

Eternal Materials Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

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.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Eternal Materials Co., Ltd. and its subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Eternal Materials Co., Ltd.

By

Kao, Kuo-Lun
Chairman

March 14, 2025

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

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.

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:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' 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 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.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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.

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.

Wang, Chao - Chun 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)

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
ASSETS				
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	<u>34,218,594</u>	<u>55</u>	<u>33,029,925</u>	<u>56</u>
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	<u>28,200,889</u>	<u>45</u>	<u>25,508,329</u>	<u>44</u>
TOTAL	<u>\$ 62,419,483</u>	<u>100</u>	<u>\$ 58,538,254</u>	<u>100</u>
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	<u>18,383,855</u>	<u>30</u>	<u>18,193,452</u>	<u>32</u>
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	<u>15,044,652</u>	<u>24</u>	<u>15,128,833</u>	<u>25</u>
Total liabilities	<u>33,428,507</u>	<u>54</u>	<u>33,322,285</u>	<u>57</u>
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)	<u>676,565</u>	<u>1</u>	<u>481,339</u>	<u>1</u>
Total equity	<u>28,990,976</u>	<u>46</u>	<u>25,215,969</u>	<u>43</u>
TOTAL	<u>\$ 62,419,483</u>	<u>100</u>	<u>\$ 58,538,254</u>	<u>100</u>

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					
						Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total	Non-controlling Interests	Total Equity
	Retained Earnings										
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)		

Eternal Materials Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on March 14, 2025.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

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

as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Company and its subsidiaries have assessed that the application of above standards and interpretations will not have a material impact on the Company and its subsidiaries' financial position and financial performance.

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

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

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company and its subsidiaries shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company and its subsidiaries label items as "other" only if they cannot find a more informative label.

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;

- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Company and its subsidiaries do not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the Company and its subsidiaries' own equity instruments do not affect its classification as current or non-current if the Company and its subsidiaries classify the option as an equity instrument.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company and subsidiaries. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

The detailed information of subsidiaries (including the percentages of ownership and main businesses) is provided in Note 13 and Tables 9 and 10.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized as expense in which they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Company and its subsidiaries' previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if those interests had been directly disposed of by the Company and its subsidiaries.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the closing rates at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the consolidated financial statements, the functional currencies of the foreign operations (including subsidiaries, associates and joint ventures in other countries or those that use currencies that are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company and its subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate of exchange at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, supplies, finished goods, work in progress and inventory in transit. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at specific identification of cost and weighted-average cost by the nature and use of inventories, respectively.

h. Investments in associates and joint ventures

An associate is an entity over which the Company and its subsidiaries have significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Company and its subsidiaries and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company and its subsidiaries use the equity method to account for their investments in associates and joint ventures.

Under the equity method, an investment in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Company and its subsidiaries' share of the profit or loss and other comprehensive income of the associate and joint venture. The Company and its subsidiaries also recognize the changes in the share of equity of associates and joint ventures.

Any excess of the cost of acquisition over the Company and its subsidiaries' share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company and its subsidiaries' share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company and its subsidiaries subscribe for additional new shares of an associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company and its subsidiaries' proportionate interest in the associate and joint venture. The Company and its subsidiaries record such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - share of changes in equities of the associates and joint ventures and investments accounted for using the equity method. If the Company and its subsidiaries' ownership interest is reduced due to non-subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is deducted from retained earnings.

When the Company and its subsidiaries' share of losses of an associate and joint venture equal or exceed their interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company and its subsidiaries' net investment in the associate and joint venture), the Company and its subsidiaries discontinue recognizing their share of further losses. Additional losses and liabilities are recognized only to the extent that the Company and its subsidiaries have incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the

carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The Company and its subsidiaries discontinue the use of the equity method from the date on which their investment cease to be an associates or joint venture. Any retained investment is measured at fair value at that date. The difference between the previous carrying amount of the associates and the joint ventures attributable to the retained interest and their fair value are included in the determination of the gains or losses on disposal of the associates and the joint ventures. The Company and its subsidiaries account for all amounts previously recognized in other comprehensive income in relation to these associates and joint ventures on the same basis as would be required if that associates and joint ventures had directly disposed of the related assets or liabilities.

When the Company and its subsidiaries transact with their associates and joint ventures, profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the associates and joint ventures that are not related to the Company and its subsidiaries.

i. Property, plant, and equipment

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

Property, plant and equipment in the course of construction are measured at cost less accumulated recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use and depreciated accordingly.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting year, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rent and land held for a currently undetermined future use. Freehold investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties used for subleases were initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method except for freehold land.

For a transfer of classification from property, plant and equipment or right-of-use assets to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end of owner-occupation.

For a transfer of classification from investment properties to property, plant and equipment or right-of-use assets, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a contract where a landowner provides land for the construction of buildings by a property developer in exchange for a certain percentage of buildings, any exchange gain or loss is recognized when the exchange transaction occurs, if the buildings acquired are classified as investment properties and if the exchange transaction has commercial substance.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company and its subsidiaries' cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting year, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

- m. Impairment of property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Company and its subsidiaries review the carrying amounts of their property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization or depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

- n. Non-current assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset or disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the Company and its subsidiaries' control and there is sufficient evidence that the Company and its subsidiaries remain committed to its plan to sell the asset or disposal group.

Non-current assets or disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Company and its subsidiaries will retain a non-controlling interest in that subsidiary after the sale.

When the Company and its subsidiaries are committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Company and its subsidiaries discontinue the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Company and its subsidiaries cease to have significant influence over the investment after the disposal takes place, the Company and its subsidiaries account for any retained interest that has not been classified as held for sale in accordance with the accounting policies for

financial instruments.

When a subsidiary, associate, joint venture, or a portion of an interest in a joint venture or an associate previously classified as held for sale no longer meets the criteria to be classified as such, it is measured at the carrying amount that would have been recognized as such interests had not been classified as held for sale. The consolidated financial statements for the prior periods with interests classified as held for sale are amended accordingly.

o. Financial instruments

Financial assets and financial liabilities are recognized when the Company and its subsidiaries become a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

The Company and its subsidiaries' financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at FVTPL

The Company and its subsidiaries' financial assets at FVTPL are financial assets mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, any dividends and remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 30.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, other financial assets - current and non-current, refundable deposits, and long-term receivables are

measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii Investments in equity instruments at FVTOCI

On initial recognition, the Company and its subsidiaries may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company and its subsidiaries' right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company and its subsidiaries recognize a loss allowance for expected credit losses on financial assets at amortized cost (mainly on accounts receivable) and finance lease receivables.

The Company and its subsidiaries recognize lifetime expected credit losses (ECLs) for accounts receivable and finance lease receivables. For all other financial instruments, the Company and its subsidiaries recognize lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company and its subsidiaries measure the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. The risk of default of accounts receivable and finance lease receivables is assessed based on the number of days past due. The risk of default of other financial assets for the next 12 months is assessed based on internal or external information.

The impairment loss of all financial assets is recognized by a reduction in their carrying amounts through a allowance account.

c) Derecognition of financial assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company and its subsidiaries neither transfer nor retain substantially all the risks and

rewards of ownership and continue to control the transferred asset, the Company and its subsidiaries recognize their retained interest in the asset and any associated liability for amounts they may have to pay. If the Company and its subsidiaries retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company and its subsidiaries continue to recognize the financial asset and also recognize the proceeds received as collateral for borrowings or payables.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI in its entirety, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

The Company and its subsidiaries measure all financial liabilities at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

p. Revenue recognition

The Company and its subsidiaries identify contracts with customers, allocate the transaction price to the performance obligations and recognize revenue when performance obligations are satisfied.

Revenue from the sale of goods is recognized when the committed goods are delivered from the Company and its subsidiaries to customers and performance obligations are satisfied. Unearned sales revenues are recognized as contract liabilities until performance obligations are satisfied.

Revenue is measured at the transaction price (net of commercial discounts and quantity discounts) agreed to by the Company and its subsidiaries with customers. For a contract where the period between the date the Company and its subsidiaries transfer a promised good to a customer and the date of consideration received is one year or less, the Company and its subsidiaries do not adjust the promised amount of consideration for any effect of a significant financing component.

q. Leasing

At the inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease.

1) The Company and its subsidiaries as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company and its subsidiaries sublease a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company and its subsidiaries, as a lessee, have accounted for by applying the recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company and its subsidiaries' net investment outstanding in respect of leases.

Lease payment (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the lease terms.

2) The Company and its subsidiaries as lessee

The Company and its subsidiaries recognize right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. For the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company and its subsidiaries by the end of the lease terms or if the costs of right-of-use assets reflect that the Company and its subsidiaries will exercise a purchase option, the Company and its subsidiaries depreciate the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, the amounts expected to pay under residual value guarantees, the exercise price of a purchase option if the Company and its subsidiaries are reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company and its subsidiaries use the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company and its subsidiaries remeasure the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining

amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company and its subsidiaries account for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing any gain or loss on the partial or full termination of the lease in profit or loss; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

r. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All borrowing costs other than those stated above are recognized in profit or loss in the period in which they are incurred.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Share-based payment arrangements

1) Equity-settled share-based payment arrangements and employee share options granted to employees

The fair value at the grant date of the equity-settled share-based payments and employee share options is expensed on a straight-line basis over the vesting period, based on the Company and its subsidiaries best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in non-controlling interests. The expense is recognized in full at the

grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

2) Equity-settled share-based payment arrangements granted to the employees of its parent company

The equity instruments granted by the subsidiary to the employees of the Company under share-based payment arrangements and employee share options are treated as a capital distribution. The fair value of employee services received under the arrangement is measured by reference to the grant-date fair value and is recognized over the vesting period as equity instruments and employee share options, with a corresponding debt to capital surplus or retained earnings if necessary.

u. Taxation

Income tax expense represents the sum of current tax and deferred tax.

1) Current tax

The Company and its subsidiaries' income tax payable (refundable) are based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized on all taxable temporary differences. Deferred tax assets are generally recognized on deductible temporary differences provided there will be sufficient taxable profit against which the benefits of the temporary differences can be used.

Deferred tax liabilities are recognized on taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company and its subsidiaries are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company and its subsidiaries expect, at the balance sheet date, to recover or settle the carrying amount of the assets and liabilities.

The Company and its subsidiaries have applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Company and its subsidiaries neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company and its subsidiaries' accounting policies, management is required to make judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Key Sources of Estimation and Assumption Uncertainty

a. Income taxes

Since a portion of the earnings is expected to be used for expanding foreign operations, it will not be remitted in the foreseeable future. The realization of deferred income tax liabilities mainly depends on the scale of operation expansion in the future. If the actual investment amount in the future is less than the expected investment amount, a recognition of deferred tax liabilities may arise and such amount will be recognized in profit and loss upon occurrence.

b. Estimated impairment of accounts receivable

The provision for impairment of accounts receivable is based on assumptions about risk of default and expected credit loss rates. The Company and its subsidiaries use judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company and its subsidiaries' historical experience, existing market conditions as well as forward looking information. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

c. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in future market conditions may have a material impact on the estimation of the net realizable value.

d. Recognition and measurement of defined benefit plans

The resulting defined benefit costs under the defined benefit pension plans and the net defined benefit liabilities (assets) are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rates, rates of employee turnover, future salary increases rate, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have an impact on the amount of expenses and liabilities.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 15,900	\$ 14,497
Checking accounts and demand deposits	4,927,827	5,123,505
Cash equivalents (investments with original maturities of three months or less)		
Time deposits	<u>2,130,788</u>	<u>1,218,601</u>
	<u>\$ 7,074,515</u>	<u>\$ 6,356,603</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<hr/> Financial assets - current <hr/>		
Hybrid instruments		
Structured deposits	<u>\$ 822,964</u>	<u>\$ -</u>
<hr/> Financial assets - non-current <hr/>		
Non-derivative financial assets		
Mutual fund		
Pacven Walden Ventures V, L.P.	<u>\$ 9,382</u>	<u>\$ 9,182</u>

8. NOTES, ACCOUNTS AND OTHER RECEIVABLES

	December 31	
	2024	2023
Notes receivable	<u>\$ 4,031,956</u>	<u>\$ 4,512,991</u>
Notes receivable from related parties	<u>\$ 43,572</u>	<u>\$ 50,447</u>
Accounts receivable	\$ 11,423,272	\$ 10,698,826
Less: Allowance for loss	<u>(245,935)</u>	<u>(222,109)</u>
	<u>\$ 11,177,337</u>	<u>\$ 10,476,717</u>
Accounts receivable from related parties	\$ 194,694	\$ 173,223
Less: Allowance for loss	<u>(335)</u>	<u>(158)</u>
	<u>\$ 194,359</u>	<u>\$ 173,065</u>
Other receivables	\$ 740,043	\$ 668,561
Less: Allowance for loss	<u>(29,800)</u>	<u>(29,800)</u>
	<u>\$ 710,243</u>	<u>\$ 638,761</u>

a. Notes receivable and accounts receivable

The notes and accounts receivable of the Company and its subsidiaries are measured at amortized cost. For the related credit management policies, refer to Note 30.

