125,691
RMB	29,657	4.5167 (RMB:NTD)	133,950
JPY	8,432,189	0.2218 (JPY:NTD)	1,869,838
MYR	224,221	0.2435 (MYR:USD)	1,728,133
THB	426,479	0.9868 (THB:NTD)	420,849

(Continued)

	Foreign Currency (In Thousands)		Exchange Rate	Carrying Amount
Financial liabilities				
Monetary items				
USD	\$ 80,654	31.6500	(USD:NTD)	\$ 2,552,699
USD	15,795	7.0074	(USD:RMB)	499,912
USD	15,829	4.1065	(USD:MYR)	500,988
JPY	591,285	0.2218	(JPY:NTD)	131,117
USD	4,155	32.2914	(USD:THB)	131,506

---

December 31, 2023

---

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
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

---

September 30, 2023

---

Financial assets				
Monetary items				
USD	78,367	32.2700	(USD:NTD)	2,528,903
USD	19,793	7.1798	(USD:RMB)	638,720
USD	12,501	4.7040	(USD:MYR)	403,407
RMB	64,035	4.4946	(RMB:NTD)	287,809
JPY	1,548,985	0.2162	(JPY:NTD)	334,891
THB	124,534	0.8822	(THB:NTD)	109,864
EUR	3,603	34.0907	(EUR:NTD)	122,829
JPY	579,623	0.0484	(JPY:RMB)	125,314

(Continued)

	Foreign Currency (In Thousands)		Exchange Rate	Carrying Amount
Non-monetary items				
Investments accounted for using the equity method				
USD	\$ 927,660	32.2700	(USD:NTD)	\$29,935,604
RMB	5,998,134	0.1393	(RMB:USD)	26,958,912
RMB	26,243	4.4946	(RMB:NTD)	117,951
JPY	7,745,412	0.2162	(JPY:NTD)	1,674,558
MYR	241,065	0.2126	(MYR:USD)	1,653,735
THB	140,100	0.8822	(THB:NTD)	123,596
Financial liabilities				
Monetary items				
USD	59,985	32.2700	(USD:NTD)	1,935,716
USD	13,580	7.1798	(USD:RMB)	438,227
USD	10,325	4.7040	(USD:MYR)	333,188
JPY	978,922	0.2162	(JPY:NTD)	211,643
				(Concluded)

The total realized and unrealized foreign exchange gains were \$18,882 thousand, \$38,726 thousand, \$39,985 thousand and \$41,242 thousand for the three months ended September 30, 2024 and 2023, and for the nine months ended September 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.

### 36. 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: (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: (Table 5)
- 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 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 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 8)
- 11) Information on investees (Table 9)

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 10)
- 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 6)
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 6)
  - 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 11)

### 37. 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.

	<b>Resins Materials</b>	<b>Electronic Materials</b>	<b>High Performance Materials</b>	<b>Others</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
<u>For the nine months ended September 30, 2024</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 15,656,597	\$ 8,477,141	\$ 8,631,367	\$ 3,933	\$ -	\$ 32,769,038
Revenue from the rental service	-	3,893	-	150,722	-	154,615
Inter-segment revenues	1,647,189	2,006,985	1,396,595	2,007	( 5,052,776)	-
Total operating revenue	<u>\$ 17,303,786</u>	<u>\$ 10,488,019</u>	<u>\$ 10,027,962</u>	<u>\$ 156,662</u>	<u>(\$ 5,052,776)</u>	<u>\$ 32,923,653</u>
Segment operating profit (loss)	<u>\$ 402,440</u>	<u>\$ 732,373</u>	<u>\$ 1,101,662</u>	<u>(\$ 545,099)</u>	<u>\$ -</u>	<u>\$ 1,691,376</u>
<u>For the nine months ended September 30, 2023</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 16,556,748	\$ 8,346,778	\$ 6,540,483	\$ 41,715	\$ -	\$ 31,485,724
Revenue from the rental service	-	20,198	-	186,804	-	207,002
Inter-segment revenues	1,794,032	1,912,208	1,014,100	1,985	( 4,722,325)	-
Total operating revenue	<u>\$ 18,350,780</u>	<u>\$ 10,279,184</u>	<u>\$ 7,554,583</u>	<u>\$ 230,504</u>	<u>(\$ 4,722,325)</u>	<u>\$ 31,692,726</u>
Segment operating profit (loss)	<u>\$ 392,189</u>	<u>\$ 605,804</u>	<u>\$ 806,292</u>	<u>(\$ 345,901)</u>	<u>\$ -</u>	<u>\$ 1,458,384</u>

