

Stock Code: 1717

Eternal Materials Co., Ltd.

2025 Annual Meeting of Shareholders Meeting Handbook

Convening Method: Physical Shareholders' Meeting

Time: 9:30 a.m., June 25, 2025 (Wednesday)

Location: No. 22, Changxing Road, Luzhu District, Kaohsiung City
(Employee Activity Center of the Lu-Chu Plant)

Table of Contents

Chapter 1.	Meeting Procedure	1
Chapter 2.	Meeting Agenda	2
	I. Call the Meeting to Order	3
	II. Chairperson Remarks	3
	III. Management Presentation (Company Reports)	3
	IV. Proposed Resolutions	6
	V. Discussions	7
	VI. Election Matters	7
	VII. Others Matters	8
	VIII. Questions and Motions	8
	IX. Adjournment	8
Chapter 3.	Attachments	
	I. 2024 Business Report	9
	II. 2024 Audit Committee's Review Report	13
	III. 2024 Director Compensation	14
	IV. 2024 Financial Statements	16
	V. 2024 Consolidated Financial Statements	26
	VI. 2024 Earnings Distribution Table	36
	VII. Comparison Table for the Amendments to the Articles of Incorporation	37
	VIII. List of candidates of the 20th directors election	38
	IX. The main contents of the request for proposing the non-competition restriction	42
Chapter 4.	Appendices	
	I. Rules of Procedure for Shareholders' Meetings	43
	II. Articles of Incorporation	48
	III. Rules for Director Elections	54
	IV. Shareholding of Directors	56
	V. Other Instructions	57

Eternal Materials Co., Ltd.

Procedure for the 2025 Annual Meeting of Shareholders

Time: 9:30a.m., June 25, 2025 (Wednesday)

Location: No.22, Changxing Road, Luzhu District, Kaohsiung City

(Physical Shareholders' Meeting) (Employee Activity Center of the Lu-Chu Factory)

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Management Presentation (Company Reports)
- IV. Proposed Resolutions
- V. Discussions
- VI. Election Matters
- VII. Others Matters
- VIII. Questions and Motions
- IX. Adjournment

Eternal Materials Co., Ltd.

Agenda of the 2025 Annual Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation (Company Reports)

Report I: 2024 Business Report.

Report II: Audit Committee's Review Report on 2024 Financial Statements.

Report III: 2024 Endorsements/Guarantees for Others.

Report IV: 2024 Report on the Distribution of Earnings and Cash distributed from legal reserve and capital surplus.

Report V: Distribution of 2024 Compensation for Directors and Employees

Report VI: 2024 Compensation Received by Directors.

IV. Proposed Resolutions

Proposal I: 2024 Financial Statements.

Proposal II: 2024 Distribution of earnings.

V. Discussions

Proposal I: Amendments to the Articles of Incorporation.

VI. Election Matters

The 20th directors election of the company.

VII. Others Matters

The release of non- competition restrictions for the 20th directors of the company.

VIII. Questions and Motions

IX. Adjournment

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation (Company Reports)

Report I: 2024 Business Report. Please review.

Explanation: For the Company's 2024 Business Report, refer to #Page 9-12# of the Handbook (Attachment I).

Report II: Audit Committee's Review Report on 2024 Financial Statements. Please review.

Explanation: For the Audit Committee's Review Report, refer to #Page13# of the Handbook (Attachment II).

Report III: 2024 Endorsement and Guarantee for Others

Explanation: As of 2024, the amount of Endorsements and Guarantees made by the Company for others is as follows:

Company Name	Currency	Amount	Relationship with the Company
Eternal Technology Corporation	USD	5 million	100% of shares held directly
Eternal Holdings Inc.	USD	18 million	100% of shares held directly
Eternal Nanyang Investment Co., Ltd.	USD	60 million	90% of shares held indirectly
Elga Europe S.r.l.	EUR	15 million	72.68% of shares held directly, 22.32% of shares held indirectly
Eternal Materials (Malaysia) Sdn. Bhd.	USD	81 million	90% of shares held indirectly
	MYR	8 million	
Eternal Material Industry (Tongling) Co., Ltd.	CNY	365 million	100% of shares held indirectly

Report IV: 2024 Report on the Distribution of Earnings and Cash distributed from legal reserve and capital surplus. Please review.

Note:

- I. In accordance with the Articles of Incorporation of the Company, when earnings and paid-in-capital are distributed in the form of cash, the Company authorizes the Board of Directors to distribute dividends and bonuses with the presence of more than two-thirds of the directors and the resolution of more than half of the directors present and submit a report of such distribution to the shareholders' meeting.
- II. In accordance with the resolution passed during the 18th meeting of the 19th Board of Directors of the Company, a total of NT\$1,178,265,483 will be allocated from retained earnings to distribute a cash dividend of NT\$1.00 per share. Additionally, a legal reserve and capital surplus of NT\$235,653,097, derived from the difference between the actual acquisition or disposal of subsidiary equity and its book value, will be allocated to distribute a cash dividend of NT\$0.20 per share. In total, the cash dividend distributed to shareholders will amount to NT\$1.20 per share.
- III. The distribution of cash dividends from the current earnings and paid-in-capital should be rounded to nearest integer. Odd dividends should be transferred to the Employee Welfare Committee.
- IV. Pursuant to the resolution by the Board of Directors, the cash dividend record date was scheduled for May 1, 2025, and the distribution date was scheduled for May 23, 2025.

Report V: Distribution of 2024 Compensation for Directors and Employees. Please review.

Note:

- I. The compensation for directors and employees should be distributed in accordance with the Company Act and the Articles of Incorporation.
- II. NT\$14,642,000 and NT\$101,676,000 have been accrued for the compensation for directors and for employees in 2024, respectively.

- III. The compensation for directors should be distributed at 0.65% of profit in current year, with an amount of NT\$14,640,670, which is distributed by all directors in accordance with the Articles of Association and authorized to the Chairman of the Board for checking and issuing, NT\$1,330 less than the accrued amount. The difference was recognized as the changes in accounting estimates in the following year's profit or loss.
- IV. The compensation for employees should be distributed at 4.5% of profit in current year, with an amount of NT\$101,358,482, NT\$317,518 less than the accrued amount. The difference was recognized as the changes in accounting estimates in the following year's profit or loss.
- V. The compensation for directors and employees in 2024 should be distributed in cash.
- VI. The distribution of 2024 compensation for directors of the Board and employees was reviewed by the Remuneration Committee on March 13, 2025 and approved by the Board of Directors on March 14, 2025.

Report VI: 2024 Compensation Received by Directors. Please review.

Note:

- I. For the compensation received by the directors in 2024, refer to #Page 14-15# of the Handbook (Attachment III).
- II. Director Remuneration Policy:
 - (1) According to Article 17 of the Company's Articles of Incorporation, if the Company reports a profit in a year, not more than 1% of which shall be set aside as compensation for Directors of the Board. The relevant remuneration payment method shall be determined according to Article 14-1 with reference to the industry standard. The Company has also formulated the "Director Remuneration and Compensation Payment Guidelines". The revision of the regulations and the payment of remuneration are subject to the resolutions of the Remuneration Committee and the Board of Directors.

- (2) Independent Directors receive fixed remuneration, while general directors are paid according to their engagement in the Company's operations, contribution value, the Company's operating performance, and their professional ability and responsibilities. All directors are also entitled to reimbursement for travel expenses incurred for actual attendance at each meeting of the Board of Directors. The Company reviews the director remuneration policy from time to time in light of its operational status and future risks.

IV. Proposed Resolutions

Proposal I: 2024 Financial Statements. Please acknowledge the proposal. (Proposed by the Board of Directors)

Note:

- I. The Company's 2024 financial statements, including the business report, balance sheet, statement of comprehensive income, statement of changes in equity, and cash flow statement, have been reviewed by the Audit Committee on March 13, 2025. A written review report has been issued for the record and approved by the Board of Directors on March 14, 2025.
- II. For the above-mentioned Business Report, refer to #Page 9-12# of the Handbook (Attachment I). For the parent company only financial statements and consolidated financial statements and accountant's audit reports, refer to #Page 16-35# of the Handbook (Attachment IV and V).
- III. Please acknowledge the proposal.

Resolution:

Proposal II: 2024 Earnings Distribution. Please acknowledge the proposal. (Proposed by the Board of Directors)

Note:

- I. The 2024 earnings distribution has been approved by the Audit Committee and ratified by the Board of Directors. For the 2024 Earnings Distribution Table, refer to #Page 36# of the Handbook (Attachment VI).
- II. Please acknowledge the proposal.

Resolution:

V. Discussions

Proposal I: Amendments to the Articles of Incorporation. (Proposed by the Board of Directors)

Note:

- I. Certain articles in the Company's Articles of Incorporation will be amended in accordance with legal regulations and to meet the Company's operation needs.
- II. For the comparison table before and after the amendments, refer to #Page 37# of the Handbook (Attachment VII).
- III. Please resolve.

Resolution:

VI. Election Matters

Proposal I: The 20th directors election of the company. (Proposed by the Board of Directors)

Note:

- I. The term of office of the 19th director expires on June 22th, 2025, and all directors shall be re-elected according to law.
- II. 12 directors (including four independent directors) will be elected at the 2025 annual meeting of shareholders in accordance with the Articles of Association, with a term of office of three years from June 25, 2025 to June 24, 2028.
- III. This year's election of directors adopts the nomination system, and the shareholders' meeting will choose the names of the candidates. Please refer to #Page 38-41# (Attachment VIII) of the Handbook for the List of Candidates.
- IV. Please vote.