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

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

December 31, 2024

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 13,866,446	\$ 929,645	\$ 538,073	\$ 156,820	\$ 202,510	\$ 15,693,494
Loss allowance (lifetime ECL)	<u>(10,228)</u>	<u>(11,443)</u>	<u>(14,984)</u>	<u>(32,007)</u>	<u>(177,608)</u>	<u>(246,270)</u>
Amortized cost	<u>\$ 13,856,218</u>	<u>\$ 918,202</u>	<u>\$ 523,089</u>	<u>\$ 124,813</u>	<u>\$ 24,902</u>	<u>\$ 15,447,224</u>

December 31, 2023

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

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

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at beginning of the year	\$ 222,267	\$ 266,258
Recognized in the current year	37,361	504
Written-off in the current year	(20,444)	(41,389)
Effects of foreign currency exchange differences	<u>7,086</u>	<u>(3,106)</u>
Balance at end of the year	<u>\$ 246,270</u>	<u>\$ 222,267</u>

b. Other receivables

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

9. INVENTORIES

	December 31	
	2024	2023
Raw materials	\$ 3,036,627	\$ 3,077,555
Supplies	148,483	128,349
Finished goods	4,933,117	4,772,596
Work in progress	86,790	207,783
Inventory in transit	<u>328,008</u>	<u>292,389</u>
	<u>\$ 8,533,025</u>	<u>\$ 8,478,672</u>

The cost of inventories recognized as operating costs for the years ended December 31, 2024 and 2023 was \$35,296,620 thousand and \$34,210,465 thousand, respectively, including write-down of inventories of \$107,361 thousand and \$53,915 thousand, respectively.

10. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

In May 2023, the board of directors of the Company resolved to dispose of the entire equity interest held by its subsidiary Eternal (China) Investment Co., Ltd., in another subsidiary Eternal Optical Material (Suzhou) Co., Ltd. The disposal contract for the transaction was signed in February 2024, the trading counterparty was a non-related party, and the total transaction amount was RMB \$122,787 thousand. The disposal procedure had not been completed as of December 31, 2024. The relevant assets and liabilities attributed to the subsidiary were reclassified as disposal groups held for sale and presented separately in the consolidated balance sheets by the Company. The major classes of assets and liabilities of the disposal groups held for sale were as follows:

	December 31	
	2024	2023
Cash and cash equivalents	\$ 28,238	\$ 25,706
Accounts receivable, net	2,262	1,819
Other receivables	6	66
Other current assets - others	659	955
Property, plant and equipment	52,893	58,770
Right-of-use assets	1,410	1,386
Investment properties	70,996	81,432
Intangible assets	<u>-</u>	<u>180</u>
Non-current assets held for sale	<u>\$ 156,464</u>	<u>\$ 170,314</u>
Other payables - others	\$ 791	\$ 1,569
Contract liabilities - current	-	252
Other non-current liabilities	<u>759</u>	<u>722</u>
Liabilities directly associated with non-current assets held for sale	<u>\$ 1,550</u>	<u>\$ 2,543</u>

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

11. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2024	2023
Time deposits with original maturities of more than three months	\$ 457,995	\$ 1,266,764
Restricted time deposit	<u>15,000</u>	<u>242</u>
	<u>\$ 472,995</u>	<u>\$ 1,267,006</u>

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

	December 31	
	2024	2023
Domestic investments		
Listed shares		
President Securities Corp.	\$ 570,048	\$ 655,657
Unlisted shares		
Universal Venture Capital Investment Corp.	55,724	52,949
Der Yang Biotechnology Venture Capital Co., Ltd.	-	2,979
Research Innovation Capital Corporation	48,384	49,374
Winchain Material Technology Co., Ltd.	<u>18,249</u>	<u>-</u>
	<u>692,405</u>	<u>760,959</u>
Foreign investments		
Unlisted shares		
Grace THW Holding Limited	336,684	239,455
TBG Diagnostics Limited	<u>16,496</u>	<u>38,427</u>
	<u>353,180</u>	<u>277,882</u>
	<u>\$ 1,045,585</u>	<u>\$ 1,038,841</u>

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

The Company participated in the cash capital increase of Research Innovation Capital Corporation, and as of December 31, 2024, the Company holds a 22.88% equity interest in it. Because the fundraising of Research Innovation Capital Corporation has not yet been completed, and taking into account the capital plan of Research Innovation Capital Corporation, the Company expects the percentage of ownership of Research Innovation Capital Corporation to be less than 20%. Therefore, the Company does not have a significant influence on Research Innovation Capital Corporation.

In 2024, the Company adjusted its investment portfolio to realize partial gains by selling its shares in Der Yang Biotechnology Venture Capital Co., Ltd. and a portion of its shares in President Securities Corp. at fair value of \$300,236 thousand. In accordance with IFRS Accounting Standards, the related other equity arising from unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income of \$263,627 thousand were transferred to retained earnings.

13. SUBSIDIARIES

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

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Additional Remarks
			December 31, 2024	December 31, 2023	
The Company	Eternal Holdings Inc.	International investment	100	100	
	Eternal Global (BVI) Co., Ltd.	International investment	100	100	
	Mixville Holdings Inc.	International investment	100	100	
	CHOU-KOU Materials Co., Ltd.	Selling, trading and providing services of resins material, electronic material and other related products; manufacturing and selling of dry film photoresist	100	100	
	Eternal Electronic Material (Thailand) Co., Ltd.	Trading services, cutting and selling of dry film photoresist	90	75	Note 27
	New E Materials Co., Ltd.	Researching, developing, manufacturing and selling of photoelectric, semiconductor process related electronic chemical materials and equipment spare parts	62.80	62.80	
	Eternal Precision Mechanics Co., Ltd.	Manufacturing and selling of vacuum laminator	70.20	84.61	Note 27
	Elga Europe S.r.l.	Manufacturing, selling, distribution and processing of electronic chemical products	72.68	72.68	
	Eternal Technology Corporation	Manufacturing and selling of photoresist; selling of chemical products	100	100	
Eternal Global (BVI) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Manufacturing and selling of resins material and processing products	100	100	
Eternal Holdings Inc.	Eternal International (BVI) Co., Ltd.	International investment	100	100	
	E-Chem Corp.	International investment	100	100	
	Eternal Nanyang Investment Co., Ltd.	International investment	90	90	
	PT Eternal Materials Indonesia	Trading of chemical products	67	67	
	Eternal Materials India Private Limited	Trading of chemical products	99	99	
Eternal International (BVI) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Managing, investing consulting services, researching, leasing, manufacturing and selling of resins material and photoelectric chemical materials	100	100	
E-Chem Corp.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Manufacturing and selling of acrylic resin and methacrylic acid	90	90	
	Eternal Materials India Private Limited	Trading of chemical products	1	1	
Eternal Nanyang Investment Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	Manufacturing, selling, trading and providing services of resins material and chemical related products	100	100	
Mixville Holdings Inc.	High Expectation Limited	International investment	100	100	
High Expectation Limited	Eternal Materials (Guangdong) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing of products	100	100	
Eternal (China) Investment Co., Ltd.	Eternal Optical Material (Suzhou) Co., Ltd.	Manufacturing and selling of optical films, and leasing business	100	100	Note 10
	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Researching, developing and manufacturing of photoresist dry film, liquid photo imaginable solder masks and printed circuit board related materials	100	100	
	Eternal Synthetic Resins (Changshu) Co., Ltd.	Manufacturing and selling of unsaturated polyester resin	100	100	
	Eternal Chemical (Chengdu) Co., Ltd.	Researching, manufacturing and selling of resins material	100	100	
	Eternal Electronic (Suzhou) Co., Ltd.	Researching, developing, and manufacturing of dry film photoresist and dry film solder mask which used in electronic materials, researching resin materials and selling, providing after sales service of self-produced products	100	100	
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Researching, developing, manufacturing and selling of electronic high-tech chemical and related products	100	100	
	Eternal Chemical (Tianjin) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	100	100	
	Eternal Specialty Materials (Suzhou) Co., Ltd.	Researching and developing chemical products, and selling, providing technical services of self-produced products	100	100	
	Elga Europe S.r.l.	Manufacturing, selling, distribution and processing of electronic chemical products	22.32	22.32	
	Eternal Material Industry (Tongling) Co., Ltd.	Manufacturing, selling and providing technical services of products related to resins material	100	100	

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Additional Remarks
			December 31, 2024	December 31, 2023	
Eternal Precision Mechanics Co., Ltd.	Nikko-Materials Co., Ltd.	Manufacturing and selling of vacuum laminator	100	100	
	Eternal Precision Mechanics (Guangzhou) Co., Ltd.	Manufacturing and selling of calculators, telecommunication and other electronic equipment	100	100	

(Concluded)

b. The Company and its subsidiaries did not have any subsidiary with material non-controlling interests.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Associates that are not individually material	<u>\$ 2,741,654</u>	<u>\$ 2,468,207</u>

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

	December 31	
	2024	2023
The Company and its subsidiaries' share of		
Net profit for the year	\$ 387,791	\$ 303,023
Other comprehensive income (loss) for the year	<u>89,803</u>	<u>(22,920)</u>
Total comprehensive income for the year	<u>\$ 477,594</u>	<u>\$ 280,103</u>

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

Name of Associate	December 31	
	2024	2023
Daxin Materials Corporation	<u>\$ 4,370,724</u>	<u>\$ 2,325,985</u>

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

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

Refer to Tables 9 and 10 for the main businesses and countries of incorporation of the associates.

15. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2024

	Land	Buildings	Machinery and Equipment	Storage Equipment	Examination Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Carrying amount at January 1, 2024	<u>\$ 2,712,872</u>	<u>\$ 4,629,869</u>	<u>\$ 5,992,543</u>	<u>\$ 661,205</u>	<u>\$ 500,961</u>	<u>\$ 266,878</u>	<u>\$ 3,558,592</u>	<u>\$ 18,322,920</u>
<u>Cost</u>								
Balance at January 1, 2024	\$ 2,712,872	\$ 11,774,346	\$ 23,535,543	\$ 1,688,065	\$ 1,817,490	\$ 954,402	\$ 3,558,592	\$ 46,041,310
Additions	211,941	1,253,725	1,429,195	94,833	85,020	57,769	773,996	3,906,479
Disposals	-	(13,848)	(168,771)	(21,975)	(44,217)	(39,655)	(1,206)	(289,672)
Transferred to investment properties	-	-	-	-	-	-	(565)	(565)
Effect of foreign currency exchange difference	19,883	440,884	736,492	58,643	25,598	35,499	140,278	1,457,277
Balance at December 31, 2024	<u>\$ 2,944,696</u>	<u>\$ 13,455,107</u>	<u>\$ 25,532,459</u>	<u>\$ 1,819,566</u>	<u>\$ 1,883,891</u>	<u>\$ 1,008,015</u>	<u>\$ 4,471,095</u>	<u>\$ 51,114,829</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 7,144,477	\$ 17,543,000	\$ 1,026,860	\$ 1,316,529	\$ 687,524	\$ -	\$ 27,718,390
Depreciation expense	-	531,185	1,217,723	80,988	123,950	80,553	-	2,034,399
Disposals	-	(11,721)	(153,495)	(20,669)	(42,595)	(37,924)	-	(266,404)
Effect of foreign currency exchange difference	-	211,577	504,064	32,437	18,288	25,799	-	792,165
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 7,875,518</u>	<u>\$ 19,111,292</u>	<u>\$ 1,119,616</u>	<u>\$ 1,416,172</u>	<u>\$ 755,952</u>	<u>\$ -</u>	<u>\$ 30,278,550</u>
Carrying amount at December 31, 2024	<u>\$ 2,944,696</u>	<u>\$ 5,579,589</u>	<u>\$ 6,421,167</u>	<u>\$ 699,950</u>	<u>\$ 467,719</u>	<u>\$ 252,063</u>	<u>\$ 4,471,095</u>	<u>\$ 20,836,279</u>

For the Year Ended December 31, 2023

	Land	Buildings	Machinery and Equipment	Storage Equipment	Examination Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Carrying amount at January 1, 2023	<u>\$ 2,705,522</u>	<u>\$ 4,887,232</u>	<u>\$ 6,093,148</u>	<u>\$ 673,854</u>	<u>\$ 524,164</u>	<u>\$ 299,695</u>	<u>\$ 2,289,335</u>	<u>\$ 17,472,950</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 2,705,522	\$ 11,653,533	\$ 22,972,582	\$ 1,658,571	\$ 1,786,946	\$ 957,333	\$ 2,289,335	\$ 44,023,822
Additions	-	358,699	1,147,646	80,996	107,357	54,590	1,311,160	3,060,448
Disposals	-	(7,267)	(177,134)	(32,305)	(66,563)	(34,761)	-	(318,030)
Transferred to investment properties	-	-	-	-	-	-	(976)	(976)
Transferred to non-current assets held for sale	-	(100,096)	(170,136)	(755)	(2,728)	(8,665)	-	(282,380)
Effect of foreign currency exchange difference	7,350	(130,523)	(237,415)	(18,442)	(7,522)	(14,095)	(40,927)	(441,574)
Balance at December 31, 2023	<u>\$ 2,712,872</u>	<u>\$ 11,774,346</u>	<u>\$ 23,535,543</u>	<u>\$ 1,688,065</u>	<u>\$ 1,817,490</u>	<u>\$ 954,402</u>	<u>\$ 3,558,592</u>	<u>\$ 46,041,310</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 6,766,301	\$ 16,879,434	\$ 984,717	\$ 1,262,782	\$ 657,638	\$ -	\$ 26,550,872
Depreciation expense	-	507,976	1,124,283	75,966	124,143	79,019	-	1,911,387
Disposals	-	(6,318)	(161,929)	(30,385)	(63,080)	(32,833)	-	(294,545)
Transferred to non-current assets held for sale	-	(65,774)	(148,537)	(680)	(1,349)	(7,270)	-	(223,610)
Effect of foreign currency exchange difference	-	(57,708)	(150,251)	(2,758)	(5,967)	(9,030)	-	(225,714)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 7,144,477</u>	<u>\$ 17,543,000</u>	<u>\$ 1,026,860</u>	<u>\$ 1,316,529</u>	<u>\$ 687,524</u>	<u>\$ -</u>	<u>\$ 27,718,390</u>
Carrying amount at December 31, 2023	<u>\$ 2,712,872</u>	<u>\$ 4,629,869</u>	<u>\$ 5,992,543</u>	<u>\$ 661,205</u>	<u>\$ 500,961</u>	<u>\$ 266,878</u>	<u>\$ 3,558,592</u>	<u>\$ 18,322,920</u>

The Company and its subsidiaries' property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

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

Refer to Note 32 for the amounts of property, plant and equipment pledged by the Company and its subsidiaries as collateral for bank borrowings.