TABLE1

## Eternal Materials Co., Ltd. and Subsidiaries

**FINANCING PROVIDED TO OTHERS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ -	-	\$ -	\$ 7, 230, 324	\$ 7, 230, 324	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	-	-	-	7, 230, 324	7, 230, 324	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	Other receivables from related parties	Y	90, 204	-	-	-	2	-	Operating needs	-	-	-	7, 230, 324	7, 230, 324	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	-	-	-	7, 230, 324	7, 230, 324	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	880, 924	-	-	-	2	-	Operating needs	-	-	-	7, 230, 324	7, 230, 324	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	1, 578, 577	1, 129, 163	563, 057	1. 76	2	-	Operating needs	-	-	-	7, 230, 324	7, 230, 324	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	451, 022	-	-	-	2	-	Operating needs	-	-	-	7, 230, 324	7, 230, 324	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	-	-	-	7, 230, 324	7, 230, 324	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	-	-	-	7, 230, 324	7, 230, 324	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, 035, 277	7, 035, 277	Note 5
2	Eternal Materials (Guangdong) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	368, 178	361, 332	-	-	2	-	Operating needs	-	-	-	7, 035, 277	7, 035, 277	Note 5
3	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	Other receivables from related parties	Y	3, 321, 760	2, 721, 900	1, 645, 800	5. 03~5. 57	2	-	Operating needs	-	-	-	41, 184, 745	41, 184, 745	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	451, 022	-	-	-	2	-	Operating needs	-	-	-	30, 824, 048	30, 824, 048	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	1, 012, 488	993, 663	729, 493	2. 76	2	-	Operating needs	-	-	-	30, 824, 048	30, 824, 048	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	Other receivables from related parties	Y	1, 190, 732	812, 997	375, 809	2. 76	2	-	Operating needs	-	-	-	30, 824, 048	30, 824, 048	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	Other receivables from related parties	Y	1, 282, 327	903, 330	686, 522	2. 76	2	-	Operating needs	-	-	-	30, 824, 048	30, 824, 048	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	1, 373, 922	903, 330	452, 149	2. 76	2	-	Operating needs	-	-	-	30, 824, 048	30, 824, 048	Note 5
4	Eternal (China) Investment Co., Ltd.	Eterkon Semiconductor Materials Co., Ltd.	Other receivables from related parties	Y	219, 828	108, 400	108, 400	3. 45	2	-	Operating needs	-	-	-	6, 164, 810	6, 164, 810	Note 7
4	Eternal (China) Investment Co., Ltd.	Eternal Specialty Materials (Suzhou) Co., Ltd.	Other receivables from related parties	Y	230, 111	225, 833	-	-	2	-	Operating needs	-	-	-	30, 824, 048	30, 824, 048	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Other receivables from related parties	Y	69, 033	67, 750	-	-	2	-	Operating needs	-	-	-	30, 824, 048	30, 824, 048	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, 731, 076	7, 731, 076	Note 6
5	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	690, 333	677, 498	365, 170	1. 76	2	-	Operating needs	-	-	-	7, 731, 076	7, 731, 076	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, 853, 432	3, 853, 432	Note 6
6	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	460, 222	451, 665	-	1. 76	2	-	Operating needs	-	-	-	3, 853, 432	3, 853, 432	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, 388, 324	1, 388, 324	Note 8
7	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	460, 222	451, 665	137, 283	1. 76	2	-	Operating needs	-	-	-	1, 388, 324	1, 388, 324	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 NINE MONTHS ENDED SEPTEMBER 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	\$ 27,313,652	\$ 591,030	\$ 569,700	\$ -	\$ -	2.09	\$ 27,313,652	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	2	27,313,652	2,716,554	2,625,308	1,761,339	-	9.61	27,313,652	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Elga Europe S.r.l.	2	27,313,652	534,587	530,257	487,483	-	1.94	27,313,652	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Nanyang Investment Co., Ltd.	2	27,313,652	1,970,100	1,899,000	1,509,705	-	6.95	27,313,652	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	27,313,652	1,679,810	1,648,577	450,026	-	6.04	27,313,652	Y	N	Y	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	2	27,313,652	164,175	158,250	-	-	0.58	27,313,652	Y	N	N	Notes 3 and 6
1	Eternal (China) Investment Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	15,412,024	460,222	451,665	275,225	-	2.93	15,412,024	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)  
SEPTEMBER 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	September 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	31, 263, 767	\$ 844, 122	2. 15	\$ 844, 122	
	TBG Diagnostics Limited (stock)	-	Financial assets at fair value through other comprehensive income - non-current	40, 200, 000	26, 679	18. 48	26, 679	
	Universal Venture Capital Investment Corp. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	5, 000, 000	57, 142	4. 15	57, 142	
	Research Innovation Capital Corporation. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	10, 000, 000	48, 406	22. 88 (Note 1)	48, 406	
	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	306, 956	Note 2	306, 956	
	Pacven Walden Ventures V,L.P.(fund)	-	Financial assets at fair value through profit or loss - non-current	-	7, 709	Note 2	7, 709	