Election result:

VII. Others Matters

Proposal I: The release of non-competition restrictions for the 20th directors of the company. (Proposed by the Board of Directors)

Note:

- I. For the 20th director's non-competition restriction according to the first paragraph of Article 209 of the Company Act, according to the second and third provisions, it is now requested that the shareholders' general meeting in 2025 to propose the non-competition restriction of the 20th elected director of the Company. The main contents of the request for prososing the non-competition restriction please refer to #Page 42# (Attachment IX) of the Handbook.
- II. Please resolve.

Resolution:

VIII. Questions and Motions

IX. Adjournment

Attachment I

Business Report

In 2024, global economic growth is expected to slow down, and changes in geopolitical and economic conditions will have a profound impact on global supply chains and industrial development. The Company is facing challenges, including sluggish economic growth in mainland China and excess petrochemical production capacity. Concurrently, the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM) has rendered carbon fees a critical factor influencing global trade. The Eternal management team adheres to the principle of prudent operations, strengthens internal control mechanisms, flexibly adjusts to market changes, continues to expand into overseas markets, and actively enhances product competitiveness and operational resilience.

Looking forward to 2025, the global economy is expected to recover, with the rise of emerging markets, digitalization, and green transformation serving as the primary driving forces. Eternal Materials will expedite the research and development of new products across both new and existing industries, while also expanding into related sectors such as AI, 5G/6G communications, electric vehicles, semiconductors, green energy, and energy storage. Simultaneously enhance process technology capabilities and optimize production efficiency by integrating regional resources from various operational centers, thereby improving supply chain management and overall operational efficiency.

Eternal Materials is committed to sustainable management and fulfilling its corporate social responsibility. Internally, the company implements ESG initiatives that outline its direction towards achieving net-zero carbon emissions, transforming products, and establishing a blueprint for sustainable development. In light of the ongoing geopolitical dynamics, climate change, and carbon neutrality challenges, we are committed to green upgrading and market diversification, aiming to enhance value for our shareholders, employees, and society.

The operating results in 2024 are reported as follows:

I. Business Performance in 2024

(I) Business Performance

The consolidated revenue of the Company in 2024 is NT\$44.2 billion, an increase of 4% compared with that in 2023. Net profit before tax is NT\$2.744 billion, 26% higher than NT\$2.182 in 2023. Net profit after tax attributable to the owner of the parent company is NT\$1.835 billion, and net profit per share is NT\$1.56.

Unit: NT\$ thousands

Item	Amount in 2024
Operating revenue	44,191,125
Gross profit	8,824,477
Profit from operations	2,169,818
Non-operating income and expenses	574,279
Net profit before tax	2,744,097
Net profit	1,874,063

(II) Profitability

Unit: %

Item	Percentage
Gross margin	20
Net profit margin	4
Return on assets (ROA)	4
Return on equity (ROE)	7
Earnings per share (NT\$)	1.56

(III) Research and development status

1. Research and development results in 2024:

- (1) Moisture-permeable and waterproof functional film
- (2) Low carbon solutions: R-PET roll steel utilizing polyester resin
- (3) Water-based Acrylic/Polyester/Epoxy Dispersion
- (4) Polyurethane pressure-sensitive adhesive for protective films
- (5) BPANI Polyester Solutions for Food Packaging
- (6) High weather-resistant fluorocarbon emulsion for thermal insulation coatings
- (7) Silicone gel for cosmetics
- (8) Light-curing silicon release agent for electronic and labeling applications
- (9) Polyurethane pressure-sensitive adhesive for protective films in polarizing plates
- (10) Light-curing acrylic pressure-sensitive adhesive
- (11) Light-curing conformal coating for new energy vehicles
- (12) LF series silicon encapsulants for Mini LED applications
- (13) Light curing materials for functional printing ink
- (14) COVID-19 Antigen Rapid Test Kit / Dengue NS1 Antigen Test Kit
- (15) Low carbon footprint button resin
- (16) Offshore wind turbine hood FRP resin
- (17) Light curing trenchless pipeline repair resin applications

- (18) Photopolymeric overlay film with vacuum lamination machine for flexible board applications
 - (19) Release film for encapsulation process
 - (20) Thermal conductive gel
 - (21) 900D high-precision 3D printing dental model material for 8K LCD
 - (22) CTP photographic materials for printing with on-machine development
 - (23) Advanced packaging process adhesive film
 - (24) Binder for the negative electrode of lithium batteries materials
2. As regards future research directions, the Company will conduct planning of key materials and establish new core technologies as listed below focusing on high-frequency and high-speed transmission, semiconductors, electric vehicles, in vitro testing, and green materials:
- (1) Gaining a solid foothold in new core technologies:
 - A. High frequency Low Dk/Df material design technology
 - B. Thermal Interface Material (TIM)
 - C. Aqueous dispersion technology
 - D. Thermoplastic material mixing and processing technology
 - E. Material analysis technology
 - F. RAFT block copolymer technology
 - G. Synthesis and application technology of dual-curing adhesives
 - (2) Planning the development of new materials
 - A. Electronic materials with high frequency, high speed and high thermal conductivity
 - B. Semiconductor packaging materials
 - C. High-performance thermoplastic composites
 - D. Lithium battery and energy storage materials
 - E. Recombinant human collagen materials
 - F. Next generation display materials
 - G. Application of biomass materials
 - H. High-performance pressure-sensitive adhesive materials
 - I. Adhesive materials for energy vehicles
 - J. New generation solar energy materials

(IV) Management objectives and production and sales strategies

1. Focusing on key industries, accelerating innovation and R&D

We continuously strengthen our research and development capabilities. Our focus will be on potential industries such as semiconductors, advanced packaging, 5G, electric vehicles, green energy, energy storage, and biomedicine. We will enhance research and development efficiency and market insights, respond swiftly to customer demands, ensure a leading position in technology, and accelerate the speed of product launches.

2. Consolidate the core market and grasp global supply chain trends.

In light of the short supply chain trend, we will deepen our engagement in the Greater China market, actively monitor industrial policies in various countries, and focus on strategic industries. Additionally, we will pursue strategic partnerships to seize development opportunities, accelerate market entry, and capitalize on new business prospects. In the Americans and European markets, we will enhance local services and foster customer relationships to drive business growth.

3. Explore emerging markets and enhance regional competitiveness

Deepen the engagement in the ASEAN countries and Indian markets by effectively utilizing the production capacity of factories in Malaysia and Thailand, along with leveraging tariff preferences and transportation cost advantages, to enhance regional competitiveness. Closely monitor the industrial layout strategies of Taiwanese and Chinese enterprises in ASEAN and South Asia, leveraging local production supply and technical service advantages to enhance market penetration. The Company also plans to strategically collaborate with major international enterprises to create a mutually beneficial situation through complementary resources.

To prepare for and adjust to the evolving global trade landscape, the regionalized supply chain, industry trends and market competition, Eternal Materials will be guided by a clear strategic direction and proactive operational objectives. The Company will leverage its long-term accumulated research and development advantages, integrate a comprehensive sales and manufacturing layout, and comprehensively strengthen operational management. Additionally, it will consolidate internal and external resources to secure core markets while actively exploring emerging regions, thereby enhancing its industrial competitiveness.

In response to the trends of ESG (Environmental, Social, and Governance) and net-zero carbon reduction for sustainable development, Eternal Materials will actively focus on the development of key materials, promote sustainable innovation, and ensure a long-term competitive advantage in the global market.

Chairman:
Kao, Kuo-Lun

General Manager:
Mao, Hui-Kuan

Principal Accounting Officer:
Su, Hui-Fang

Attachment II

Eternal Materials Co., Ltd.

Audit Committee's Review Report

Approved

The Company's 2024 business report, earnings distribution, financial statements and consolidated financial statements submitted by the Board of Directors have been reviewed by the Audit Committee, and no irregularities have been found. The review report is hereby presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

2025 Annual Meeting of Shareholders

Eternal Materials Co., Ltd.

Convener of the Audit Committee:

March 14, 2025

Attachment III

Unit: NT\$ thousands

Position		Name	Directors' Remuneration								Percentage of the total sums of A, B, C, and D on the net profit after tax		Remuneration Paid to Concurrent Employees								Percentage of the total sums of A, B, C, D, E, F, and G on the net profit after tax		Compensation Paid to Directors from an Invested Company Other Than the Company's Subsidiaries or Parent Company
			Remuneration (A)		Pension (B)		Director's Remuneration (C)		Business Execution Expenses (D)				Salary, Bonus and Special Allowances (E)		Pension (F)		Employee Bonus (G) (Note 2)						
			The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Director	Chairman	Kao, Kuo-Lun	0	0	0	0	3,253	3,253	70	70	3,323 0.18	3,323 0.18	14,857	14,857	0	0	3,285	0	3,285	0	21,465 1.17	21,465 1.17	0
	Director	Representative of Kwang Yang Motor Co., Ltd.: Ko, Chun-Ping	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Yang, Huai-Kung	0	0	0	0	1,627	1,627	60	60	1,687 0.09	1,687 0.09	0	0	0	0	0	0	0	0	1,687 0.09	1,687 0.09	0
	Director	Chen, Jau-Shiuh	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Kao, Kuo-Hsun	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0

	Director	Huang, Shun-Ren	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Chen, Chin-Yuan (Note 1)	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Liao, Hen-Ning (Note 1)	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
Independent Director	Independent Director	Hung, Lee-Jung	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
	Independent Director	Chen, I-Heng	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
	Independent Director	Lo, Li-Chun	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
	Independent Director	Lu,Gin-Cheng	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
Note 1.		In addition to the disclosure in the above table, the directors of the Company received remuneration of NT\$4,464 thousand for consulting services provided to all companies in the financial statements for the most recent year.																					
Note 2.		Including expenses for the use of company vehicles. Additionally, compensation paid to the drivers amounted to NT\$827 thousand, but this is not included in this type of remuneration.																					
Note 3.		The payment of compensation to the Company's Independent Directors is according to the Company's Directors' Remuneration and Remuneration Distribution Guidelines. In 2024, each Independent Director's remuneration is NT\$1.2 million per person per year, paid quarterly.																					