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amounts		
Land	\$ 1,474,866	\$ 1,410,010
Buildings	72,515	107,719
Machinery and equipment	77,071	105,612
Storage equipment	10,419	16,153
Other equipment	<u>23,805</u>	<u>19,011</u>
	<u>\$ 1,658,676</u>	<u>\$ 1,658,505</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 24,532</u>	<u>\$ 495,314</u>
	For the Year Ended December 31	
	2024	2023
Depreciation charge for right-of-use assets		
Land	\$ 35,324	\$ 29,455
Buildings	40,971	43,012
Machinery and equipment	24,604	27,195
Storage equipment	6,968	4,517
Other equipment	<u>9,288</u>	<u>8,645</u>
	<u>\$ 117,155</u>	<u>\$ 112,824</u>

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

b. Lease liabilities

	December 31	
	2024	2023
Carrying amounts		
Current	<u>\$ 72,465</u>	<u>\$ 81,604</u>
Non-current	<u>\$ 111,542</u>	<u>\$ 169,040</u>

Ranges of discount rates (%) for lease liabilities were as follows:

	December 31	
	2024	2023
Land	1.72-6.66	1.72-6.66
Buildings	0.86-6.09	0.86-6.09
Machinery and equipment	1.81-6.04	1.81-6.04
Storage equipment	0.22-6.58	0.22-6.58
Other equipment	0.69-6.16	0.69-6.16

c. Material leasing activities and terms

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

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term and low-value asset leases	<u>\$ 167,930</u>	<u>\$ 165,682</u>
Total cash outflow for all lease arrangements (including short-term and low-value asset leases)	<u>\$ 261,250</u>	<u>\$ 574,624</u>

17. INVESTMENT PROPERTIES

For the Year Ended December 31, 2024

	Land	Buildings	Right-of-use Assets	Total
Carrying amount at January 1, 2024	<u>\$ 50,923</u>	<u>\$ 1,108,809</u>	<u>\$ 61,590</u>	<u>\$ 1,221,322</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 50,923	\$ 1,407,452	\$ 72,174	\$ 1,530,549
Additions	-	438	-	438
Transferred from property, plant and equipment	-	565	-	565
Effects of foreign currency exchange differences	<u>(1,428)</u>	<u>67,180</u>	<u>3,756</u>	<u>69,508</u>
Balance at December 31, 2024	<u>\$ 49,495</u>	<u>\$ 1,475,635</u>	<u>\$ 75,930</u>	<u>\$ 1,601,060</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2024	\$ -	\$ 298,643	\$ 10,584	\$ 309,227
Depreciation expense	-	42,607	2,175	44,782
Effect of foreign currency exchange differences	<u>-</u>	<u>14,957</u>	<u>603</u>	<u>15,560</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 356,207</u>	<u>\$ 13,362</u>	<u>\$ 369,569</u>
Carrying amount at December 31, 2024	<u>\$ 49,495</u>	<u>\$ 1,119,428</u>	<u>\$ 62,568</u>	<u>\$ 1,231,491</u>

For the Year Ended December 31, 2023

	Land	Buildings	Right-of-use Assets	Total
Carrying amount at January 1, 2023	<u>\$ 53,386</u>	<u>\$ 1,263,803</u>	<u>\$ 68,329</u>	<u>\$ 1,385,518</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 53,386	\$ 1,674,171	\$ 77,392	\$ 1,804,949
Transferred from property, plant and equipment	-	976	-	976
Transferred to non-current assets held for sale	-	(237,656)	(3,915)	(241,571)
Effects of foreign currency exchange differences	<u>(2,463)</u>	<u>(30,039)</u>	<u>(1,303)</u>	<u>(33,805)</u>
Balance at December 31, 2023	<u>\$ 50,923</u>	<u>\$ 1,407,452</u>	<u>\$ 72,174</u>	<u>\$ 1,530,549</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ -	\$ 410,368	\$ 9,063	\$ 419,431
Depreciation expense	-	56,317	2,259	58,576
Transferred to non-current assets held for sale	-	(159,585)	(554)	(160,139)
Effect of foreign currency exchange differences	<u>-</u>	<u>(8,457)</u>	<u>(184)</u>	<u>(8,641)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 298,643</u>	<u>\$ 10,584</u>	<u>\$ 309,227</u>
Carrying amount at December 31, 2023	<u>\$ 50,923</u>	<u>\$ 1,108,809</u>	<u>\$ 61,590</u>	<u>\$ 1,221,322</u>

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

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

	December 31	
	2024	2023
Year 1	\$ 160,277	\$ 164,767
Year 2	160,918	107,344
Year 3	159,291	112,222
Year 4	151,913	111,148
Year 5	91,598	103,608
Year 6 onwards	<u>2,315</u>	<u>138,544</u>
	<u>\$ 726,312</u>	<u>\$ 737,633</u>

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

	December 31	
	2024	2023
Fair value	<u>\$ 3,276,521</u>	<u>\$ 3,124,939</u>

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

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

Operating income and expenses directly related to investment properties

	For the Year Ended December 31	
	2024	2023
Rental income	<u>\$ 197,554</u>	<u>\$ 248,643</u>
Operating expenses directly related to investment properties	<u>\$ 94,825</u>	<u>\$ 93,956</u>

18. INTANGIBLE ASSETS

For the Year Ended December 31, 2024

	Goodwill	Expertise	Customer Relationships	Computer Software	Others	Total
Carrying amount at January 1, 2024	<u>\$ 30,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,164</u>	<u>\$ 6,005</u>	<u>\$ 231,643</u>
<u>Cost</u>						
Balance at January 1, 2024	\$ 67,474	\$ 127,513	\$ 104,038	\$ 259,886	\$ 101,913	\$ 660,824
Additions	-	-	-	3,005	487	3,492
Derecognition	-	-	(104,038)	-	(282)	(104,320)
Effects of foreign currency exchange differences	(1,300)	-	-	(71)	2,811	1,440
Balance at December 31, 2024	<u>\$ 66,174</u>	<u>\$ 127,513</u>	<u>\$ -</u>	<u>\$ 262,820</u>	<u>\$ 104,929</u>	<u>\$ 561,436</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2024	\$ 37,000	\$ 127,513	\$ 104,038	\$ 64,722	\$ 95,908	\$ 429,181
Amortization expense	-	-	-	15,637	1,839	17,476
Derecognition	-	-	(104,038)	-	(282)	(104,320)
Effects of foreign currency exchange differences	-	-	-	(74)	2,591	2,517
Balance at December 31, 2024	<u>\$ 37,000</u>	<u>\$ 127,513</u>	<u>\$ -</u>	<u>\$ 80,285</u>	<u>\$ 100,056</u>	<u>\$ 344,854</u>
Carrying amount at December 31, 2024	<u>\$ 29,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,535</u>	<u>\$ 4,873</u>	<u>\$ 216,582</u>

For the Year Ended December 31, 2023

	Goodwill	Expertise	Customer Relationships	Computer Software	Others	Total
Carrying amount at January 1, 2023	<u>\$ 32,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,659</u>	<u>\$ 9,458</u>	<u>\$ 248,830</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 69,713	\$ 127,513	\$ 104,038	\$ 253,775	\$ 105,183	\$ 660,222
Additions	-	-	-	2,881	1,626	4,507

(Continued)

	Goodwill	Expertise	Customer Relationships	Computer Software	Others	Total
Derecognition	\$ -	\$ -	\$ -	\$ (3,460)	\$ (7,976)	\$ (11,436)
Transferred to non-current assets held for sale	-	-	-	-	(767)	(767)
Effects of foreign currency exchange differences	(2,239)	-	-	6,690	3,847	8,298
Balance at December 31, 2023	<u>\$ 67,474</u>	<u>\$ 127,513</u>	<u>\$ 104,038</u>	<u>\$ 259,886</u>	<u>\$ 101,913</u>	<u>\$ 660,824</u>
Accumulated amortization and impairment						
Balance at January 1, 2023	\$ 37,000	\$ 127,513	\$ 104,038	\$ 47,116	\$ 95,725	\$ 411,392
Amortization expense	-	-	-	16,156	2,916	19,072
Derecognition	-	-	-	(3,460)	(7,976)	(11,436)
Transferred to non-current assets held for sale	-	-	-	-	(587)	(587)
Effects of foreign currency exchange differences	-	-	-	4,910	5,830	10,740
Balance at December 31, 2023	<u>\$ 37,000</u>	<u>\$ 127,513</u>	<u>\$ 104,038</u>	<u>\$ 64,722</u>	<u>\$ 95,908</u>	<u>\$ 429,181</u>
Carrying amount at December 31, 2023	<u>\$ 30,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,164</u>	<u>\$ 6,005</u>	<u>\$ 231,643</u>

(Concluded)

The Company and its subsidiaries' goodwill was tested for impairment at the end of the annual reporting period and the recoverable amount was determined based on the value in use. The value in use was calculated based on the cash flow of financial budget of the cash-generating units, and the Company used the weighted average cost of capital rate in its test of impairment. However, based on the estimation, the recoverable amount was still higher than the related carrying amount. For the years ended December 31, 2024 and 2023, the Company and its subsidiaries did not recognize any impairment loss on goodwill.

The Company and its subsidiaries' intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

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

19. FINANCE LEASE RECEIVABLES

The lease period of the Company and its subsidiaries' lease contracts for both renovation works and machinery and equipment is ten-year, and the implicit interest rate range of the leases is 4.82%-6.23%. The Company and its subsidiaries entered into a lease agreement with an associate Allnex - Eternal Resins (Guangdong) Co., Ltd. for the leasing out of machinery and equipment for ten years, and the implicit interest rate in the lease was 6.23%. This agreement was deemed as a sales agreement. The gain on disposal will be deferred and subsequently recognized as profit over the lease term. The balance of finance lease receivables from related parties generated from the aforementioned transactions was \$7,971 thousand and \$9,405 thousand as of December 31, 2024 and 2023, respectively.