Note 1: The Company has no significant influence on it, refer to Note 12.

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

**TABLE4**

**Eternal Materials Co., Ltd. and Subsidiaries**

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units (Note 2)	Amount (Note 3)
Eternal Materials Co., Ltd.	Eternal Precision Mechanics Co., Ltd.	Investments accounted for using the equity method	Note 1	Note 1	52,085,384	\$1,263,256	8,358	\$ 84	( 7,553,253)	\$ 830,506	\$ 258,193	Note 1	51,220,308	\$ 1,166,540

Note 1 : In June 2024, the board of directors of the Company resolved to release shares of the subsidiary Eternal Precision Mechanics Co., Ltd.. The transaction was accounted for as an equity transaction since the Company and its subsidiaries did not cease to have control over the subsidiary.

Note 2 : Including shares received as stock dividends .

Note 3 : Including share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method, exchange differences on translation of the financial statements of foreign operations and other related adjustment.

**TABLE5**

**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 NINE MONTHS ENDED SEPTEMBER 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.

**TABLE6**

**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 NINE MONTHS ENDED SEPTEMBER 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	\$ 501, 433	5	Note 1	\$ -	-	\$ 124, 252	3	
	CHOU-KOU Materials Co., Ltd.	Subsidiary	Sales	496, 974	5	Note 1	-	-	200, 315	5	
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Subsidiary	Sales	294, 523	3	Note 1	-	-	88, 914	2	
	Eternal (China) Investment Co., Ltd.	Subsidiary	Sales	305, 152	3	Note 1	-	-	102, 161	3	
	Eternal Materials (Guangdong) Co., Ltd.	Subsidiary	Sales	183, 267	2	Note 1	-	-	39, 504	1	
	Eternal Technology Corporation	Subsidiary	Sales	128, 141	1	Note 1	-	-	148, 300	4	
	Eternal Chemical (China) Co., Ltd.	Subsidiary	Sales	144, 667	1	Note 1	-	-	50, 420	1	
Eternal Materials (Guangdong) Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Sister company	Sales	343, 872	9	Note 1	-	-	85, 175	4	
	Eternal Chemical (China) Co., Ltd.	Sister company	Sales	126, 570	3	Note 1	-	-	44, 761	2	
	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	Sales	340, 233	8	Note 1	-	-	112, 886	5	
Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Materials Co., Ltd.	Ultimate parent company	Sales	176, 625	5	Note 1	-	-	32, 788	2	
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Sister company	Sales	238, 676	10	Note 1	-	-	130, 186	6	
Eternal Chemical (China) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	Sales	126, 545	4	Note 1	-	-	98, 296	5	
Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Sister company	Sales	144, 503	7	Note 1	-	-	96, 950	10	

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.