Attachment IV

INDEPENDENT AUDITORS' REPORT

Eternal Materials Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Eternal Materials Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information. (collectively referred to as the “financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2024 is described as follows:

THE TIME AND OCCURRENCE OF REVENUE RECOGNITION FROM THE SUBSIDIARIES OF THE ELECTRONIC MATERIALS DEPARTMENT'S SALE OF VACUUM LAMINATOR

1. 1. Description

The unit price and gross profit margin of the vacuum laminator sold by the subsidiaries of the electronic materials department are higher. In addition, taking into account the characteristics and risks of the industry, we identified the time and occurrence of the above revenue recognition as a key audit matter in accordance with Communicating Key Audit Matters in the Independent Auditor's Report of TWSA.

2. 2. The audit procedures we performed in response to the above key audit matters are as follows:

- a. We obtained an understanding of the relevant process and the control of revenue recognition in vacuum laminator and tested their effectiveness.
- b. We performed the test of details, which selected the samples for a certain period before and after the end of the year and obtained supporting documents or evidence to confirm that the revenue of the vacuum laminator has been recognized in the appropriate period.
- c. We performed the test of details, which selected the samples for the full year and obtained supporting documents or evidence to confirm that the revenue transactions of the vacuum laminator have been installed and the control has been transferred.
- d. We performed a sampling review of significant sales returns and allowances occurring after the period to determine if there are any irregularities in revenue recognition.

Other Matter

The financial statements of some associates were audited by other auditors. Therefore, our opinion on the amounts included in the accompanying financial statements was based on the financial statements audited by other auditors. Such investments accounted for using the equity method amounted to NT\$735,614 thousand and NT\$714,968 thousand, both representing 2% of the Company's total assets as of December 31, 2024 and 2023, respectively; the share of the profit of these associates amounted to NT\$129,549 thousand and NT\$119,325 thousand, representing 3% and 11% of the Company's total comprehensive income for the years ended December 31, 2024 and 2023, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

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

Eternal Materials Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 435,078	1	\$ 204,029	-
Notes receivable, net (Notes 4 and 7)	202,694	-	276,813	1
Accounts receivable, net (Notes 4, 5 and 7)	2,538,155	5	2,309,532	5
Accounts receivable from related parties, net (Notes 4, 5, 7 and 26)	847,071	2	882,032	2
Other receivables (Notes 7 and 26)	519,996	1	458,750	1
Inventories (Notes 4, 5 and 8)	2,784,885	6	2,661,185	6
Other current assets - others (Notes 20 and 27)	<u>461,204</u>	<u>1</u>	<u>212,165</u>	<u>-</u>
Total current assets	<u>7,789,083</u>	<u>16</u>	<u>7,004,506</u>	<u>15</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	708,901	2	799,386	2
Investments accounted for using the equity method (Notes 4 and 10)	32,083,776	67	31,598,687	67
Property, plant and equipment (Notes 4 and 11)	7,358,145	15	7,315,748	16
Right-of-use assets (Notes 4 and 12)	40,103	-	42,282	-
Investment properties (Notes 4 and 13)	49,308	-	49,991	-
Intangible assets (Notes 4 and 14)	177,965	-	191,801	-
Deferred tax assets (Notes 4 and 20)	139,387	-	170,168	-
Other non-current assets - others (Note 27)	<u>52,826</u>	<u>-</u>	<u>68,471</u>	<u>-</u>
Total non-current assets	<u>40,610,411</u>	<u>84</u>	<u>40,236,534</u>	<u>85</u>
TOTAL	<u>\$ 48,399,494</u>	<u>100</u>	<u>\$ 47,241,040</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 15 and 26)	\$ 4,263,929	9	\$ 4,569,047	10
Notes payable	97	-	2,362	-
Accounts payable (Note 26)	1,157,152	2	1,143,698	3
Other payables - others (Note 16)	764,663	2	742,282	2
Current tax liabilities (Note 20)	510,217	1	176,636	-
Lease liabilities - current (Notes 4 and 12)	13,082	-	15,369	-
Current portion of long-term liabilities (Notes 4 and 15)	2,025,000	4	3,448,969	7
Other current liabilities - others (Note 18)	<u>36,388</u>	<u>-</u>	<u>31,985</u>	<u>-</u>
Total current liabilities	<u>8,770,528</u>	<u>18</u>	<u>10,130,348</u>	<u>22</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 15)	2,498,252	5	2,497,203	5
Long-term borrowings (Notes 4 and 15)	6,465,000	13	7,090,000	15
Deferred tax liabilities (Notes 4, 5 and 20)	2,009,570	4	2,219,628	5
Lease liabilities - non-current (Notes 4 and 12)	24,390	-	24,078	-
Other non-current liabilities (Notes 4, 5 and 16)	<u>317,343</u>	<u>1</u>	<u>545,153</u>	<u>1</u>
Total non-current liabilities	<u>11,314,555</u>	<u>23</u>	<u>12,376,062</u>	<u>26</u>
Total liabilities	<u>20,085,083</u>	<u>41</u>	<u>22,506,410</u>	<u>48</u>
EQUITY (Note 17)				
Ordinary shares	<u>11,782,655</u>	<u>24</u>	<u>11,782,655</u>	<u>25</u>
Capital surplus	<u>1,353,668</u>	<u>3</u>	<u>664,785</u>	<u>1</u>
Retained earnings				
Legal reserve	5,230,730	11	5,083,381	11
Special reserve	1,358,789	3	977,601	2
Unappropriated earnings	<u>8,328,467</u>	<u>17</u>	<u>7,584,997</u>	<u>16</u>
Total retained earnings	<u>14,917,986</u>	<u>31</u>	<u>13,645,979</u>	<u>29</u>
			<u>(3)</u>	
Other equity	<u>260,102</u>	<u>1</u>	<u>(1,358,789)</u>	<u>)</u>
Total equity	<u>28,314,411</u>	<u>59</u>	<u>24,734,630</u>	<u>52</u>
TOTAL	<u>\$ 48,399,494</u>	<u>100</u>	<u>\$ 47,241,040</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2025)

Eternal Materials Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 18 and 26)	\$ 14,370,268	100	\$ 13,317,700	100
OPERATING COSTS (Notes 8, 16, 19 and 26)	<u>11,407,792</u>	<u>79</u>	<u>10,889,118</u>	<u>82</u>
GROSS PROFIT	<u>2,962,476</u>	<u>21</u>	<u>2,428,582</u>	<u>18</u>
OPERATING EXPENSES (Notes 7, 16 and 19)				
Selling and marketing expenses	841,142	6	689,541	5
General and administrative expenses	876,857	6	807,831	6
Research and development expenses	1,115,983	8	1,090,214	8
Expected credit loss (gain)	<u>(877)</u>	<u>-</u>	<u>538</u>	<u>-</u>
Total operating expenses	<u>2,833,105</u>	<u>20</u>	<u>2,588,124</u>	<u>19</u>
OPERATING INCOME (LOSS)	<u>129,371</u>	<u>1</u>	<u>(159,542)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,583	-	16,112	-
Other income (Notes 19 and 26)	553,183	4	480,061	3
Other gains and losses (Note 19)	88,935	1	(34,704)	-
Finance costs (Notes 4, 19 and 26)	(319,108)	(3)	(312,050)	(3)
Share of profit of subsidiaries, associates and joint ventures (Note 10)	<u>1,681,129</u>	<u>12</u>	<u>1,689,092</u>	<u>13</u>
Total non-operating income and expenses	<u>2,006,722</u>	<u>14</u>	<u>1,838,511</u>	<u>13</u>
PROFIT BEFORE INCOME TAX	2,136,093	15	1,678,969	12
INCOME TAX EXPENSE (Notes 4 and 20)	<u>(301,541)</u>	<u>(2)</u>	<u>(175,282)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>1,834,552</u>	<u>13</u>	<u>1,503,687</u>	<u>11</u>

(Continued)

Eternal Materials Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 16, 17 and 20)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 144,211	1	\$ (41,065)	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	190,751	1	122,330	1
Remeasurement of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	1,071	-	2,659	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	79,386	-	44,677	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(24,456)	-	11,847	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	1,474,849	10	(579,276)	(4)
Share of other comprehensive income (loss) of associates and joint ventures	<u>88,218</u>	<u>1</u>	<u>(22,920)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,954,030</u>	<u>13</u>	<u>(461,748)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,788,582</u>	<u>26</u>	<u>\$ 1,041,939</u>	<u>8</u>
EARNINGS PER SHARE (Note 21)				
Basic	\$ 1.56		\$ 1.28	
Diluted	1.55		1.27	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

(With Deloitte & Touche auditors' report dated March 14, 2025)

Eternal Materials Co., Ltd.