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

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

	December 31	
	2024	2023
Undiscounted lease payments		
Year 1	\$ 19,555	\$ 18,680
Year 2	19,458	18,588
Year 3	19,361	18,495
Year 4	19,263	18,403
Year 5	17,215	18,310
Year 6 onwards	<u>4,303</u>	<u>21,818</u>
	99,155	114,294
Less: Unearned financial income	<u>(11,795)</u>	<u>(15,726)</u>
Finance lease receivable (recorded as other non-current assets - others)	<u>\$ 87,360</u>	<u>\$ 98,568</u>

20. BORROWINGS

a. Short-term borrowings

Type of Borrowings	Interest Rate Range (%)	Amount
December 31, 2024		
Mortgage secured loans	0.65-1.30	\$ 442,816
Unsecured loans	0.77-5.52	3,312,362
Purchase loans	4.45-6.10	385,403
Secured loans	4.18-5.71	<u>1,557,283</u>
		<u>\$ 5,697,864</u>
December 31, 2023		
Mortgage secured loans	0.40-2.30	\$ 148,506
Unsecured loans	0.58-6.45	3,643,149
Purchase loans	6.15-6.87	281,907
Secured loans	4.26-5.09	<u>1,483,886</u>
		<u>\$ 5,557,448</u>

b. Long-term borrowings

Type of Borrowings	Agreement Period and Interest Payable Schedule	Interest Rate Range (%)	Amount
December 31, 2024			
Mortgage secured loans	From December 17, 2010 to April 15, 2029. Interest is paid based on schedule.	1.60-5.49	\$ 14,261

(Continued)

Type of Borrowings	Agreement Period and Interest Payable Schedule	Interest Rate Range (%)	Amount
Secured loans	From July 14, 2023 to April 1, 2031. Interest is paid based on schedule.	2.70-5.35	\$ 2,395,686
Unsecured loans	From April 26, 2022 to June 3, 2029. Interest is paid based on schedule.	1.43-3.15	9,953,816
			<u>12,363,763</u>
Less: Current portion			<u>(2,604,571)</u>
			<u>\$ 9,759,192</u>
December 31, 2023			
Mortgage secured loans	From December 17, 2010 to December 31, 2025. Interest is paid based on schedule.	1.60-1.75	\$ 25,413
Secured loans	From July 14, 2023 to December 29, 2028. Interest is paid based on schedule.	3.40-6.29	1,458,080
Unsecured loans	From May 31, 2021 to December 6, 2026. Interest is paid based on schedule.	1.05-3.50	8,619,551
			<u>10,103,044</u>
Less: Current portion			<u>(742,201)</u>
			<u>\$ 9,360,843</u> (Concluded)

c. Facility agreements and financial covenants

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

Bank	Currency	Credit line
HSBC Bank (Taiwan) Limited	NTD	\$ 1,100,000
CTBC Bank Co., Ltd.	NTD	450,000

- 3) As of December 31, 2024, the Company and its subsidiaries executed syndicated credit facility agreements with the following banks:

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

In October 2023, the subsidiary entered into a syndicated credit facility agreement with five banks led by CTBC Bank Co., Ltd. for a US\$60,000 thousand credit line; the proceeds are for expanding medium-term working capital and repaying the subsidiaries' existing liabilities.

- 4) Refer to Note 32 for the assets pledged as collateral for bank borrowings of the Company and its subsidiaries.

d. Bonds payable

	December 31	
	2024	2023
5 year secured bonds - issued at par value		
Issued in November 2019; annual interest rate at 0.82%;		
principal repayable at maturity and interest payable annually	\$ -	\$ 3,000,000
Less: Issuance cost	-	(1,031)
	<u>-</u>	<u>2,998,969</u>
5 year secured bonds - issued at par value		
Issued in August 2021; annual interest rate at 0.58%; principal		
repayable at maturity and interest payable annually	2,500,000	2,500,000
Less: Issuance cost	(1,748)	(2,797)
	<u>2,498,252</u>	<u>2,497,203</u>
	2,498,252	5,496,172
Less: Current portion	-	(2,998,969)
	<u>\$ 2,498,252</u>	<u>\$ 2,497,203</u>

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

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

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Based on the LPA, the Company and its domestic subsidiaries make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiaries in mainland China have defined contribution pension plans and contribute monthly an amount based on a certain percentage of employees' monthly salaries and wages. The plan is

administered by the government of mainland China. Other than the monthly contributions, the subsidiaries do not have other pension liabilities.

b. Defined benefit plans

The Company has a defined benefit plan in accordance with the Labor Standards Act; the pension plan is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The Company has no right to influence the investment policy and strategy of the pension fund. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

Some subsidiaries also have their own defined benefit plan as approved by each subsidiary. The contribution depends on employees' position level, age and years of service, and payment to the employee must be completed within two months after the employee's retirement or resignation.

The amounts included in the consolidated balance sheets in respect of the Company and its subsidiaries' defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 1,590,067	\$ 1,675,596
Fair value of plan assets	<u>(1,230,857)</u>	<u>(1,075,618)</u>
Net defined benefit liabilities	<u>\$ 359,210</u>	<u>\$ 599,978</u>
Current (recorded as other payables - others)	\$ 4,302	\$ 4,426
Non-current (recorded as other non-current liabilities)	<u>354,908</u>	<u>595,552</u>
	<u>\$ 359,210</u>	<u>\$ 599,978</u>

Movements of net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2024	<u>\$ 1,675,596</u>	<u>\$ (1,075,618)</u>	<u>\$ 599,978</u>
Service cost			
Current service cost	15,175	-	15,175
Past service cost	(10,945)	-	(10,945)
Interest expense (income)	<u>19,936</u>	<u>(12,907)</u>	<u>7,029</u>
Recognized in profit or loss	<u>24,166</u>	<u>(12,907)</u>	<u>11,259</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(104,794)	(104,794)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial gain - changes in financial assumptions	\$ (52,507)	\$ -	\$ (52,507)
Actuarial loss - experience adjustments	<u>14,379</u>	<u>-</u>	<u>14,379</u>
Recognized in other comprehensive income	<u>(38,128)</u>	<u>(104,794)</u>	<u>(142,922)</u>
Contributions from the employer	-	(105,308)	(105,308)
Benefits paid	<u>(69,394)</u>	<u>67,770</u>	<u>(1,624)</u>
	<u>(69,394)</u>	<u>(37,538)</u>	<u>(106,932)</u>
Exchange differences	<u>(2,173)</u>	<u>-</u>	<u>(2,173)</u>
Balance at December 31, 2024	<u>\$ 1,590,067</u>	<u>\$ (1,230,857)</u>	<u>\$ 359,210</u>
Balance at January 1, 2023	<u>\$ 1,847,531</u>	<u>\$ (1,241,808)</u>	<u>\$ 605,723</u>
Service cost			
Current service cost	20,813	-	20,813
Interest expense (income)	<u>25,648</u>	<u>(17,385)</u>	<u>8,263</u>
Recognized in profit or loss	<u>46,461</u>	<u>(17,385)</u>	<u>29,076</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(4,484)	(4,484)
Actuarial loss - changes in financial assumptions	28,627	-	28,627
Actuarial loss - experience adjustments	<u>12,036</u>	<u>-</u>	<u>12,036</u>
Recognized in other comprehensive income	<u>40,663</u>	<u>(4,484)</u>	<u>36,179</u>
Contributions from the employer	-	(65,586)	(65,586)
Benefits paid	<u>(255,054)</u>	<u>253,645</u>	<u>(1,409)</u>
	<u>(255,054)</u>	<u>188,059</u>	<u>(66,995)</u>
Exchange differences	<u>(4,005)</u>	<u>-</u>	<u>(4,005)</u>
Balance at December 31, 2023	<u>\$ 1,675,596</u>	<u>\$ (1,075,618)</u>	<u>\$ 599,978</u>

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2024	2023
Operating costs	\$ 8,629	\$ 13,732
Operating expenses	<u>2,630</u>	<u>15,344</u>
	<u>\$ 11,259</u>	<u>\$ 29,076</u>

The Company and its subsidiaries are exposed to the following risks through the defined benefit plan:

1) Investment risk

The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

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

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rate (%)	1.34-1.60	1.12-1.20
Expected rate of salary increase (%)	0.00-3.00	0.00-3.00
Mortality rate (%)	Population was based on the 6th Taiwan Standard Ordinary Experience Mortality Table/85% of National Life Table	Population was based on the 6th Taiwan Standard Ordinary Experience Mortality Table/85% of National Life Table
Resignation rate (%)	0.00-23.00	0.00-23.00
Early retirement rate (%)	0.10-99.00	0.10-99.00

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate		
0.25% increase	<u>\$ (31,887)</u>	<u>\$ (36,964)</u>
0.25% decrease	<u>\$ 32,856</u>	<u>\$ 38,161</u>

(Continued)

	December 31	
	2024	2023
Expected rate of salary increase		
0.25% increase	<u>\$ 27,845</u>	<u>\$ 32,246</u>
0.25% decrease	<u>\$ (27,207)</u>	<u>\$ (31,457)</u>
		(Concluded)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
Expected contributions to the plan for the next year	<u>\$ 69,642</u>	<u>\$ 105,215</u>
Average duration of the defined benefit obligation	9 years	9 years

22. EQUITY

a. Share capital

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

b. Capital surplus

	December 31	
	2024	2023
May be used to offset deficit, distributed as cash or transferred to share capital (Note 1)		
Additional paid-in capital	\$ 309,017	\$ 309,017
Treasury share transactions	19,642	19,642
Difference between the consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition	<u>701,487</u>	<u>12,872</u>
	<u>1,030,146</u>	<u>341,531</u>
May be used to offset deficit only		
Share of changes in equities of associates or joint ventures	26,867	27,357
Changes in percentage of ownership interests in subsidiaries (Note 2)	293,249	292,491
Others	<u>58</u>	<u>58</u>
	<u>320,174</u>	<u>319,906</u>

(Continued)

	December 31	
	2024	2023
May not be used for any purpose		
Share of changes in equities of associates or joint ventures	\$ 3,348	\$ 3,348
	<u>\$ 1,353,668</u>	<u>\$ 664,785</u>
		(Concluded)

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

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

c. Retained earnings and dividend policy

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

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

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

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

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

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

	<u>Appropriations of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year</u>		<u>For the Year</u>	
	<u>Ended December 31</u>		<u>Ended December 31</u>	
	2023	2022	2023	2022
Legal reserve	\$ 147,349	\$ 279,764		
Special reserve (reversal)	381,188	(204,218)		
Cash dividends	942,612	1,413,919	\$ 0.8	\$ 1.2

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

The appropriations of earnings for 2024 that had been proposed by the Company's board of directors in March 2025 are as follows:

	<u>Appropriation of Earnings</u>	<u>Dividend Per Share (NT\$)</u>
Legal reserve	\$ 221,462	
Reversal of special reserve	(932,504)	
Cash dividends	1,178,265	\$ 1.0

Additionally, the Company's board of directors resolved to distribute the cash dividends of \$235,653 thousand from its capital surplus, at \$0.2 per share.

The above appropriation for cash dividends was resolved by the Company's board of directors. The others are subject to the resolution of the shareholders in their meeting to be held in June 2025.

d. Other equity items

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

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at beginning of the year	\$ (1,886,840)	\$ (1,335,011)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	1,474,849	(579,276)
Share of exchange differences of associates and joint ventures accounted for using the equity method	88,218	(22,920)
Other comprehensive income for the year	<u>1,563,067</u>	<u>(602,196)</u>
Disposal of partial interest in subsidiaries (without losing control) (Note 27)	<u>44,928</u>	<u>50,367</u>
Balance at end of the year	<u><u>\$ (278,845)</u></u>	<u><u>\$ (1,886,840)</u></u>

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

2) Unrealized gains and losses on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at beginning of the year	\$ 528,051	\$ 357,410
Recognized for the year		
Unrealized gains and losses - equity instruments	274,523	170,641
Reclassification adjustment		
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	<u>(263,627)</u>	<u>-</u>
Balance at end of the year	<u>\$ 538,947</u>	<u>\$ 528,051</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at beginning of the year	\$ 481,339	\$ 310,936
Share of net profit (loss) for the year	39,511	(11,591)
Other comprehensive income or loss during the year		
Exchange differences on translation of the financial statements of foreign operations	410	(12,100)
Remeasurement of defined benefit plan	(129)	-
Dividends distributed by subsidiaries	(99,987)	(35,685)
Non-controlling interests arising from capital increase of subsidiaries (Note 27)	1,406	-
Acquisition and disposal of partial interests of subsidiaries (without losing control) (Note 27)	<u>254,015</u>	<u>229,779</u>
Balance at end of the year	<u>\$ 676,565</u>	<u>\$ 481,339</u>

23. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 43,995,586	\$ 42,186,433
Lease revenue	<u>195,539</u>	<u>265,143</u>
	<u>\$ 44,191,125</u>	<u>\$ 42,451,576</u>

Contract balances

	December 31		January 1,
	2024	2023	2023
Notes and accounts receivable	<u>\$ 15,447,224</u>	<u>\$ 15,213,220</u>	<u>\$ 17,132,279</u>
Contract liabilities			
Sale of goods	<u>\$ 597,286</u>	<u>\$ 873,877</u>	<u>\$ 444,225</u>

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

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

	For the Year Ended December 31	
	2024	2023
From the balance of contract liabilities at the beginning of the year		
Sale of goods	<u>\$ 568,660</u>	<u>\$ 306,901</u>

24. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2024	2023
Interest on bank deposits	\$ 92,816	\$ 108,303
Others	<u>8,231</u>	<u>11,722</u>
	<u>\$ 101,047</u>	<u>\$ 120,025</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Dividend income	\$ 44,044	\$ 16,046
Subsidy income	277,938	225,232
Others	<u>188,914</u>	<u>166,633</u>
	<u>\$ 510,896</u>	<u>\$ 407,911</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Gain on disposal of investments (Note 14)	\$ 83,021	\$ 2,547
Loss on disposal of property, plant and equipment	(12,117)	(10,822)
Gain on disposal of intangible assets	1,420	-
Gain on financial assets		
Financial assets at FVTPL	7,694	3,910
Finance fees	(49,382)	(50,880)
Net foreign exchange gains	46,390	5,125
Others	<u>(38,778)</u>	<u>(49,628)</u>
	<u>\$ 38,248</u>	<u>\$ (99,748)</u>