**TABLE7**

**Eternal Materials Co., Ltd. and Subsidiaries**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**SEPTEMBER 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	\$ 200, 315	3. 42	\$ 36, 884	Collected subsequently	\$ -	\$ -
	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Subsidiary	124, 252	5. 27	-	-	-	-
	Eternal Technology Corporation	Subsidiary	148, 300	1. 43	77, 366	Collected subsequently	3, 691	-
	Eternal (China) Investment Co., Ltd.	Subsidiary	102, 161	4. 72	-	-	-	-
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Sister company	130, 186	3. 31	30, 214	Collected subsequently	-	-
Eternal Materials (Guangdong) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	112, 886	4. 22	4, 652	Collected subsequently	8, 659	151

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 NINE MONTHS ENDED SEPTEMBER 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	\$ 501,433	Note 3	1.52
0	Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	1	Revenue from sales of goods	496,974	Note 3	1.51
0	Eternal Materials Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	1	Revenue from sales of goods	294,523	Note 3	0.89
0	Eternal Materials Co., Ltd.	Eternal (China) Investment Co., Ltd.	1	Revenue from sales of goods	305,152	Note 3	0.93
0	Eternal Materials Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	1	Revenue from sales of goods	183,267	Note 3	0.56
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	1	Revenue from sales of goods	128,141	Note 3	0.39
0	Eternal Materials Co., Ltd.	Eternal Chemical (China) Co., Ltd.	1	Revenue from sales of goods	144,667	Note 3	0.44
0	Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	1	Notes and accounts receivable from related parties	200,315	Note 3	0.32
0	Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	1	Notes and accounts receivable from related parties	124,252	Note 3	0.20
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	1	Notes and accounts receivable from related parties	148,300	Note 3	0.24
0	Eternal Materials Co., Ltd.	Eternal (China) Investment Co., Ltd.	1	Notes and accounts receivable from related parties	102,161	Note 3	0.16
1	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	2	Other receivables from related parties	1,645,800	Note 4	2.63
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	1	Other receivables from related parties	729,493	Note 4	1.16
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	1	Other receivables from related parties	375,809	Note 4	0.60
2	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	1	Other receivables from related parties	686,522	Note 4	1.10
2	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	1	Other receivables from related parties	452,149	Note 4	0.72
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Revenue from sales of goods	238,676	Note 3	0.72
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Notes and accounts receivable from related parties	130,186	Note 3	0.21
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	2	Other receivables from related parties	365,170	Note 4	0.58
4	Eternal Materials (Guangdong) Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	3	Revenue from sales of goods	343,872	Note 3	1.04
4	Eternal Materials (Guangdong) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	3	Revenue from sales of goods	126,570	Note 3	0.38
5	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Materials Co., Ltd.	2	Revenue from sales of goods	176,625	Note 3	0.54
5	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	137,283	Note 4	0.22
6	Eternal Chemical (China) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	563,057	Note 4	0.90
7	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	3	Revenue from sales of goods	144,503	Note 3	0.44

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.

**TABLE9**

**Eternal Materials Co., Ltd. and Subsidiaries**

**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 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	\$ 21,368,010	\$ 551,273	\$ 544,733	
Eternal Materials Co., Ltd.	Eternal Global (BVI) Co., Ltd.	British Virgin Islands	International investment	703,144	703,144	16,357,914	100.00	3,958,970	148,349	147,078	
Eternal Materials Co., Ltd.	Mixville Holdings Inc.	British Virgin Islands	International investment	899,392	899,392	26,630,000	100.00	3,597,026	215,856	210,030	
Eternal Materials Co., Ltd.	Advanced PETFILM Investment Co., Ltd.	Japan	International investment	788,630	788,630	270	20.00	580,538	239,052	53,033	
Eternal Materials Co., Ltd.	Daxin Materials Corporation	Taiwan	Manufacturing and selling of chemical, resins materials and electronic materials	190,350	191,052	23,363,812	22.75	706,242	390,883	89,100	
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	32,355	476	299	
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	140,006	27,954	15,005	
Eternal Materials Co., Ltd.	Eternal Precision Mechanics Co., Ltd.	Taiwan	Manufacturing and selling of vacuum laminator	472,456	555,123	51,220,308	72.32	1,166,540	246,125	211,701	
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	420,849	( 7,643)	( 8,048)	
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	295,713	65,785	65,785	
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	16,235	( 3,061)	( 2,225)	
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	245,565	( 61,843)	( 61,843)	
Eternal Precision Mechanics Co., Ltd.	Nikko-Materials Co., Ltd.	Japan	Manufacturing and selling of vacuum laminator	300,150	300,150	11,520	100.00	993,587	297,091	-	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	15,617,719	169,574	-	Note
Eternal Holdings Inc.	E-Chem Corp.	Samoa	International investment	165,608	165,608	4,990,000	100.00	3,304,235	389,491	-	Note
Eternal Holdings Inc.	Eternal Nanyang Investment Co., Ltd.	Samoa	International investment	841,453	841,453	28,350,000	90.00	191,886	( 151,891)	-	Note
Eternal Holdings Inc.	PT Eternal Materials Indonesia	Indonesia	Trading of chemical products	13,360	13,360	670	67.00	14,296	( 1,623)	-	Note
Eternal Holdings Inc.	Eternal Materials India Private Limited	India	Selling, trading of chemical	13,643	13,643	3,465,000	99.00	11,644	( 1,221)	-	Note
Eternal Holdings Inc.	Allnex-Eternal Resins Corporation Limited	Hong Kong	Trading and international investment	14,496	14,496	49,000	49.00	508,932	151,204	-	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	118	( 1,221)	-	Note
Mixville Holdings Inc.	High Expectation Limited	Cayman Islands	International investment	871,519	871,519	26,005,000	100.00	3,288,524	217,348	-	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	5,310	( 3,061)	-	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	1,728,133	( 74,110)	-	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.