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

			Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings				
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
Appropriation of the 2023 earnings (Note 17)									
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)
	-	-	147,349	381,188	(1,471,149)	-	-	-	(942,612)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 17)	-	(490)	-	-	-	-	-	-	(490)
Net profit for the year ended December 31, 2024	-	-	-	-	1,834,552	-	-	-	1,834,552
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	116,440	1,563,067	274,523	1,837,590	1,954,030
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,950,992	1,563,067	274,523	1,837,590	3,788,582
Difference between the consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition (Note 22)	-	688,615	-	-	-	44,464	-	44,464	733,079
Changes in percentage of ownership interests in subsidiaries (Note 22)	-	758	-	-	-	464	-	464	1,222
Disposal of investments in equity instruments at fair value through other comprehensive income(Notes 9 and 17)	-	-	-	-	263,627	-	(263,627)	(263,627)	-
BALANCE AT DECEMBER 31, 2024	\$ 11,782,655	\$ 1,353,668	\$ 5,230,730	\$ 1,358,789	\$ 8,328,467	\$ (278,845)	\$ 538,947	\$ 260,102	\$ 28,314,411
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
Appropriation of the 2022 earnings (Note 17)									
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)
	-	-	279,764	(204,218)	(1,489,465)	-	-	-	(1,413,919)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 17)	-	3,348	-	-	-	-	-	-	3,348
Net profit for the year ended December 31, 2023	-	-	-	-	1,503,687	-	-	-	1,503,687
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(30,193)	(602,196)	170,641	(431,555)	(461,748)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,473,494	(602,196)	170,641	(431,555)	1,041,939
Changes in percentage of ownership interests in subsidiaries (Note 22)	-	292,491	-	-	-	50,367	-	50,367	342,858
BALANCE AT DECEMBER 31, 2023	\$ 11,782,655	\$ 664,785	\$ 5,083,381	\$ 977,601	\$ 7,584,997	\$ (1,886,840)	\$ 528,051	\$ (1,358,789)	\$ 24,734,630

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2025)

Eternal Materials Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,136,093	\$ 1,678,969
Adjustments for:		
Depreciation expense	724,474	643,835
Amortization expense	15,238	16,618
Expected credit loss (gain)	(877)	538
Interest expense	319,108	312,050
Interest income	(2,583)	(16,112)
Dividend income	(44,044)	(13,013)
Share-based compensation	-	2,780
Share of the profit of subsidiaries, associates and joint ventures	(1,681,129)	(1,689,092)
Loss on disposal of property, plant and equipment	3,567	1,929
Gain on disposal of intangible assets	(1,600)	-
Gain on disposal of investments	(83,021)	-
Impairment loss recognized on non-financial assets	87,278	53,301
Others	(182)	(418)
Changes in operating assets and liabilities		
Notes receivable	74,119	(857)
Accounts receivable	(227,749)	137,083
Accounts receivable from related parties	34,964	(4,376)
Other receivables	(42,628)	60,317
Inventories	(210,978)	636,156
Other current assets	11,570	(29,648)
Notes payable	(2,265)	1,829
Accounts payable	13,454	98,781
Other payables	35,015	(127,709)
Other current liabilities	4,403	(12,155)
Other non-current liabilities	(83,599)	(39,020)
Cash generated from operations	1,078,628	1,711,786
Interest received	2,583	16,125
Dividends received	2,856,684	1,573,655
Interest paid	(346,083)	(322,481)
Income taxes paid	(417,302)	(297,733)
Net cash generated from operating activities	<u>3,174,510</u>	<u>2,681,352</u>

(Continued)

Eternal Materials Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (19,000)	\$ (50,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	300,236	-
Proceeds from disposal of investments accounted for using the equity method	95,381	-
Payment for property, plant and equipment	(737,653)	(1,136,344)
Proceeds from disposal of property, plant and equipment	1,163	1,848
Decrease in other receivables from related parties	-	307,100
Payment for intangible assets	(1,402)	(1,270)
Proceeds from disposal of intangible assets	1,600	-
Decrease in other financial assets	-	15,000
Decrease (increase) in other non-current assets	<u>645</u>	<u>(16,172)</u>
Net cash used in investing activities	<u>(359,030)</u>	<u>(879,838)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase(decrease) in short-term borrowings	(305,118)	1,103,483
Repayments of bonds payable	(3,000,000)	-
Proceeds from long-term borrowings	9,650,000	6,000,000
Repayments of long-term borrowings	(8,700,000)	(7,294,000)
Increase in guarantee deposits received	-	654
Repayment of the principal portion of lease liabilities	(16,461)	(21,244)
Dividends paid	(942,612)	(1,413,919)
Acquisition of additional interests in subsidiaries	(258,246)	(758,236)
Disposal of ownership interests in subsidiaries (without losing control)	988,006	-
Proceeds from capital reduction of subsidiaries accounted for using the equity method	<u>-</u>	<u>454,125</u>
Net cash used in financing activities	<u>(2,584,431)</u>	<u>(1,929,137)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	231,049	(127,623)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>204,029</u>	<u>331,652</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 435,078</u>	<u>\$ 204,029</u>
The accompanying notes are an integral part of the parent company only financial statements.		(Concluded)

(With Deloitte & Touche auditors' report dated March 14, 2025)

Attachment V

INDEPENDENT AUDITORS' REPORT

Eternal Materials Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Eternal Materials Co., Ltd. (the “Company”) and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 is described as follows:

THE TIME AND OCCURRENCE OF REVENUE RECOGNITION FROM SALE OF VACUUM LAMINATOR

3. 1. Description

The unit price and gross profit margin of the vacuum laminator sold by the electronic materials department of Eternal Materials Co., Ltd. and its subsidiaries are higher. In addition, taking into account the characteristics and risks of the industry, we identified the time and occurrence of the above revenue recognition as a key audit matter in accordance with Communicating Key Audit Matters in the Independent Auditor's Report of TWSA.

4. 2. The audit procedures we performed in response to the above key audit matters are as follows:

- a. We obtained an understanding of the relevant process and the control of revenue recognition in vacuum laminator and tested their effectiveness.
- b. We performed the test of details, which selected the samples for a certain period before and after the end of the year and obtained supporting documents or evidence to confirm that the revenue of the vacuum laminator has been recognized in the appropriate period.
- c. We performed the test of details, which selected the samples for the full year and obtained supporting documents or evidence to confirm that the revenue transactions of the vacuum laminator have been installed and the control has been transferred.
- d. We performed a sampling review of significant sales returns and allowances occurring after the period to determine if there are any irregularities in revenue recognition.

Other Matter

The financial statements of some associates were audited by other auditors. Therefore, our opinion on the amounts included in the accompanying financial statements was based on the financial statements audited by other auditors. Such investments accounted for using the equity method amounted to NT\$735,614 thousand and NT\$714,968 thousand, both representing 1% of the Company and its subsidiaries' total assets as of December 31, 2024 and 2023, respectively; the share of the profit of these associates amounted to NT\$129,549 thousand and NT\$119,325 thousand, representing 3% and 12% of the Company and its subsidiaries' total comprehensive income for the years ended December 31, 2024 and 2023, respectively.

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with Other Matter paragraph.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

5. 1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 6.
7. 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
- 8.
9. 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 10.
11. 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- 12.
13. 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 14.
15. 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Company and its subsidiaries' audit. We remain solely responsible for our audit opinion.
- 16.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2025

Notice to Readers

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

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

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,074,515	11	\$ 6,356,603	11
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	822,964	1	-	-
Notes receivable, net (Notes 4, 8 and 32)	4,031,956	7	4,512,991	8
Notes receivable from related parties, net (Notes 4, 8 and 31)	43,572	-	50,447	-
Accounts receivable, net (Notes 4, 5 and 8)	11,177,337	18	10,476,717	18
Accounts receivable from related parties, net (Notes 4, 5, 8 and 31)	194,359	-	173,065	-
Other receivables (Notes 4, 8 and 31)	710,243	1	638,761	1
Inventories (Notes 4, 5 and 9)	8,533,025	14	8,478,672	14
Non-current assets held for sale (Notes 4 and 10)	156,464	-	170,314	-
Other financial assets - current (Notes 4, 11 and 32)	472,995	1	1,267,006	2
Other current assets - others (Note 25)	1,001,164	2	905,349	2
Total current assets	34,218,594	55	33,029,925	56
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	9,382	-	9,182	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)	1,045,585	2	1,038,841	2
Investments accounted for using the equity method (Notes 4 and 14)	2,741,654	4	2,468,207	4
Property, plant and equipment (Notes 4, 15 and 32)	20,836,279	33	18,322,920	31
Right-of-use assets (Notes 4 and 16)	1,658,676	3	1,658,505	3
Investment properties (Notes 4 and 17)	1,231,491	2	1,221,322	2
Intangible assets (Notes 4 and 18)	216,582	-	231,643	-
Deferred tax assets (Notes 4 and 25)	247,077	1	270,831	1
Other non-current assets - others (Notes 19 and 32)	214,163	-	286,878	1
Total non-current assets	28,200,889	45	25,508,329	44
TOTAL	\$ 62,419,483	100	\$ 58,538,254	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 20 and 32)	\$ 5,697,864	9	\$ 5,557,448	10
Contract liabilities - current (Notes 4 and 23)	597,286	1	873,877	2
Notes payable	1,496,784	3	778,344	1
Accounts payable (Note 31)	4,787,780	8	4,844,775	8
Other payables - others (Note 21)	2,238,326	4	1,822,801	3
Current tax liabilities (Note 25)	780,400	1	422,718	1
Liabilities directly associated with non-current assets held for sale (Notes 4 and 10)	1,550	-	2,543	-
Lease liabilities - current (Notes 4 and 16)	72,465	-	81,604	-
Current portion of long-term liabilities (Notes 4, 20 and 32)	2,604,571	4	3,741,170	7
Other current liabilities - others	106,829	-	68,172	-
Total current liabilities	18,383,855	30	18,193,452	32
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 20)	2,498,252	4	2,497,203	4
Long-term borrowings (Notes 4, 20 and 32)	9,759,192	16	9,360,843	16
Deferred tax liabilities (Notes 4, 5 and 25)	2,169,472	3	2,344,656	4
Lease liabilities - non-current (Notes 4 and 16)	111,542	-	169,040	-
Other non-current liabilities (Notes 4, 5 and 21)	506,194	1	757,091	1
Total non-current liabilities	15,044,652	24	15,128,833	25
Total liabilities	33,428,507	54	33,322,285	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Ordinary shares	11,782,655	19	11,782,655	19
Capital surplus	1,353,668	2	664,785	1
Retained earnings				
Legal reserve	5,230,730	9	5,083,381	9
Special reserve	1,358,789	2	977,601	2
Unappropriated earnings	8,328,467	13	7,584,997	13
Total retained earnings	14,917,986	24	13,645,979	24
Other equity	260,102	-	(1,358,789)	(2)
Total equity attributable to owners of the Company	28,314,411	45	24,734,630	42
NON-CONTROLLING INTERESTS (Note 22)				
	676,565	1	481,339	1
Total equity	28,990,976	46	25,215,969	43
TOTAL	\$ 62,419,483	100	\$ 58,538,254	100