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest Expense		
Interest on loans	\$ 492,684	\$ 479,771
Interest on lease liabilities	4,988	3,189
Less: Amounts included in the cost of qualifying assets	<u>(46,438)</u>	<u>(29,124)</u>
	<u>\$ 451,234</u>	<u>\$ 453,836</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest amount	<u>\$ 46,438</u>	<u>\$ 29,124</u>
Capitalization rates (%)	1.75-3.50	1.60-3.50

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	\$ 2,034,399	\$ 1,911,387
Investment properties	44,782	58,576
Right-of-use assets	117,155	112,824
Intangible assets	17,476	19,072
Others	<u>24,911</u>	<u>1,325</u>
	<u>\$ 2,238,723</u>	<u>\$ 2,103,184</u>
Analysis of depreciation by function		
Operating costs	\$ 1,720,399	\$ 1,603,004
Operating expenses	<u>499,041</u>	<u>479,783</u>
	<u>\$ 2,219,440</u>	<u>\$ 2,082,787</u>
Analysis of amortization by function		
Operating costs	\$ 1,362	\$ 1,436
Operating expenses	<u>17,921</u>	<u>18,961</u>
	<u>\$ 19,283</u>	<u>\$ 20,397</u>

f. Employee benefits

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits		
Salaries	\$ 3,945,994	\$ 3,806,078
Labor and health insurance	360,479	343,901
		(Continued)

	For the Year Ended December 31	
	2024	2023
Others	\$ 369,245	\$ 363,417
	<u>4,675,718</u>	<u>4,513,396</u>
Post-employment benefits		
Defined contribution plans	264,139	257,085
Defined benefit plans (Note 21)	<u>11,259</u>	<u>29,076</u>
	<u>275,398</u>	<u>286,161</u>
	<u>\$ 4,951,116</u>	<u>\$ 4,799,557</u>
Analysis of employee benefits by function		
Operating costs	\$ 2,252,006	\$ 2,171,483
Operating expenses	<u>2,699,110</u>	<u>2,628,074</u>
	<u>\$ 4,951,116</u>	<u>\$ 4,799,557</u>
		(Concluded)

g. Compensation of employees and remuneration of directors

The Company distributed the compensation of employees and remuneration of directors at rates of 4.5% (inclusive)-5.5% and no higher than 1%, respectively, of pre-tax profit prior to the deduction of the compensation of employees and remuneration of directors. The accrual amounts recognized in the financial statements and amounts approved by the Company's board of directors for the year ended December 31, 2024 are as follows:

	Accrual Amounts Recognized in the Financial Statements	Amounts Approved by the Company's Board of Directors
Compensation of employees	<u>\$ 101,676</u>	<u>\$ 101,358</u>
Remuneration of directors	<u>\$ 14,642</u>	<u>\$ 14,641</u>

The difference between the amounts recognized and approved by Company's board of directors is recorded as a change in accounting estimate and will be adjusted in the next year.

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

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

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

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

25. INCOME TAX

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

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 1,058,165	\$ 620,084
Adjustments for prior years	<u>(13,780)</u>	<u>(41,262)</u>
	<u>1,044,385</u>	<u>578,822</u>
Deferred tax		
In respect of the current year	<u>(174,351)</u>	<u>111,556</u>
	<u>\$ 870,034</u>	<u>\$ 690,378</u>

The reconciliation of accounting profit and income tax expense (benefit) was as follows:

	For the Year Ended December 31	
	2024	2023
Profit before income tax	<u>\$ 2,744,097</u>	<u>\$ 2,182,474</u>
Income tax expense calculated at the statutory rate	\$ 971,168	\$ 824,488
Effect from items adjusted by regulation	(22,854)	(50,602)
Income tax on unappropriated earnings	-	17,754
Investment credits	(64,500)	(60,000)
Adjustments for prior years	<u>(13,780)</u>	<u>(41,262)</u>
	<u>\$ 870,034</u>	<u>\$ 690,378</u>

The tax rate applicable to most subsidiaries in China is 25%. However, some subsidiaries that are high-tech enterprises in China have a preferential tax rate of 15%. Tax rates used by other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

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

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	\$ 28,361	\$ (6,650)
Remeasurement of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	(165)	664
		(Continued)

	For the Year Ended December 31	
	2024	2023
Unrealized gains and losses on financial assets at fair value through other comprehensive income	\$ (4,386)	\$ (3,634)
	<u>\$ 23,810</u>	<u>\$ (9,620)</u>
		(Concluded)

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Prepaid income tax (recorded as other current assets - others)	<u>\$ 509,546</u>	<u>\$ 383,077</u>
Current tax liabilities		
Income tax payable	<u>\$ 780,400</u>	<u>\$ 422,718</u>

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2024

	Balance at Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance at End of the Year
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit plan	\$ 91,966	\$ (12,119)	\$ (28,682)	\$ (296)	\$ 50,869
Loss carryforwards	62,465	(1,349)	-	480	61,596
Others	<u>116,400</u>	<u>13,137</u>	<u>4,386</u>	<u>689</u>	<u>134,612</u>
	<u>\$ 270,831</u>	<u>\$ (331)</u>	<u>\$ (24,296)</u>	<u>\$ 873</u>	<u>\$ 247,077</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Investment income	\$ (1,701,052)	\$ 173,238	\$ 165	\$ -	\$ (1,527,649)
Gains on land revaluation	(640,717)	-	-	-	(640,717)
Others	<u>(2,887)</u>	<u>1,444</u>	<u>321</u>	<u>16</u>	<u>(1,106)</u>
	<u>\$ (2,344,656)</u>	<u>\$ 174,682</u>	<u>\$ 486</u>	<u>\$ 16</u>	<u>\$ (2,169,472)</u>

For the Year Ended December 31, 2023

	Balance at Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance at End of the Year
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit plan	\$ 88,398	\$ (3,332)	\$ 6,987	\$ (87)	\$ 91,966
Loss carryforwards	59,995	95	-	2,375	62,465
Others	<u>164,064</u>	<u>(48,418)</u>	<u>3,052</u>	<u>(2,298)</u>	<u>116,400</u>
	<u>\$ 312,457</u>	<u>\$ (51,655)</u>	<u>\$ 10,039</u>	<u>\$ (10)</u>	<u>\$ 270,831</u>

(Continued)

	Balance at Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance at End of the Year
<u>Deferred tax liabilities</u>					
Temporary differences					
Investment income	\$ (1,638,023)	\$ (62,947)	\$ (82)	\$ -	\$ (1,701,052)
Gains on land revaluation	(640,717)	-	-	-	(640,717)
Others	(5,596)	3,046	(337)	-	(2,887)
	<u>\$ (2,284,336)</u>	<u>\$ (59,901)</u>	<u>\$ (419)</u>	<u>\$ -</u>	<u>\$ (2,344,656)</u>
					(Concluded)

e. Income tax assessment

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

f. Pillar Two income tax legislation

As of December 31, 2024, with regard to the impacts of the tax jurisdictions where the Pillar Two legislation has been enacted or substantially enacted but has not yet come to effect, the Company and its subsidiaries are continuously assessing of the above potential exposure and will disclose the relevant impact when the assessment is completed.

26. EARNINGS PER SHARE

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Basic earnings per share	<u>\$ 1.56</u>	<u>\$ 1.28</u>
Diluted earnings per share	<u>\$ 1.55</u>	<u>\$ 1.27</u>

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

Net Profit for the year

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Net profit for the year attributable to owners of the Company	<u>\$ 1,834,552</u>	<u>\$ 1,503,687</u>

Number of ordinary shares

Unit: Thousand Shares

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,178,266	1,178,266
		(Continued)

	For the Year Ended December 31	
	2024	2023
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>4,100</u>	<u>3,478</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,182,366</u>	<u>1,181,744</u> (Concluded)

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

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS AND SHARE - BASED PAYMENT ARRANGEMENTS

a. Acquisition and disposal of partial interests of subsidiaries (without losing control)

In the fourth quarter of 2023, the Company and its subsidiaries subscribed for cash capital increase of the subsidiary Eternal Precision Mechanics Co., Ltd. at a percentage different from its existing ownership percentage and the employees of the Company and its subsidiaries subscribed to the employee share options of the subsidiary Eternal Precision Mechanics Co., Ltd., reducing of its percentage of ownership from 100% to 84.61%.

In 2024, the Company disposed 9,000 thousand shares of the subsidiary Eternal Precision Mechanics Co., Ltd., and the procedure was completed in the end of 2024. The percentage of ownership reducing from 84.61% to 70.20% was mainly from the aforementioned release of shares of the subsidiary and the rest from employee share options of the subsidiary Eternal Precision Mechanics Co., Ltd. exercised by employees of the Company and its subsidiaries, etc.

Options are valued using the Black-Scholes pricing model, and the fair value of options is \$2.15 per share. Outstanding options were 430 thousand shares as of December 31, 2023, and there were no shares outstanding at the end of 2024.

The above transactions were accounted for as equity transactions since the Company and its subsidiaries did not cease to have control over the subsidiary.

	For the Year Ended December 31	
	2024	2023
Net consideration received (paid)	\$ 989,722	\$ 568,477
Compensation cost of share-based payment	-	4,160
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(254,015)	(229,779)

(Continued)

	For the Year Ended December 31	
	2024	2023
Adjustment of other equity attributable to owners of the Company		
Exchange difference of translating the financial statements of foreign operations	\$ (44,928)	\$ (50,367)
Differences recognized from equity transactions	\$ 690,779	\$ 292,491
Account item to adjust the differences recognized from equity transactions		
Capital surplus - changes in percentage of ownership interests in subsidiaries	\$ 2,164	\$ 292,491
Capital surplus - difference between the consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition	<u>688,615</u>	<u>-</u>
	<u>\$ 690,779</u>	<u>\$ 292,491</u>
		(Concluded)

- b. Subscribed for cash capital increase of subsidiary not in proportion to its existing ownership percentage

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

	For the Year Ended December 31, 2024
Consideration paid	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>(1,406)</u>
Differences recognized from equity transactions	<u>\$ (1,406)</u>
Account item to adjust the differences recognized from equity transactions	
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ (1,406)</u>

28. CASH FLOW INFORMATION

- a. Information on investment activities

	For the Year Ended December 31	
	2024	2023
Additions of property, plant and equipment	\$ 3,906,479	\$ 3,060,448
Decrease (increase) in payables for equipment	(273,172)	117,887
		(Continued)

	For the Year Ended December 31	
	2024	2023
Increase in other non-current liabilities	\$ <u>-</u>	\$ <u>(160)</u>
Capitalized interest	<u>3,633,307</u>	<u>3,178,175</u>
	<u>(46,438)</u>	<u>(29,124)</u>
Cash paid	\$ <u>3,586,869</u>	\$ <u>3,149,051</u>
		(Concluded)

b. Changes in major liabilities arising from financing activities

For the year ended December 31, 2024

	January 1, 2024	Cash Flows	Non-cash Changes		December 31, 2024
			Exchange Rate Adjustment	Issuance Cost	
Short-term borrowings	\$ 5,557,448	\$ (40,134)	\$ 180,550	\$ -	\$ 5,697,864
Long-term borrowings	10,103,044	2,141,138	119,581	-	12,363,763
Bonds payable	5,496,172	(3,000,000)	-	2,080	2,498,252

For the year ended December 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes		December 31, 2023
			Exchange Rate Adjustment	Issuance Cost	
Short-term borrowings	\$ 5,364,058	\$ 243,136	\$ (49,746)	\$ -	\$ 5,557,448
Long-term borrowings	11,533,473	(1,350,068)	(80,361)	-	10,103,044
Bonds payable	5,493,921	-	-	2,251	5,496,172

29. CAPITAL MANAGEMENT

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

30. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
Financial instruments at FVTPL				
Structured deposits	\$ -	\$ 822,964	\$ -	\$ 822,964
Mutual funds	\$ -	\$ -	\$ 9,382	\$ 9,382
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 570,048	\$ -	\$ -	\$ 570,048
Domestic and foreign unlisted shares	\$ -	\$ -	\$ 475,537	\$ 475,537
<u>December 31, 2023</u>				
Financial instruments at FVTPL				
Mutual funds	\$ -	\$ -	\$ 9,182	\$ 9,182
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 655,657	\$ -	\$ -	\$ 655,657
Domestic and foreign unlisted shares	\$ -	\$ -	\$ 383,184	\$ 383,184

There was no transfer between Level 1 and Level 2 during the years ended December 31, 2024 and 2023.