TABLE10

Eternal Materials Co., Ltd. and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 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	\$ 131, 284	100. 00	\$ 131, 284	\$ 3, 615, 162	\$ 2, 975, 452	Note 2
Covestro Eternal Resins (Kunshan) Co., Ltd.	Manufacturing and selling of powder coating resin	183, 470	2	91, 735	-	-	91, 735	25, 333	50. 00	17, 169	351, 812	600, 691	Note 3
Eternal Optical Material (Suzhou) Co., Ltd.	Manufacturing and selling of optical films, and leasing business	1, 563, 967	2	-	-	-	-	( 15, 659)	100. 00	( 15, 659)	159, 279	-	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	154, 184	100. 00	154, 184	3, 865, 538	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, 230	100. 00	2, 230	187, 387	-	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	69, 752	40. 00	30, 735	340, 542	-	Note 3
Eternal Synthetic Resins (Changshu) Co., Ltd.	Manufacturing and selling of unsaturated polyester resin	726, 426	2	279, 811	-	-	279, 811	( 29, 554)	100. 00	( 29, 554)	151, 482	-	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	9, 549	100. 00	9, 549	991, 296	-	Note 3
Eternal Specialty Materials (Zhuhai) Co., Ltd.	Manufacturing and selling of acrylic resin and methacrylic acid	611, 011	2	243, 540	-	-	243, 540	398, 670	90. 00	388, 999	3, 289, 054	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	217, 611	100. 00	217, 611	3, 287, 076	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	168, 436	100. 00	168, 436	15, 582, 587	-	Notes 3 and 4
Eternal Chemical (Chengdu) Co., Ltd.	Researching, manufacturing and selling of resins material	1, 454, 071	2	-	-	-	-	( 93, 943)	100. 00	( 93, 943)	68, 023	-	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	-	-	-	-	( 74, 462)	100. 00	( 74, 462)	2, 020, 584	-	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	-	-	-	-	156, 832	100. 00	156, 832	1, 926, 716	-	Note 2
Resonac New Material (Zhuhai) Co., Ltd.	Manufacturing and selling of functional resins, resins composite material and providing technical services	366, 881	2	-	-	-	-	2, 987	30. 00	1, 006	95, 828	-	Note 3
Eternal Material Industry (Tongling) Co., Ltd.	Manufacturing, selling and providing technical services of products related to resins material	1, 650, 580	2	-	-	-	-	( 20, 853)	100. 00	( 20, 853)	1, 631, 073	-	Note 3
Eternal Precision Mechanics (Guangzhou) Ltd.	Manufacturing and selling of computers, communications and other electronic equipment	132, 928	1	132, 928	-	-	132, 928	6, 686	72. 32	5, 592	96, 873	-	Note 3

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of September 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	967, 437

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.

**TABLE11****Eternal Materials Co., Ltd.****INFORMATION OF MAJOR SHAREHOLDERS**  
**September 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.