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

(With Deloitte & Touche auditors' report dated March 14, 2025)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	\$ 44,191,125	100	\$ 42,451,576	100
OPERATING COSTS (Notes 9, 24 and 31)	<u>35,366,648</u>	<u>80</u>	<u>34,304,310</u>	<u>81</u>
GROSS PROFIT	<u>8,824,477</u>	<u>20</u>	<u>8,147,266</u>	<u>19</u>
OPERATING EXPENSES (Notes 8, 24 and 31)				
Selling and marketing expenses	2,635,183	6	2,483,962	5
General and administrative expenses	2,380,617	5	2,199,879	5
Research and development expenses	1,601,332	4	1,548,154	4
Expected credit loss	<u>37,527</u>	<u>-</u>	<u>504</u>	<u>-</u>
Total operating expenses	<u>6,654,659</u>	<u>15</u>	<u>6,232,499</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>2,169,818</u>	<u>5</u>	<u>1,914,767</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	101,047	-	120,025	-
Other income (Notes 24 and 31)	510,896	1	407,911	1
Other gains and losses (Notes 7, 14 and 24)	38,248	-	(99,748)	-
Net loss on disposal of financial assets at amortized cost	(12,469)	-	(9,668)	-
Finance costs (Note 24)	(451,234)	(1)	(453,836)	(1)
Share of the profit of associates and joint ventures (Note 14)	<u>387,791</u>	<u>1</u>	<u>303,023</u>	<u>1</u>
Total non-operating income and expenses	<u>574,279</u>	<u>1</u>	<u>267,707</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,744,097	6	2,182,474	6
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(870,034)</u>	<u>(2)</u>	<u>(690,378)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>1,874,063</u>	<u>4</u>	<u>1,492,096</u>	<u>4</u>

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 14, 21, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 142,922	-	\$ (36,179)	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	270,137	1	167,007	-
Remeasurement of defined benefit plans of associates 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	(23,810)	-	9,620	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statement of foreign operations	1,475,259	3	(591,376)	(2)
Share of the other comprehensive income (loss) of associates and joint ventures	<u>88,218</u>	<u>-</u>	<u>(22,920)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,954,311</u>	<u>4</u>	<u>(473,848)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,828,374</u>	<u>8</u>	<u>\$ 1,018,248</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,834,552		\$ 1,503,687	
Non-controlling interests	<u>39,511</u>		<u>(11,591)</u>	
	<u>\$ 1,874,063</u>		<u>\$ 1,492,096</u>	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,788,582		\$ 1,041,939	
Non-controlling interests	<u>39,792</u>		<u>(23,691)</u>	
	<u>\$ 3,828,374</u>		<u>\$ 1,018,248</u>	
EARNINGS PER SHARE (Note 26)				
Basic	\$ 1.56		\$ 1.28	
Diluted	1.55		1.27	

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

(Concluded)

(With Deloitte & Touche auditors' report dated March 14, 2025)

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						Other Equity	Total Other Equity	Total	Non-controlling Interests	Total Equity
	Retained Earnings					Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings						
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 the 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)	-	(490)	-	-	-	-	-	-	(490)	-	(490)
Net profit for the year ended December 31, 2024	-	-	-	-	1,834,552	-	-	-	1,834,552	39,511	1,874,063
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	116,440	1,563,067	274,523	1,837,590	1,954,030	281	1,954,311
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,950,992	1,563,067	274,523	1,837,590	3,788,582	39,792	3,828,374
Difference between the consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition (Notes 22 and 27)	-	688,615	-	-	-	44,464	-	44,464	733,079	251,648	984,727
Changes in percentage of ownership interests in subsidiaries (Notes 22 and 27)	-	758	-	-	-	464	-	464	1,222	3,773	4,995
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(99,987)	(99,987)
Disposal of investments in equity instruments at fair value through other comprehensive income (Notes 9 and 22)	-	-	-	-	263,627	-	(263,627)	(263,627)	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 11,782,655	\$ 1,353,668	\$ 5,230,730	\$ 1,358,789	\$ 8,328,467	\$ (278,845)	\$ 538,947	\$ 260,102	\$ 28,314,411	\$ 676,565	\$ 28,990,976
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 the 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)	-	3,348	-	-	-	-	-	-	3,348	-	3,348
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	1,503,687	-	-	-	1,503,687	(11,591)	1,492,096
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(30,193)	(602,196)	170,641	(431,555)	(461,748)	(12,100)	(473,848)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,473,494	(602,196)	170,641	(431,555)	1,041,939	(23,691)	1,018,248
Changes in percentage of ownership interests in subsidiaries (Notes 22 and 27)	-	292,491	-	-	-	50,367	-	50,367	342,858	229,779	572,637
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(35,685)	(35,685)
BALANCE AT DECEMBER 31, 2023	\$ 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

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

(With Deloitte & Touche auditors' report dated March 14, 2025)

Eternal Materials Co., Ltd. and Subsidiaries

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

	For the Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,744,097	\$ 2,182,474
Adjustments for:		
Depreciation expense	2,219,440	2,082,787
Amortization expense	19,283	20,397
Expected credit loss	37,527	504
Net gain on fair value changes of financial assets at fair value through profit or loss	(7,694)	(3,910)
Interest expense	451,234	453,836
Net loss on disposal of financial assets at amortized cost	12,469	9,668
Interest income	(101,047)	(120,025)
Dividend income	(44,044)	(16,046)
Share-based compensation	-	4,160
Share of the profit of associates and joint ventures	(387,791)	(303,023)
Loss on disposal of property, plant and equipment	12,117	10,822
Gain on disposal of intangible assets	(1,420)	-
Gain on disposal of investments	(83,021)	(2,547)
Impairment loss recognized on non-financial assets	107,361	53,915
Others	(174)	(485)
Changes in operating assets and liabilities		
Notes receivable	679,692	836,251
Notes receivable from related parties	9,050	(4,216)
Accounts receivable	(356,789)	821,230
Accounts receivable from related parties	(13,114)	9,714
Other receivables	(38,148)	(99,409)
Inventories	110,194	1,035,999
Other current assets	50,529	10,515
Contract liabilities	(259,901)	457,569
Notes payable	665,021	161,105
Accounts payable	(253,318)	361,740
Other payables	100,296	(258,678)
Other current liabilities	37,128	(21,486)
Other non-current liabilities	(107,385)	(49,725)
Cash generated from operations	5,601,592	7,633,136
Interest received	96,623	115,379
Dividends received	216,724	229,437
Interest paid	(491,277)	(474,814)
Income taxes paid	(811,305)	(989,086)
Net cash generated from operating activities	<u>4,612,357</u>	<u>6,514,052</u>

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (19,000)	\$ (50,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	300,236	-
Purchase of financial assets at fair value through profit or loss	(1,984,039)	(779,991)
Proceeds from disposal of financial assets at fair value through profit or loss	1,184,661	781,241
Proceeds from disposal of investments accounted for using the equity method	95,381	-
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	(3,586,869)	(3,149,051)
Proceeds from disposal of property, plant and equipment	11,153	14,417
Payments for intangible assets	(3,492)	(4,507)
Proceeds from disposal of intangible assets	1,600	-
Decrease in long-term lease receivables	20,571	28,521
Decrease (increase) in other financial assets	868,118	(60,501)
Increase in other non-current assets	(91)	(335,511)
Net cash used in investing activities	<u>(3,061,959)</u>	<u>(3,351,175)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(40,134)	243,136
Repayments of bonds payable	(3,000,000)	-
Proceeds from long-term borrowings	11,321,686	7,707,629
Repayments of long-term borrowings	(9,180,548)	(9,057,697)
Decrease in guarantee deposits received	(3,988)	(2,156)
Repayment of the principal portion of lease liabilities	(88,332)	(90,317)
Dividends paid	(942,612)	(1,413,919)
Acquisition and disposal of ownership interest in subsidiaries (without losing control)	989,722	568,477
Change in non-controlling interests	<u>(99,987)</u>	<u>(23,525)</u>
Net cash used in financing activities	<u>(1,044,193)</u>	<u>(2,068,372)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>214,239</u>	<u>(162,962)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>720,444</u>	<u>931,543</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,382,309</u>	<u>5,450,766</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,102,753</u>	<u>\$ 6,382,309</u>
Reconciliation of cash and cash equivalents as of the end of the year		
	December 31	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 7,074,515	\$ 6,356,603
Cash and cash equivalents classified to non-current assets held for sale	<u>28,238</u>	<u>25,706</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 7,102,753</u>	<u>\$ 6,382,309</u>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)