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

For the Year Ended December 31, 2024

	Mutual Funds Financial Assets at FVTPL	Stocks Financial Assets at FVTOCI	Total
<u>Financial assets</u>			
Balance at beginning of the year	\$ 9,182	\$ 383,184	\$ 392,366
Additions	-	19,000	19,000
Recognized in profit or loss (recorded as other gains and losses)	(383)	-	(383)
Recognized in other comprehensive income	-	56,707	56,707
			(Continued)

	Mutual Funds Financial Assets at FVTPL	Stocks Financial Assets at FVTOCI	Total
Disposals	\$ -	\$ (1,196)	\$ (1,196)
Effects of foreign currency exchange differences	<u>583</u>	<u>17,842</u>	<u>18,425</u>
Balance at end of the year	<u>\$ 9,382</u>	<u>\$ 475,537</u>	<u>\$ 484,919</u>
Unrealized other gains and losses for the year	<u>\$ (383)</u>		<u>\$ (383)</u> (Concluded)

For the Year Ended December 31, 2023

	Mutual Funds Financial Assets at FVTPL	Stocks Financial Assets at FVTOCI	Total
<u>Financial assets</u>			
Balance at beginning of the year	\$ 9,402	\$ 300,457	\$ 309,859
Additions	-	50,000	50,000
Recognized in profit or loss (recorded as other gains and losses)	(120)	-	(120)
Recognized in other comprehensive income	-	33,540	33,540
Disposals	(142)	-	(142)
Effects of foreign currency exchange differences	<u>42</u>	<u>(813)</u>	<u>(771)</u>
Balance at end of the year	<u>\$ 9,182</u>	<u>\$ 383,184</u>	<u>\$ 392,366</u>
Unrealized other gains and losses for the year	<u>\$ (120)</u>		<u>\$ (120)</u>

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

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

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

The fair values of mutual funds were estimated using the net worth of the latest financial statement. The fair values of domestic and foreign unlisted shares were estimated using the net worth of their latest financial statement and the market approach by reference to industry category, the revaluation of similar companies and the company's operations.

c. Categories of financial instruments

	December 31	
	2024	2023
<hr/> Financial assets <hr/>		
Fair value through profit or loss		
Mandatorily classified as at fair value through profit or loss	\$ 832,346	\$ 9,182
Financial assets at amortized cost (Note 1)	23,787,035	23,618,377
Financial assets at fair value through other comprehensive income - equity instruments	1,045,585	1,038,841
<hr/> Financial liabilities <hr/>		
Financial liabilities at amortized cost (Note 2)	29,161,368	28,681,187

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

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

d. Financial risk management objectives and policies

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

1) Market risk

a) Foreign currency risk

The Company and its subsidiaries' operating activities and net investments in foreign operations are denominated mainly in foreign currencies. Consequently, the Company and its subsidiaries are exposed to foreign currency risk. To protect against reductions in the value of foreign currency assets and against the volatility of future cash flows caused by changes in foreign exchange rates, the Company and its subsidiaries utilize derivative financial instruments, such as foreign exchange forward contracts, or maintain net foreign currency assets and liabilities. Foreign currency risk could be reduced but might not be fully eliminated by these methods.

For the carrying amounts of the Company and its subsidiaries' significant non-functional currency denominated monetary assets and liabilities (including those eliminated on consolidation) at the balance sheet date, refer to Note 35.

Sensitivity analysis

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

		Impact on Profit or Loss	
		2024	2023
<u>Foreign Currencies: Functional Currencies</u>			
Financial assets			
Monetary items			
USD:NTD	\$	26,882	\$ 23,588
USD:RMB		8,550	6,916
USD:MYR		5,097	3,882
RMB:NTD		3,753	3,350
JPY:NTD		3,733	3,339
EUR:NTD		714	1,108
Financial liabilities			
Monetary items			
USD:NTD		24,659	19,942
USD:RMB		4,706	4,566
USD:MYR		4,933	4,133
JPY:NTD		1,437	2,255
USD:THB		1,210	523

b) Interest rate risk

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

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

		December 31	
		2024	2023
Fair value interest rate risk			
Financial assets	\$	2,694,438	\$ 2,602,302
Financial liabilities		2,682,259	5,746,816
Cash flow interest rate risk			
Financial assets		5,545,413	5,076,242
Financial liabilities		18,061,627	15,660,492

If interest rates had been 1% higher and all other variables were held constant, the Company and its subsidiaries' financial liabilities would have increased cash outflows by \$180,616 thousand and \$156,605 thousand for the years ended December 31, 2024 and 2023, respectively.

c) Other price risk

The Company and its subsidiaries were exposed to equity price risk through their investments in equity securities. If equity prices had been 1% higher/lower, other comprehensive income for the years ended December 31, 2024 and 2023 would have increased/decreased by \$5,700

thousand and \$6,557 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

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

3) Liquidity risk

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

December 31, 2024

	Less Than 1 Year	1-2 Years	2-3 Years	3-5 Years	Over 5 Years	Total
Non-derivative financial liabilities						
Short-term borrowings	\$ 5,744,393	\$ -	\$ -	\$ -	\$ -	\$ 5,744,393
Notes payable	1,496,784	-	-	-	-	1,496,784
Accounts payable	4,787,780	-	-	-	-	4,787,780
Other payables	2,238,326	-	-	-	-	2,238,326
Lease liabilities	75,863	46,950	32,421	29,012	6,220	190,466
Long-term borrowings (including current portion)	6,593,350	2,569,042	2,342,331	1,312,277	122,404	12,939,404
Bonds payable	14,500	2,514,500	-	-	-	2,529,000
	<u>\$ 20,950,996</u>	<u>\$ 5,130,492</u>	<u>\$ 2,374,752</u>	<u>\$ 1,341,289</u>	<u>\$ 128,624</u>	<u>\$ 29,926,153</u>

December 31, 2023

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

e. Transfers of financial assets

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

payables.

As of December 31, 2024 and 2023, the carrying amount of the accounts receivable that have been transferred but have not been derecognized amounted to \$2,078,234 thousand and \$2,088,944 thousand, respectively, and the carrying amount of the related borrowings and payables were \$2,077,595 thousand and \$2,088,674 thousand, respectively.

31. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and its subsidiaries and other related parties are disclosed below:

a. Related party names and relationships

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

b. Operating revenue

Account Item	Related Party Category	For the Year Ended December 31	
		2024	2023
Revenue from sales of goods	Associates	\$ 698,845	\$ 652,044

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

c. Purchase of goods

Related Party Category	For the Year Ended December 31	
	2024	2023
Associates	<u>\$ 1,939</u>	<u>\$ 1,687</u>

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

d. Other income

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Associates		
Allnex-Eternal Resins (Guangdong) Co., Ltd.	\$ 53,240	\$ 50,023
Others	10,052	9,653
Key management personnel	<u>-</u>	<u>20</u>
	<u>\$ 63,292</u>	<u>\$ 59,696</u>

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

e. Receivables from related parties

Account Item	Related Party Category	December 31	
		2024	2023
Notes and accounts receivable	Associates	<u>\$ 237,931</u>	<u>\$ 223,512</u>

The receivables arose mainly from sales transactions; the receivables were not guaranteed, pledged and do not bear interest. As of December 31, 2024 and 2023, the balance of loss allowance of accounts receivable from related parties was \$335 thousand and \$158 thousand, respectively.

f. Payables to related parties

Account Item	Related Party Category	December 31	
		2024	2023
Accounts payable	Associates	<u>\$ 378</u>	<u>\$ -</u>

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

g. Loans to related parties

Account Item	Related Party Category/Name	December 31	
		2024	2023
Other receivables	Associates		
	Eterkon Semiconductor Materials Co., Ltd.	<u>\$ 109,460</u>	<u>\$ 104,045</u>

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

h. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 98,963	\$ 93,569
Post-employment benefits	<u>1,189</u>	<u>1,069</u>
	<u>\$ 100,152</u>	<u>\$ 94,638</u>

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2024	2023
Notes receivable	\$ 2,078,234	\$ 2,088,944
Property, plant and equipment	262,790	267,336
Other financial assets - current and non-current (recorded as other non-current assets - others)		
Time deposit certificates and deposit of escrow account	<u>18,295</u>	<u>18,369</u>
	<u>\$ 2,359,319</u>	<u>\$ 2,374,649</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- The Company and its subsidiaries have issued but unused letters of credit with an aggregate amount of \$210,302 thousand as of December 31, 2024.
- The Company and its subsidiaries have contracts that were not yet incurred to purchase property, plant and equipment and intangible assets of \$1,502,780 thousand as of December 31, 2024.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
December 31, 2024			
Financial assets			
Monetary items			
USD	\$ 81,996	32.7850 (USD:NTD)	\$ 2,688,239
USD	26,078	7.1884 (USD:RMB)	854,967
USD	15,548	4.4600 (USD:MYR)	509,741
RMB	82,281	4.5608 (RMB:NTD)	375,269
JPY	1,801,295	0.2073 (JPY:NTD)	373,336

(Continued)

	Foreign Currency (In Thousands)		Exchange Rate	Carrying Amount
Non-monetary items				
Investments accounted for using the equity method				
USD	\$ 877,056	32.7850	(USD:NTD)	\$ 28,754,289
RMB	5,642,375	0.1391	(RMB:USD)	25,733,856
RMB	29,368	4.5608	(RMB:NTD)	133,944
JPY	9,244,268	0.2073	(JPY:NTD)	1,915,967
MYR	219,131	0.2242	(MYR:USD)	1,610,813
THB	413,303	0.9623	(THB:NTD)	397,721
Financial liabilities				
Monetary items				
USD	75,214	32.7850	(USD:NTD)	2,465,891
USD	14,354	7.1884	(USD:RMB)	470,596
USD	15,045	4.4600	(USD:MYR)	493,250
JPY	693,138	0.2073	(JPY:NTD)	143,660
USD	3,690	33.9879	(USD:THB)	120,977
<hr/> December 31, 2023 <hr/>				
Financial assets				
Monetary items				
USD	76,820	30.7050	(USD:NTD)	2,358,758
USD	22,525	7.0827	(USD:RMB)	691,630
USD	12,642	4.5995	(USD:MYR)	388,173
RMB	77,272	4.3352	(RMB:NTD)	334,990
JPY	1,542,496	0.2165	(JPY:NTD)	333,935
EUR	3,252	34.0713	(EUR:NTD)	110,800
Non-monetary items				
Investments accounted for using the equity method				
USD	931,052	30.7050	(USD:NTD)	28,587,956
RMB	5,947,188	0.1412	(RMB:USD)	25,782,310
RMB	28,436	4.3352	(RMB:NTD)	123,278
JPY	7,404,388	0.2165	(JPY:NTD)	1,602,976
MYR	234,993	0.2174	(MYR:USD)	1,568,749
THB	145,390	0.9017	(THB:NTD)	131,098
Financial liabilities				
Monetary items				
USD	64,948	30.7050	(USD:NTD)	1,994,228
USD	14,870	7.0827	(USD:RMB)	456,583
USD	13,459	4.5995	(USD:MYR)	413,259
JPY	1,041,770	0.2165	(JPY:NTD)	225,533
				(Concluded)

The total realized and unrealized foreign exchange gains and losses were a gain of \$46,390 thousand and a gain of \$5,125 thousand for the years ended December 31, 2024 and 2023, respectively. Considering the variety of the foreign currency transactions and functional currencies of each entity, the Company and its subsidiaries disclosed the significant foreign exchange gains and losses in aggregate.

36. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financing provided to others: (Table 1)
- 2) Endorsements/guarantees provided: (Table 2)
- 3) Marketable securities held: (Table 3)
- 4) Marketable securities acquired or disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: (Table 7)
- 9) Trading in derivative instruments: (Note 7)
- 10) Others: The business relationship between the parent company and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: (Table 8)
- 11) Information on investees: (Table 9)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 10)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 6)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 6)
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None
- c. Information of major shareholders: list of the shareholders with ownership of 5% or greater, showing the names, the number of shares and percentage of ownership held by each shareholder. (Table 11)

37. SEGMENT INFORMATION

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

- Resins Materials

Mainly operating variety of industrial resins materials.

- Electronic Materials

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

- High Performance Materials

Mainly operating UV - light curing raw material.

- Others

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

a. Segment revenues and operating results

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

	Resins Materials	Electronic Materials	High Performance Materials	Others	Adjustment and Elimination	Total
<u>For the year ended December 31, 2024</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 21,084,296	\$ 11,278,450	\$ 11,628,049	\$ 4,791	\$ -	\$ 43,995,586
Revenue from the rental service	-	4,860	-	190,679	-	195,539
Inter-segment revenues	<u>2,189,992</u>	<u>2,707,983</u>	<u>1,800,194</u>	<u>2,683</u>	<u>(6,700,852)</u>	<u>-</u>
Total revenue	<u>\$ 23,274,288</u>	<u>\$ 13,991,293</u>	<u>\$ 13,428,243</u>	<u>\$ 198,153</u>	<u>\$ (6,700,852)</u>	<u>\$ 44,191,125</u>
Segment operating profit (loss)	<u>\$ 535,124</u>	<u>\$ 918,416</u>	<u>\$ 1,483,877</u>	<u>\$ (767,599)</u>	<u>\$ -</u>	<u>\$ 2,169,818</u>
<u>For the year ended December 31, 2023</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 22,099,104	\$ 11,165,913	\$ 8,876,291	\$ 45,125	\$ -	\$ 42,186,433
Revenue from the rental service	-	24,803	-	240,340	-	265,143
Inter-segment revenues	<u>2,437,216</u>	<u>2,527,457</u>	<u>1,479,475</u>	<u>2,647</u>	<u>(6,446,795)</u>	<u>-</u>
Total revenue	<u>\$ 24,536,320</u>	<u>\$ 13,718,173</u>	<u>\$ 10,355,766</u>	<u>\$ 288,112</u>	<u>\$ (6,446,795)</u>	<u>\$ 42,451,576</u>
Segment operating profit (loss)	<u>\$ 488,746</u>	<u>\$ 774,328</u>	<u>\$ 1,143,810</u>	<u>\$ (492,117)</u>	<u>\$ -</u>	<u>\$ 1,914,767</u>

- b. The Company and its subsidiaries' revenues from external customers by receipt location and non-current assets by location were detailed below:

	Revenues from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2024	2023	2024	2023
Taiwan	\$ 4,327,654	\$ 4,415,666	\$ 7,664,592	\$ 7,641,054
China	25,585,305	25,734,559	13,224,652	10,982,904
Others	<u>14,278,166</u>	<u>12,301,351</u>	<u>3,098,530</u>	<u>2,855,956</u>
	<u>\$ 44,191,125</u>	<u>\$ 42,451,576</u>	<u>\$ 23,987,774</u>	<u>\$ 21,479,914</u>

Non-current assets excluded financial assets and deferred tax assets.