(With Deloitte & Touche auditors' report dated March 14, 2025)

Attachment VI

Eternal Materials Co., Ltd. 2024 Earnings Distribution Table

Unit: NT\$

Item	Amount	
I. Distributable amount		
Undistributed earnings at the beginning of the period		6,113,847,162
2024 After-tax net income	1,834,551,851	
Adjusted retained earnings for remeasurement of defined benefit plan	115,369,232	
Adjusted retained earnings for investments accounted for using the equity method	1,071,654	
Disposal of equity instruments measured at fair value through other comprehensive income	263,627,585	
The net income after tax for current period plus items other than the net income after tax for current period are included in the undistributed earnings of the current year		2,214,620,322
10% appropriated as legal reserve		(221,462,032)
Reversal of special reserve		<u>932,504,235</u>
Distributable retained earnings		9,039,509,687
II. Distributable item:		
Cash dividends for shareholders at NT\$1.0 per share		(1,178,265,483)
III. Undistributed earnings at the end of the period		<u><u>7,861,244,204</u></u>

- Dividends for shareholders to be distributed should be appropriated from the earnings in 2024 first.
- According to the Letter No. 1090150022 issued by Financial Supervisory Commission on March 31, 2021, the Company chose to adopt the exemptions in IFRS 1, so special reserve of NT\$426,930,232 was appropriated for retained earnings transferred from unrealized incremental value from revaluation. The special surplus reserve was reversed by NT\$645,282 in 2021.
- According to the Letter No. 1090150022 issued by Financial Supervisory Commission on March 31, 2021, the Company should appropriate special reserve of NT\$426,284,950 for net amount of other equity deductions due to translation differences of assets and liabilities of foreign operations and the revaluation of fair value of financial investments in 2024. As the Company had accumulated special reserve of NT\$1,358,789,185, the difference of NT\$932,504,235 between the appropriated amount and the deduction to other equity shall be allocated to the special reserve.

Chairman: Kao, Kuo-Lun

President: Mao, Hui-Kuan

Principal Accounting Officer: Su, Hui-Fang

Attachment VII

Eternal Materials Co., Ltd.

Comparison Table for the Amendments to the Articles of Incorporation

After the Amendments	Before the Amendments	Reasons for the Amendments
<p>Article 17:</p> <p>If the Company reports a profit in a year, 4.5%-5.5% of which shall be set aside as compensation for employees, <u>not less than 20% of this will be allocated for the distribution of compensation to frontline employees</u>, and 1% of which shall be set aside as compensation for directors of the Board. However, if the Company has accumulated losses, the amount for offsetting the losses shall be reserved first.</p> <p>The profit in the current year mentioned in Paragraph 1 shall refer to the profit before tax of the year before deducting the distribution of remuneration paid to employees and to directors.</p> <p>Compensation for employees may be distributed in a form of stock or cash. The distribution of compensation for employees shall be approved by more than half of the directors of the Board present in the meeting which more than two-thirds of the directors of the Board attend and reported in the shareholders' meeting.</p> <p>The counterparty to whom stock or cash dividends are distributed to as compensation for employees shall include the employees of the Company's subsidiaries that meet certain conditions. Except for compensation set forth in Article 14-1, independent directors do not participate in the distribution of compensation for directors of the Board in this article.</p>	<p>Article 17:</p> <p>If the Company reports a profit in a year, 4.5%-5.5% of which shall be set aside as compensation for employees, and 1% of which shall be set aside as compensation for directors of the Board. However, if the Company has accumulated losses, the amount for offsetting the losses shall be reserved first.</p> <p>The profit in the current year mentioned in Paragraph 1 shall refer to the profit before tax of the year before deducting the distribution of remuneration paid to employees and to directors.</p> <p>Compensation for employees may be distributed in a form of stock or cash. The distribution of compensation for employees shall be approved by more than half of the directors of the Board present in the meeting which more than two-thirds of the directors of the Board attend and reported in the shareholders' meeting.</p> <p>The counterparty to whom stock or cash dividends are distributed to as compensation for employees shall include the employees of the Company's subsidiaries that meet certain conditions. Except for compensation set forth in Article 14-1, independent directors do not participate in the distribution of compensation for directors of the Board in this article.</p>	<p>In accordance with the amendment to Article 14, Section 6 of the Securities and Exchange Act, it is stipulated that a certain percentage of annual earnings shall be allocated for the adjustment of salaries or distribution of compensation to grassroots employees.</p>
<p>Article 20: These Articles were enacted on November 17, 1964.</p> <p>...(Omitted)...</p> <p>The 56th amendment will take place on June 23, 2022.</p> <p><u>The 57th amendment will take place on June 25, 2025.</u></p>	<p>Article 20: These Articles were enacted on November 17, 1964.</p> <p>...(Omitted)...</p> <p>The 56th amendment will take place on June 23, 2022.</p>	<p>The date of the current amendment was added.</p>

Attachment VIII

I. List of candidates of the 20th directors election

Category	Name of nominee	Education	Experience	Current Post	Number of Shares Held
Director	Kao, Kuo-Lun	University of Southern California Master of Business Administration	Chairman of the Company Co-ceo of the Company	Chairman and CEO of the Company Convener of the Corporate Governance and Sustainable Development Committee of the Company	35,905,563
Director	Kwang Yang Motor Co., Ltd. Representative: Ko, Chun-Ping	Tamkang University Master of Business Administration	CEO of Kwang Yang Motor Co., Ltd.	Director of the Company Chairman, Kwang Yang Motor Co., Ltd. Chairman, Kwang Hsing Industrial Co., Ltd. Chairman, Kwang Dah Trading Co., Ltd. Chairman, Ionex Taiwan Co., Ltd. Director of New E Materials Co., Ltd. Director, Pro-Ascentek Investment Corporation	117,800,000
Director	Yang, Chin-Ying	University of Dallas Master of Business Administration Department of Foreign Languages, National Cheng Kung University	Vice President, ABN AMRO Holding N.V.	Director, Dexin Enterprise CO., LTD.	2,632,849
Director	Chen, Jau-Shiuh	National Taiwan University School of Medicine	Attending Physician, Department of Dermatology, National Taiwan University Hospital Director, Division of Skin Care and Surgery, Department of Dermatology, NTU Secretary General, Taiwan Society for Investigative Dermatology Director, Taiwanese Society for Dermatological and Aesthetic Surgery Executive Director, Laser and Photonics Medicine Society of Taiwan	Director of the Company Concurrent attending physician, Dermatology Department, National Taiwan University Hospital	3,288,108

Category	Name of nominee	Education	Experience	Current Post	Number of Shares Held
Director	Kao, Kuo-Hsun	City University of Seattle, USA Master of Business Administration	Chairman, Initial Life Corporation	Director of the Company Director, Chengfu International Investment Co., Ltd.	4,157,614
Director	Huang, Shun-Ren	National Tsing Hua University Master of Management Chemistry	Vice President of the Company Chief Technology Officer of the Company	Director of the Company	797,701
Director	Chen, Chin-Yuan	National Taiwan University Department of Chemical Engineering	Vice President of the Company The Company's Chief Technology Officer, operating chief in institution	Director of the Company Company Consultant	241,803
Director	Liao, Hen-Ning	National Taiwan University Department of Chemical Engineering	Vice President of the Company The Company's Chief Purchasing Officer, operating chief in institution	Director of the Company Company Consultant	240,722
Independent Director	Hung, Lee-Jung	National Cheng Kung University Bachelor of Accounting	CPA, PwC Taiwan Independent Director, Advanced International Multitech Co., Ltd. Independent Director, Launch Technologies Co., Ltd.	Independent director of the Company Convenor of the Company's Audit Committee Member of the Remuneration, Nomination, Corporate Governance and Sustainable Development Committee of the Company Independent Director, convener of the Audit Committee, the Remuneration Committee of Kuen Ling Machinery Refrigerating Co., Ltd., and Sustainable Development Committee	0

Category	Name of nominee	Education	Experience	Current Post	Number of Shares Held
Independent Director	Lo, Li-Chun	Hong Kong Polytechnic University Doctor of Management	Nanyang Business School, Nanyang Technological University, Singapore Visiting Associate Professor CEO, Fundwatch Global Financial Research Co., Ltd. CEO of Protrend Management Consulting Co., Ltd. Vice-president, JKO Asset Management Co., Ltd. Standard Chartered Bank (Taiwan) Limited Top executive Business Department, Allianz Global Investors Corporate Manager Assistant Manager, Capital Investment Consulting Co., Ltd. CEO, Fundwatch Global Financial Research Co., Ltd.	Independent director of the Company Member of the Audit, Remuneration, Nomination, Corporate Governance and Sustainable Development Committee of the Company CEO of Protrend Management Consulting Co., Ltd.	0
Independent Director	Lu, Gin-Cheng	National Chengchi University Master of Law	Attorney, Patent Agent, Tai E International Patent & Law Office Attorney, Taiwan International Patent & Law Office Partner Attorney, L&L International Law Firm	Independent director of the Company Convener of the Company's Nomination Committee Member of the Audit, Remuneration, Corporate Governance and Sustainable Development Committee of the Company Partner Lawyer of Huili Law Firm Supervisor of BEV International Food Corp. Supervisor, Chunxing Industrial Co., Ltd. Supervisor of Gaohung Investment Co., Ltd.	924
Independent Director	Chen, Ting-Yuan	National Chung Hsing University Department of Forestry	President, Chenta Precision Machinery Industrial Inc.	Chairman, Chenta Precision Machinery Industrial Inc. Chairman, ChenTaXiong Development Co., Ltd.	3,607,199

II. Explanation for the Continued Nomination of Independent Directors Whose Terms Have Reached Three Consecutive Terms:

Candidate Hung, Lee-Jung has served as an independent director for three consecutive terms. Given her expertise in auditing, taxation, and financial management, along with her prior experience as a practicing accountant and partner at CwP Taiwan, she is well-equipped to provide valuable decision-making advice to the company. Despite having completed three terms as an independent director, the company continues to require her professional insights to ensure effective oversight of the board and to deliver expert opinions in the execution of her independent director responsibilities.