- c. Information about major customers

No revenue from any individual customer exceeded 10% of the Company and its subsidiaries' total revenue for the years ended December 31, 2024 and 2023.

TABLE 1**Eternal Materials Co., Ltd. and Subsidiaries****FINANCING PROVIDED TO OTHERS****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance (Note 3)	Actual Amount Drawn	Interest Rate (%)	Nature of Financing (Note 4)	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Limit	Note
													Item	Value			
1	Eternal Chemical (China) Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	Other receivables from related parties	Y	\$ 451,022	\$ -	\$ -	-	2	\$ -	Operating needs	\$ -	-	\$ -	\$ 7,393,209	\$ 7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	Other receivables from related parties	Y	90,204	-	-	-	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Specialty Materials (Suzhou) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	880,924	-	-	-	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Chemical Investment Co., Ltd.	Other receivables from related parties	Y	2,052,369	2,052,369	399,764	1.76	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Other receivables from related parties	Y	67,653	-	-	-	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
1	Eternal Chemical (China) Co., Ltd.	Eternal Optical Material (Suzhou) Co., Ltd.	Other receivables from related parties	Y	44,046	-	-	-	2	-	Operating needs	-	-	-	7,393,209	7,393,209	Note 5
2	Eternal Materials (Guangdong) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	6,791,038	6,791,038	Note 5
2	Eternal Materials (Guangdong) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	501,690	501,690	-	-	2	-	Operating needs	-	-	-	6,791,038	6,791,038	Note 5
3	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	Other receivables from related parties	Y	3,321,760	1,704,820	1,704,820	4.73-5.01	2	-	Operating needs	-	-	-	41,741,519	41,741,519	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	1,961,153	1,961,153	727,801	2.76	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	Other receivables from related parties	Y	1,190,732	1,003,380	206,373	2.76	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	Other receivables from related parties	Y	1,459,462	1,459,462	582,580	2.76	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	1,373,922	1,368,246	456,686	2.76	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eterkon Semiconductor Materials Co., Ltd.	Other receivables from related parties	Y	219,828	109,460	109,460	3.45	2	-	Operating needs	-	-	-	6,316,426	6,316,426	Note 6
4	Eternal (China) Investment Co., Ltd.	Eternal Specialty Materials (Suzhou) Co., Ltd.	Other receivables from related parties	Y	364,866	364,866	-	-	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Other receivables from related parties	Y	136,825	136,825	-	-	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	Other receivables from related parties	Y	136,825	136,825	-	-	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	Other receivables from related parties	Y	228,041	228,041	-	-	2	-	Operating needs	-	-	-	31,582,131	31,582,131	Note 5
5	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	676,533	-	-	-	2	-	Operating needs	-	-	-	7,904,255	7,904,255	Note 5
5	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	1,824,328	1,824,328	658,288	1.76	2	-	Operating needs	-	-	-	7,904,255	7,904,255	Note 5

(Continued)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance (Note 3)	Actual Amount Drawn	Interest Rate (%)	Nature of Financing (Note 4)	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Limit	Note
													Item	Value			
6	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	\$ 225,511	\$ -	\$ -	-	2	\$ -	Operating needs	\$ -	-	\$ -	\$ 3,969,574	\$ 3,969,574	Note 5
6	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	912,164	912,164	-	1.76	2	-	Operating needs	-	-	-	3,969,574	3,969,574	Note 5
7	Eternal Specialty Materials (Zuhai) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	1,048,705	1,048,705	Note 6
7	Eternal Specialty Materials (Zuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	912,164	912,164	139,242	1.76	2	-	Operating needs	-	-	-	1,048,705	1,048,705	Note 6
8	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	68,412	68,412	-	-	2	-	Operating needs	-	-	-	377,170	377,170	Note 5

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

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

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

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

Note 4: Nature of financing is as follows:

1. Business relationship.
2. Short-term financing.

Note 5: According to the subsidiary's Operation Procedures for Lending Funds to Others, either the financing limit for each borrowing company or the financing company's total financing limits shall not exceed 200% of the net worth of the financing company as of December 31, 2024, and it should be translated into NTD using the exchange rate at the balance sheet date.

Note 6: According to the subsidiary's Operation Procedures for Lending Funds to Others, either the financing limit for each borrowing company or the financing company's total financing limits shall not exceed 40% of the net worth of the financing company as of December 31, 2024, and it should be translated into NTD using the exchange rate at the balance sheet date.

Note 7: Amount was eliminated from the consolidated financial statements, except for investments accounted for using the equity method.

(Concluded)

TABLE 2**Eternal Materials Co., Ltd. and Subsidiaries****ENDORSEMENTS/GUARANTEES PROVIDED****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsements /Guarantees Given on Behalf of Each Party	Maximum Amount Endorsements /Guarantees During the Period (Note 4)	Outstanding Endorsements /Guarantees at the End of the Period (Note 5)	Actual Amount Drawn	Amount Endorsements /Guarantees by Collaterals	Ratio of Accumulated Endorsements /Guarantees to Net Equity per Latest Financial Statements (%)	Maximum Endorsements /Guarantees Amount Allowable	Endorsements /Guarantees Given by Parent on Behalf of Subsidiaries	Endorsements /Guarantees by Subsidiaries on Behalf of Parent	Endorsements /Guarantees Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Eternal Materials Co., Ltd.	Eternal Holdings Inc.	2	\$ 28,314,411	\$ 591,030	\$ 590,130	\$ -	\$ -	2.08	\$ 28,314,411	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	2	28,314,411	2,716,554	2,714,392	1,586,037	-	9.59	28,314,411	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Elga Europe S.r.l.	2	28,314,411	534,587	514,850	473,319	-	1.82	28,314,411	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Nanyang Investment Co., Ltd.	2	28,314,411	1,970,100	1,967,100	1,586,794	-	6.95	28,314,411	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	28,314,411	1,679,810	1,664,699	454,427	-	5.88	28,314,411	Y	N	Y	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	2	28,314,411	164,175	163,925	32,785	-	0.58	28,314,411	Y	N	N	Notes 3 and 6
1	Eternal (China) Investment Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	15,791,065	460,222	456,082	354,465	-	2.89	15,791,065	N	N	Y	Note 7
2	Eternal Precision Mechanics Co., Ltd.	Eternal Precision Mechanics (Guangzhou) Co., Ltd.	2	1,607,109	91,216	91,216	-	-	5.68	1,607,109	N	N	Y	Note 7

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

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

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

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

Note 3: In accordance with the parent company's "Procedures for Provision of Endorsements and Guarantees," limit on endorsement/guarantee given on behalf of each party is 100% of the parent company's net worth based on the financial statements as of December 31, 2024.

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

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

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

Note 7: In accordance with the subsidiary's "Procedures for Provision of Endorsements and Guarantees," the limit on endorsement/guarantee given on behalf of each party and the maximum amount endorsed/guaranteed are based on its net worth as of December 31, 2024, and translated into NTD using the exchange rate at the balance sheet date.

TABLE 3**Eternal Materials Co., Ltd. and Subsidiaries****MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Eternal Materials Co., Ltd.	President Securities Corp. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	22,137,767	\$ 570,048	1.52	\$ 570,048	
	TBG Diagnostics Limited (stock)	-	Financial assets at fair value through other comprehensive income - non-current	40,200,000	16,496	18.48	16,496	
	Universal Venture Capital Investment Corp. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	55,724	4.15	55,724	
	Research Innovation Capital Corporation (stock)	-	Financial assets at fair value through other comprehensive income - non-current	10,000,000	48,384	22.88 (Note 1)	48,384	
	Winchain Material Technology Co., Ltd. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	1,900,000	18,249	19	18,249	
	Hwa Nan Venture Capital Co., Ltd. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	57,438	-	10.6	-	
Mixville Holdings Inc.	Grace THW Holding Limited (stock)	-	Financial assets at fair value through other comprehensive income - non-current	1,900,000	336,684	Note 2	336,684	
	Pacven Walden Ventures V, L.P. (mutual fund)	-	Financial assets at fair value through profit or loss - non-current	-	9,382	Note 2	9,382	

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

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

Eternal Materials Co., Ltd. and Subsidiaries

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Gain/Loss on Disposal	Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value		Shares (Note 2)	Amount (Note 3)
Eternal Materials Co., Ltd.	Eternal Precision Mechanics Co., Ltd.	Investments accounted for using the equity method	Note 1	Note 1	52,085,384	\$ 1,263,256	8,358	\$ 84	(9,053,253)	\$ 988,006	\$ (299,636)	Note 1	49,720,308	\$ 1,128,171

Note 1: Mainly from the Company released shares of the subsidiary Eternal Precision Mechanics Co., Ltd. in 2024. The transaction was accounted for as an equity transaction since the Company and its subsidiaries did not cease to have control over the subsidiary. (Refer to Note 27)

Note 2: Including shares received as stock dividends.

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

TABLE 5**Eternal Materials Co., Ltd. and Subsidiaries****ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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

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

Note 2: The counterparty has not yet been determined.

TABLE 6**Eternal Materials Co., Ltd. and Subsidiaries****TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales (Note 2)	Amount	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% to Total	
Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Subsidiary	Sales	\$ 669,251	5	Note 1	\$ -	-	\$ 118,555	3	
	CHOU-KOU Materials Co., Ltd.	Subsidiary	Sales	659,130	5	Note 1	-	-	157,050	4	
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Subsidiary	Sales	411,064	3	Note 1	-	-	118,662	3	
	Eternal (China) Investment Co., Ltd.	Subsidiary	Sales	376,432	3	Note 1	-	-	59,189	2	
	Eternal Materials (Guangdong) Co., Ltd.	Subsidiary	Sales	235,757	2	Note 1	-	-	31,644	1	
	Eternal Technology Corporation	Subsidiary	Sales	153,116	1	Note 1	-	-	132,471	4	
	Eternal Chemical (China) Co., Ltd.	Subsidiary	Sales	189,288	1	Note 1	-	-	45,337	1	
	Eternal Materials (Malaysia) Sdn. Bhd.	Subsidiary	Sales	111,676	1	Note 1	-	-	38,423	1	
Eternal Materials (Guangdong) Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Sister company	Sales	452,068	8	Note 1	-	-	99,878	4	
	Eternal Chemical (China) Co., Ltd.	Sister company	Sales	166,728	3	Note 1	-	-	46,527	2	
	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	Sales	444,145	8	Note 1	-	-	117,973	5	
Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Materials Co., Ltd.	Ultimate parent company	Sales	226,804	5	Note 1	-	-	30,107	2	
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Sister company	Sales	300,576	9	Note 1	-	-	118,950	6	
	Eternal Electronic (Suzhou) Co., Ltd.	Sister company	Sales	126,563	4	Note 1	-	-	67,335	4	
Eternal Chemical (China) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	Sales	170,528	4	Note 1	-	-	97,737	5	
Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Sister company	Sales	198,326	7	Note 1	-	-	87,242	11	
Eternal Electronic (Suzhou) Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Sister company	Sales	117,801	8	Note 1	-	-	59,213	8	

(Continued)

Company name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales (Note 2)	Amount	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% to Total	
Eternal Chemical (Tianjin) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Sister company	Sales	\$ 125,896	5	Note 1	\$ -	-	\$ 32,440	4	
CHOU-KOU Materials Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Sister company	Sales	136,340	11	Note 1	-	-	32,530	10	

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

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

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

(Concluded)

TABLE 7**Eternal Materials Co., Ltd. and Subsidiaries****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Doubtful Accounts
					Amount	Actions Taken		
Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	Subsidiary	\$ 157,050	3.82	\$ 18,932	Collected subsequently	\$ 54,966	\$ -
	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Subsidiary	118,555	5.39	-	-	61,480	-
	Eternal Technology Corporation	Subsidiary	132,471	1.37	79,650	Collected subsequently	6,875	-
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Subsidiary	118,662	4.17	-	-	63,966	-
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd	Sister company	118,950	3.32	28,690	Collected subsequently	-	-
Eternal Materials (Guangdong) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	117,973	4.04	16,668	Collected subsequently	47,215	260

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

TABLE 8**Eternal Materials Co., Ltd. and Subsidiaries****INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Item (Note 5)	Amount	Terms	% to Total Revenues or Assets
0	Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	1	Revenue from sales of goods	\$ 669,251	Note 3	1.51
0	Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	1	Revenue from sales of goods	659,130	Note 3	1.49
0	Eternal Materials Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	1	Revenue from sales of goods	411,064	Note 3	0.93
0	Eternal Materials Co., Ltd.	Eternal (China) Investment Co., Ltd.	1	Revenue from sales of goods	376,432	Note 3	0.85
0	Eternal Materials Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	1	Revenue from sales of goods	235,757	Note 3	0.53
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	1	Revenue from sales of goods	153,116	Note 3	0.35
0	Eternal Materials Co., Ltd.	Eternal Chemical (China) Co., Ltd.	1	Revenue from sales of goods	189,288	Note 3	0.43
0	Eternal Materials Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	1	Revenue from sales of goods	111,676	Note 3	0.25
0	Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	1	Notes and accounts receivable from related parties	157,050	Note 3	0.25
0	Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	1	Notes and accounts receivable from related parties	118,555	Note 3	0.19
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	1	Notes and accounts receivable from related parties	132,471	Note 3	0.21
0	Eternal Materials Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	1	Notes and accounts receivable from related parties	118,662	Note 3	0.19
1	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	2	Other receivables from related parties	1,704,820	Note 4	2.73
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	1	Other receivables from related parties	727,801	Note 4	1.17
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	1	Other receivables from related parties	206,373	Note 4	0.33
2	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	1	Other receivables from related parties	582,580	Note 4	0.93
2	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	1	Other receivables from related parties	456,686	Note 4	0.73
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Revenue from sales of goods	300,576	Note 3	0.68
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	3	Revenue from sales of goods	126,563	Note 3	0.29
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Notes and accounts receivable from related parties	118,950	Note 3	0.19
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	2	Other receivables from related parties	658,288	Note 4	1.05

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Item (Note 5)	Amount	Terms	% to Total Revenues or Assets
4	Eternal Materials (Guangdong) Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	3	Revenue from sales of goods	\$ 452,068	Note 3	1.02
4	Eternal Materials (Guangdong) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	3	Revenue from sales of goods	166,728	Note 3	0.38
5	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Materials Co., Ltd.	2	Revenue from sales of goods	226,804	Note 3	0.51
5	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	139,242	Note 4	0.22
6	Eternal Chemical (China) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	399,764	Note 4	0.64
7	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	3	Revenue from sales of goods	198,326	Note 3	0.45
8	Eternal Electronic (Suzhou) Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	3	Revenue from sales of goods	117,801	Note 3	0.27
9	Eternal Chemical (Tianjin) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	3	Revenue from sales of goods	125,896	Note 3	0.28
10	CHOU-KOU Materials Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Revenue from sales of goods	136,340	Note 3	0.31

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

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

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

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

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

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

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

(Concluded)

TABLE 9**Eternal Materials Co., Ltd. and Subsidiaries****INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)****FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Eternal Materials Co., Ltd.	Eternal Holdings Inc.	Samoa	International investment	\$ 5,681,836	\$ 5,681,836	185,108,859	100.00	\$ 20,722,295	\$ 726,201	\$ 717,135	
Eternal Materials Co., Ltd.	Eternal Global (BVI) Co., Ltd.	British Virgin Islands	International investment	703,144	703,144	16,357,914	100.00	4,047,552	192,408	196,076	
Eternal Materials Co., Ltd.	Mixville Holdings Inc.	British Virgin Islands	International investment	899,392	899,392	26,630,000	100.00	3,741,248	292,170	290,401	
Eternal Materials Co., Ltd.	Advanced PETFILM Investment Co., Ltd.	Japan	International investment	788,630	788,630	270	20.00	608,362	347,464	74,612	
Eternal Materials Co., Ltd.	Daxin Materials Corporation	Taiwan	Manufacturing and selling of chemical, resins materials and electronic materials	187,417	191,052	23,003,812	22.40	735,614	570,612	129,549	
Eternal Materials Co., Ltd.	New E Materials Co., Ltd.	Taiwan	Researching, developing, manufacturing and selling of photoelectric, semiconductor process related electronic chemical materials and equipment spare parts	82,322	82,322	3,453,793	62.80	32,489	690	433	
Eternal Materials Co., Ltd.	Covestro Eternal Resins (Far East) Ltd.	Taiwan	Manufacturing and selling of powder coating resin	36,400	36,400	3,660,000	40.00	115,588	59,909	27,787	
Eternal Materials Co., Ltd.	Eternal Precision Mechanics Co., Ltd.	Taiwan	Manufacturing and selling of vacuum laminator	458,620	555,123	49,720,308	70.20	1,128,171	298,754	254,710	Note 27
Eternal Materials Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Thailand	Trading services, cutting and selling of dry film photoresist	349,081	90,919	2,812,500	90.00	397,721	(23,636)	(20,535)	Note 27
Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	Japan	Selling, trading and providing services of resins material, electronic material and other related products; manufacturing and selling of dry film photoresist	190,594	190,594	9,760	100.00	284,574	75,451	74,950	
Eternal Materials Co., Ltd.	Elga Europe S.r.l.	Italy	Manufacturing, selling, distribution and processing of electronic chemical products	287,169	287,169	-	72.68	26,968	12,709	9,237	
Eternal Materials Co., Ltd.	Eternal Technology Corporation	United States	Manufacturing and selling of photoresist; selling of chemical prouduts	622,950	622,950	1,000	100.00	243,194	(73,226)	(73,226)	
Eternal Precision Mechanics Co., Ltd.	Nikko-Materials Co., Ltd.	Japan	Manufacturing and selling of vacuum laminator	300,150	300,150	11,520	100.00	1,023,031	385,075	-	Note
Eternal Holdings Inc.	Eternal International (BVI) Co., Ltd.	British Virgin Islands	International investment	5,062,308	5,062,308	161,793,592	100.00	15,827,843	225,020	-	Note
Eternal Holdings Inc.	E-Chem Corp.	Samoa	International investment	165,608	165,608	4,990,000	100.00	2,512,645	522,500	-	Note
Eternal Holdings Inc.	Eternal Nanyang Investment Co., Ltd.	Samoa	International investment	841,453	841,453	28,350,000	90.00	14,923	(212,547)	-	Note
Eternal Holdings Inc.	PT Eternal Materials Indonesia	Indonesia	Trading of chemical products	13,360	13,360	670	67.00	11,628	(5,017)	-	Note
Eternal Holdings Inc.	Eternal Materials India Private Limited	India	Trading of chemical products	13,643	13,643	3,465,000	99.00	13,359	347	-	Note
Eternal Holdings Inc.	Allnex-Eternal Resins Corporation Limited	Hong Kong	Trading and international investment	14,496	14,496	49,000	49.00	483,390	200,499	-	Note
Eternal Holdings Inc.	Polymer Instrumentation and Consulting Services, Ltd.	United States	Plastic products manufacturing	121,913	121,913	4,694,296	30.00	-	-	-	Note
E-Chem Corp	Eternal Materials India Private Limited	India	Trading of chemical products	138	138	35,000	1.00	135	347	-	Note
Mixville Holdings Inc.	High Expectation Limited	Cayman Islands	International investment	871,519	871,519	26,005,000	100.00	3,396,763	292,165	-	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Eternal (China) Investment Co., Ltd.	Elga Europe S.r.l.	Italy	Manufacturing, selling, distribution and processing of electronic chemical products	\$ 58,610	\$ 58,610	-	22.32	\$ 8,947	\$ 12,709	\$ -	Note
Eternal Nanyang Investment Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	Malaysia	Manufacturing, selling, trading and providing services of resins material and chemical related products	2,082,818	2,082,818	395,922,000	100.00	1,610,813	(110,125)	-	Note

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

(Concluded)

Eternal Materials Co., Ltd. and Subsidiaries

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Eternal Chemical (China) Co., Ltd.	Manufacturing and selling of resins material and processing products	\$ 755,651	2	\$ 625,549	\$ -	\$ -	\$ 625,549	\$ 176,640	100.00	\$ 176,640	\$ 3,696,605	\$ 2,975,452	Note 2
Covestro Eternal Resins (Kunshan) Co., Ltd.	Manufacturing and selling of powder coating resin	183,470	2	91,735	-	-	91,735	22,720	50.00	15,871	353,924	600,691	Note 2
Eternal Optical Material (Suzhou) Co., Ltd.	Manufacturing and selling of optical films, and leasing business	1,563,967	2	-	-	-	-	(21,482)	100.00	(21,482)	154,914	-	Note 2 and Note 10
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Researching, developing, manufacturing and selling of electronic high-tech chemical and related products	2,256,739	2	444,685	-	-	444,685	202,116	100.00	202,116	3,952,127	983,767	Note 2
Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Researching, developing and manufacturing of photoresist dry film, liquid photo imaginal solder masks and printed circuit board related materials	469,402	2	-	-	-	-	1,607	100.00	1,607	188,585	-	Note 2
Eterkon Semiconductor Materials Co., Ltd.	Manufacturing and selling of epoxy molding compounds which are used in electronic parts and related products	524,337	2	456,427	-	-	456,427	79,495	40.00	34,435	347,641	-	Note 2
Eternal Synthetic Resins (Changshu) Co., Ltd.	Manufacturing and selling of unsaturated polyester resin	726,426	2	279,811	-	-	279,811	(23,301)	100.00	(23,301)	159,335	-	Note 2
Eternal Chemical (Tianjin) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	1,008,004	2	599,320	-	-	599,320	6,290	100.00	6,290	997,640	-	Note 2
Eternal Specialty Materials (Zhuhai) Co., Ltd.	Manufacturing and selling of acrylic resin and methacrylic acid	611,011	2	243,540	-	-	243,540	535,247	90.00	521,832	2,496,743	2,521,121	Note 2
Eternal Materials (Guangdong) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	1,297,259	2	868,175	-	-	868,175	292,680	100.00	292,680	3,395,519	2,589,220	Note 2
Eternal (China) Investment Co., Ltd.	Managing, investing consulting services, researching, leasing, manufacturing and selling of resins material and photoelectric chemicals materials	6,880,878	2	3,810,719	-	-	3,810,719	223,501	100.00	223,501	15,791,065	-	Notes 2 and 3
Eternal Chemical (Chengdu) Co., Ltd.	Researching, manufacturing and selling of resins material	1,454,071	2	-	-	-	-	(128,973)	100.00	(128,973)	33,082	-	Note 2
Eternal Electronic (Suzhou) Co., Ltd.	Researching, developing, and manufacturing of dry film photoresist and dry film solder masks which are used in electronic materials, researching resin materials and selling, providing after sales service of self-produced products	1,929,180	2	-	-	-	-	(113,338)	100.00	(113,338)	2,000,867	-	Note 2
Eternal Specialty Materials (Suzhou) Co., Ltd.	Researching and developing chemical products, and selling, providing technical services of self-produced products	1,199,225	2	-	-	-	-	195,465	100.00	195,465	1,984,787	-	Note 2
Resonac New Material (Zhuhai) Co., Ltd.	Manufacturing and selling of functional resins, resins composite material and providing technical services	366,881	2	-	-	-	-	4,207	30.00	1,370	97,135	-	Note 2
Eternal Material Industry (Tongling) Co., Ltd.	Manufacturing, selling and providing technical services of products related to resins material	1,872,330	2	-	-	-	-	12,974	100.00	12,974	1,909,536	-	Note 2
Eternal Precision Mechanics (Guangzhou) Co., Ltd.	Manufacturing and selling of computers, communications and other electronic equipment	132,928	1	132,928	-	-	132,928	6,214	70.20	5,309	94,029	-	Note 2

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024 (Note 4)	Investment Amount Authorized by the Investment Commission, MOEA (Note 4)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 5)
Eternal Materials Co., Ltd.	\$ 7,622,793	\$ 28,198,265	\$ -
Eternal Precision Mechanics Co., Ltd.	132,928	132,928	964,265

(Continued)

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

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

Note 2: The investment gains and losses were recognized from the financial statements audited by the parent company's CPA in the ROC in accordance with SAS No. 600 "Special Considerations - Audits of Group Financial Statements".

Note 3: The investment gains and losses of Eternal (China) Investment Co., Ltd. included the income (loss) of the investee company.

Note 4: The amounts were translated into NTD using the exchange rate of application date or remittance date.

Note 5: According to the "Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China", which was modified on August 29, 2008, the Company obtained the approval of the operational headquarters from the Industrial Development Bureau of Ministry of Economic Affairs; hence, there is no need to set an upper limit for the investment amount. For the subsidiary Eternal Precision Mechanics Co., Ltd., the upper limit for the investment amount is 60% of its net worth.

(Concluded)

TABLE 11**Eternal Materials Co., Ltd.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of the Major Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership
Kwang Yang Motor Co., Ltd.	117,800,000	9.99
Kao, Ying-Shih	75,266,152	6.38

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

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