Attachment IX

The main contents of the request for proposing the non-competition restriction

Directors Candidates	Companies Concurrently	Post Held
Kwang Yang Motor Co., Ltd. Representative: Ko, Chun-Ping	Kwang Yang Motor Co., Ltd. Kwang Hsing Industrial Co., Ltd. Kwang Dah Trading Co., Ltd Ionex Taiwan Co., Ltd. Pro-Ascentek Investment Corporation New E Materials Co., Ltd.	Chairman Chairman Chairman Chairman Director Director
Chen, Ting-Yuan	Chenta Precision Machinery Industrial Inc. ChenTaXiong Development Co., Ltd.	Chairman Chairman

Appendix I

Eternal Materials Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Formulated: April 21, 1991

Amended: June 18, 2020

- I. The rules of procedure for the Company's shareholders meetings, except as otherwise provided by the laws, regulations or Articles of Incorporation, shall be as provided in these Rules.
- II. A shareholder holding 1% or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the shareholder proposal is a proposal to urge the Company to promote public interest or fulfill its social responsibilities, and the Board of Directors must still include the proposal. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission: the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words (including characters and punctuation), and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder submitting the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a regular shareholders' meeting, the Company shall inform the shareholders' submitting proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder-submitted proposals not included in the meeting agenda.

- III. Shareholders or their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance cards, sign-in cards, or other certificates of attendance handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

- IV. The participation and voting by shareholders shall be duly calculated based on the number of shares they hold.
- V. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Registration shall begin at least 30 minutes before the commencement of the meeting.
- The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- VI. For a shareholders' meeting chaired by the chairman of the Board, when the chairman is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint a director to act in place of the chairman. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as the chair.
- VII. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
- The staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- VIII. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of a shareholders' meeting. The recorded materials shall be retained for at least 1 year.
- IX. The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour.
- If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- X. If a shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors. The relevant proposals (including motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.
- The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.
- The chair shall not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.
- After the meeting is adjourned, the shareholders shall not appoint another chair and continue the meeting either at the same or a different venue.
- XI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- XII. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.
- If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- XIII. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XIV. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

- XV. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- XVI. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes or list of the elect and number of votes, shall be announced on-site at the meeting, and a record made of the vote.
- XVII. When a meeting is in progress, the chair may announce a break based on time considerations.
- XVIII. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.
- XIX. When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice.
A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting;
A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this restriction does not apply when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

- XX. Resolutions of shareholders' meetings shall be recorded in the minutes of meeting. The meeting minutes shall be signed or sealed by the chair of the meeting, and the minutes shall be distributed to each shareholder within 20 days after the meeting. The production and distribution of the meeting minutes may be effected by electronic means.

The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System.

The meeting minutes shall be recorded in accordance with the year, month, day, venue, name of the chair, resolution method, method of discussion and voting results (including statistical weights). When there are elected Directors, each candidate's votes shall be disclosed. It should be kept permanently during the existence of the Company,

- XXI. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- XXII. These Rules and any amendments hereof shall be put into enforcement after being resolved at the shareholder meeting.

Appendix II

Articles of Incorporation of Eternal Materials Co., Ltd.

Chapter 1. General Principles

Article 1 The Company, organized under the Company Act, shall be named 長興材料工業股份有限公司 in Mandarin Chinese, and **Eternal Materials Co., Ltd.** in English. .

Article 2 The scope of the Company's business is as follows:

1. C801100 Synthetic Resin and Plastic Manufacturing
2. CC01080 Electronics Components Manufacturing
3. C802200 Coating, Paint, Dye and Pigment Manufacturing
4. C802120 Industrial and Additive Manufacturing
5. C805990 Other Plastic Products Manufacturing
6. C801990 Other chemical materials manufacturing
7. C801020 Petrochemical manufacturing
8. C801010 Basic Industrial Chemical Manufacturing
9. CF01011 Medical Devices Manufacturing
10. F108031 Wholesale of Medical Devices
11. F208031 Retail Sale of Medical Apparatus
12. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company is headquartered in Kaohsiung City and may establish branches at home and abroad when necessary.

Article 4 The Company may engage in domestic or foreign investment in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40% of paid-up capital.

Article 5 The Company may act as a guarantor of affiliates and investee companies.

Chapter 2. Shares

Article 6 The authorized capital of the Company is NT\$18 billion, consisting of 1.8 billion shares of common stock, with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in separate installments as required. NT\$0.1 billion, consisting of 10 million shares, with a par value of NT\$10 per share, is reserved for stock warrants, corporate bonds with warrants, and preferred stock with warrants.

Article 6-1: Shares issued by the Company need not be in a certificate form, but shall be registered with a centralized depository enterprise.

Article 7 All entries in the shareholders register due to transfer of shares shall be suspended for 60 days prior to a regular shareholders' meeting, or for 30 days prior to an extraordinary shareholders' meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefits.

Chapter 3. Shareholders' Meeting

Article 8 Shareholders' meetings are of two kinds: Regular shareholders' meetings and extraordinary shareholders' meetings. A regular shareholders' meeting is called once every year within six months of the close of a fiscal year. Extraordinary shareholders' meetings may be called in accordance with applicable laws and regulations whenever necessary.

Article 9 For any shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy.

Article 10 Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by the Company Act and applicable laws or regulations.

Article 11 Unless otherwise provided by applicable laws or regulations, a resolution of the shareholders' meeting shall be adopted with consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, and representing a majority of the total issued shares.

Chapter 4. Board of Directors and Audit Committee

Article 12 The Company shall have 11 directors of the Board (including 3 independent directors). Starting from the 19th term of the Board of Directors, the Company shall have 12 directors of the Board (including 4 independent directors). Directors are elected and appointed by the shareholders from the list of candidates. Candidates may continue in office if re-elected.

The nomination system shall be adopted for the election of directors.

The relevant matters concerning the acceptance methods and announcements of nominations for director candidates are governed by the relevant laws and regulations of the Company Act and the Securities and Exchange Act. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

The total shares of registered stock held by all Directors shall conform to the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the authority in charge of securities.

Article 12-1: The Company has established the Audit Committee under the 17th Board of Directors since 2016. The Audit Committee shall consist of all independent directors. The Audit Committee Charter shall be formulated based on the resolution of the Board of Directors. Since the establishment of the Audit Committee, the regulations of the Company Act, the Securities and Exchange Act, and other laws and regulations relating to supervisors shall apply *mutatis mutandis* to the Audit Committee.

Article 12-2: The Company may purchase liability insurance for directors of the Board within the term of office.

Article 13 The Board of Directors shall consist of the directors of the Board of the Company; the chairperson of the Board of Directors shall be elected from among the directors of the Board by a majority of directors of the Board in attendance at a meeting attended by at least two-thirds of the directors of the Board. A vice chairperson may be elected as well in the same way when necessary. The chairperson of the Board of Directors shall represent the Company in external matters. In calling a meeting of the Board of Directors, the Company may notify each director of the Board in writing or by fax or E-mail.

Article 14 If a director of the Board is unavailable to attend a meeting in person, the director of the Board may authorize another director of the Board to attend the meeting on his/her behalf. For matters that shall be resolved by the Board of Directors in accordance with Article 14-3 of the Securities and Exchange Act, independent directors may only authorize other independent directors to attend the meeting on their behalf.

Article 14-1: The Board of Directors shall be authorized to decide on the compensation for the directors of the Board at a rate consistent with the general practices in the industry and based on the participation in and contribution to the Company's operations. The Board of Directors shall also approve the compensation regulations as the basis for payment of compensation.

Chapter 5. Managerial Officers

Article 15 The Company may appoint several managerial officers, whose commissioning, decommissioning and compensation shall be as pursuant to Article 29 of the Company Act.

Chapter 6. Accounting

Article 16 After the close of each fiscal year, the ①business report, ②financial statements, and proposal for ③earnings distribution or appropriation for deficits shall be prepared by the Board of Directors and submitted to the regular shareholders' meeting for ratification.

Article 17 If the Company reports a profit in a year, 4.5%-5.5% of which shall be set aside as compensation for employees, and 1% of which shall be set aside as compensation for directors of the Board. However, if the Company has accumulated losses, the amount for offsetting the losses shall be reserved first.

The profit in the current year mentioned in Paragraph 1 shall refer to the profit before tax of the year before deducting the distribution of remuneration paid to employees and to directors.

Compensation for employees may be distributed in a form of stock or cash. The distribution of compensation for employees shall be approved by more than half of the directors of the Board present in the meeting which more than two-thirds of the directors of the Board attend and reported in the shareholders' meeting.

The counterparty to whom stock or cash dividends are distributed to as compensation for employees shall include the employees of the Company's subsidiaries that meet certain conditions.

Except for compensation set forth in Article 14-1, independent directors do not participate in the distribution of compensation for directors of the Board in this article.

- Article 18 The Company shall set aside the following in order before distributing earnings, if any:
- ① Income taxes.
 - ② Make up for accumulated deficit.
 - ③ Appropriate 10% as legal reserve; where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
 - ④ Appropriate or reversal of special reserve according to resolution from the Shareholders' Meeting or regulations from competent authority.
 - ⑤ The distributable earnings shall consist of the balance of earnings plus the undistributed earnings. The Board of Directors shall propose the earnings distribution in the shareholders' meeting for a resolution.

In accordance with Article 240 and Paragraph 1 of Article 241 of the Company Act, the Company authorizes the distributable dividends and bonuses, or legal reserve and capital reserve, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Based on the principle of sustainable development and continuous growth, the Company expects to have a major expansion plan in the future. The dividends distributed to shareholders for the year shall not be less than 30% of the balance to be distributed for the year. Cash dividends shall not be less than 10% of the total dividends distributed for the year.

Chapter 7. Additional Provisions

- Article 19 Any matters not provided for in the Articles of Incorporation shall be handled in accordance with the Company Act and other applicable laws or regulations.

- Article 20 These Articles were enacted on November 17, 1964.
The 1st amendment was made on February 16, 1966.
The 2nd amendment was made on May 1, 1967.
The 3rd amendment was made on December 16, 1967.
The 4th amendment was made on February 6, 1972.
The 5th amendment was made on November 2, 1972.
The 6th amendment was made on November 5, 1973.
The 7th amendment was made on June 6, 1974.
The 8th amendment was made on July 31, 1975.
The 9th amendment was made on August 29, 1976.
The 10th amendment was made on February 10, 1977.
The 11th amendment was made on August 3, 1978.
The 12th amendment was made on December 26, 1979.
The 13th amendment was made on December 28, 1980.
The 14th amendment was made on October 4, 1983.

The 15th amendment was made on July 20, 1984.
The 16th amendment was made on September 2, 1984.
The 17th amendment was made on October 23, 1986.
The 18th amendment was made on February 12, 1987.
The 19th amendment was made on June 25, 1987.
The 20th amendment was made on September 3, 1987.
The 21st amendment was made on January 17, 1988.
The 22nd amendment was made on September 7, 1988.
The 23rd amendment was made on October 12, 1988.
The 24th amendment was made on December 11, 1988.
The 25th amendment was made on April 26, 1990.
The 26th amendment was made on May 20, 1990.
The 27th amendment was made on August 28, 1990.
The 28th amendment was made on April 21, 1991.
The 29th amendment was made on March 4, 1992.
The 30th amendment was made on April 25, 1992.
The 31st amendment was made on July 15, 1992.
The 32nd amendment was made on April 25, 1993.
The 33rd amendment was made on April 25, 1994.
The 34th amendment was made on April 28, 1995.
The 35th amendment was made on May 15, 1996.
The 36th amendment was made on May 15, 1997.
The 37th amendment was made on April 10, 1998.
The 38th amendment was made on May 04, 1999.
The 39th amendment was made on May 10, 2000.
The 40th amendment was made on May 11, 2001.
The 41st amendment was made on April 15, 2002.
The 42nd amendment was made on April 14, 2004.
The 43rd amendment was made on April 13, 2005.
The 44th amendment was made on June 9, 2006.
The 45th amendment was made on May 24, 2007.
The 46th amendment was made on June 13, 2008.
The 47th amendment was made on June 15, 2010.
The 48th amendment was made on June 5, 2012.
The 49th amendment was made on June 20, 2013.
The 50th amendment was made on June 11, 2014.
The 51st amendment was made on June 10, 2015.
The 52nd amendment was made on June 15, 2016.
The 53rd amendment was made on June 15, 2017.
The 54th amendment was made on June 26, 2019.
The 55th amendment was made on July 07, 2021.
The 56th amendment was made on June 23, 2022.

Appendix III

Eternal Materials Co., Ltd.

Rules for Director Elections

Formulate: April 25, 1992
Amendment: June 10, 2015

- Article 1 Except as otherwise provided by law and regulation or by Aurora's Articles of Incorporation, elections of directors shall be conducted in accordance with the Rules.
- Article 2 More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 3 The qualification and appointment of independent directors of the company shall be handled in accordance with the Securities Exchange Law, Measures for the Establishment and Compliance of Independent directors of Publicly issued Companies, Code of Practice for Corporate Governance of Listed Companies and relevant provisions of the competent authority.
- Article 4 The election of directors shall be conducted by a candidate nomination system in accordance with the articles of association.
When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).
If the number of independent directors is not enough as stipulated in Item 1 of Article 14 bis of the Securities And Exchange Act, a by-election shall be held at the latest shareholders' meeting; When all independent directors are removed from office, an interim by-election of shareholders shall be held within 60 days from the date of occurrence.
- Article 5 The election of directors of the company shall be conducted by single registered cumulative election method. Each share shall have the same voting power as the number of directors to be elected, and one person may be elected centrally or several persons may be elected separately.
Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.
- Article 6 Shareholders may elect to exercise their right to vote in the election of directors of the Company by either electronic or on-the-spot ballot.
Shareholders who exercise their voting rights by electronic voting in the preceding paragraph shall exercise their voting rights on the electronic voting platform designated by the Company.
The Company shall prepare ballot papers with the same number of directors to be elected, add their weights and distribute them to the members present at the shareholders' meeting. The registered name of the elector may be substituted by the registration card number printed on the electoral ticket.

- Article 7 The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 8 Prior to the commencement of the election, the Chairman shall appoint supervisors and tellers to perform all relevant functions, provided that the supervisors shall have the status of shareholders. Ballot boxes prepared by our company will be inspected in public by poll supervisors before voting.
- Article 9 In the event that the candidate is a shareholder of Company, the voters voting for such candidate shall fill in the said candidate's account name and shareholder account number in the candidate column on the ballot. In the event that the candidate is not a shareholder of Company, the voters voting for such candidate shall fill in the said candidate's name and ID number in the candidate column on the ballot. However, if a government or a shareholder of a legal person is elected, the name of the government or legal person, and the name of the government or legal person as well as the name of their representative, shall be included in the column of the elector of the election ballot; When there are several representatives, the names of the representatives shall be added respectively, but only one name shall be prepared for each electoral ballot.
- Article 10 A ballot is invalid under any of the following circumstances:
- I. Election ballot not prepared by the Company.
 - II. A blank ballot is placed in the ballot box.
 - III. Illegible handwriting.
 - IV. Where the candidate voted for is a shareholder of Aurora, such candidate's account name and shareholder account number filled in the ballot is inconsistent with that on the shareholder registry. Where the candidate voted for is not a shareholder of Aurora, such candidate's name or ID number is verified to be incorrect.
 - V. In addition to filling in the household name of the electee or the household number of the shareholder (identification document number), other words are inserted, except in accordance with the provisions of Article 9.
 - VI. The person who lists two or more electors on the same electoral ballot.
 - VII. The person who has not entered the name of the elector or the number of the shareholder.
- Article 11 After all the votes are counted, the chairman or his designee shall announce the list of directors elected on the spot.
- Article 12 The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix IV

Shareholding of Directors

Title	Name	Book Closure Date for the Shareholder's Meeting April 27, 2025
Chairman	Kao, Kuo-Lun	35,905,563
Director	Kwang Yang Motor Co., Ltd.	117,800,000
	Representative: Ko, Chun-Ping	0
Director	Yang, Huai-Kung	14,197,105
Director	Chen, Jau-Shiuh	3,288,108
Director	Kao, Kuo-Hsun	4,157,614
Director	Huang, Shun-Ren	797,701
Director	Chen, Chin-Yuan	241,803
Director	Liao, Hen-Ning	240,722
Excluding the number of shares held by all independent directors	Total	176,628,616
Independent Director	Hung, Lee-Jung	0
Independent Director	Lo, Li-Chun	0
Independent Director	Chen, I-Heng	138,482
Independent Director	Lu, Gin-Cheng	924
Shareholding of Directors	Total	176,768,022

Date elected: June 23, 2022

The Company's paid-in capital was NT\$11,782,654,830, with 1,178,265,483 shares.

Statutory minimum number of shares held by all directors of the Board: 32,000,000 shares (Note)

Note: According to Paragraph 2, Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors other than the independent directors and shall be reduced to 80%.

Statutory minimum number of shares held by all supervisors: N/A

The shareholding of all directors of the Board conformed to the ratio set forth in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Appendix V

Other Instructions

Proposals submitted by shareholders were processed as follows:

1. According to Article 172-1 of the Company Act, shareholder holding 1% of the total number of issued shares or more may submit to the Company a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only. Shareholder-submitted proposals are limited to 300 words.
2. Shareholder proposals must be submitted during the period from April 18, 2025 to 5 p.m. on April 28, 2025. As required by law, the Company has published the information regarding shareholder proposals on the MOPS website.
3. As of the deadline, the Company has not received any proposals from shareholders.