

Eternal Materials Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

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

INDEPENDENT AUDITORS' REVIEW REPORT

Eternal Materials Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Eternal Materials Co., Ltd. (the "Company") and its subsidiaries as of March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As described in Note 13 to the consolidated financial statements, total assets of some non-significant subsidiaries included in the consolidated financial statements amounted to NT\$27,238,357 thousand and NT\$25,582,552 thousand, representing 45% and 44% of the consolidated total assets as of March 31, 2024 and 2023, respectively; total liabilities amounted to NT\$10,208,989 thousand and NT\$9,402,288 thousand, representing 30% and 28% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively; total comprehensive income amounted to profit of NT\$550,652 thousand and loss of NT\$4,566 thousand, representing 31% and 2% of the consolidated total comprehensive income for the three months ended March 31, 2024 and 2023, respectively. The above amounts and information disclosed in Note 35 to the consolidated financial statements were based on the financial statements prepared and disclosed by these subsidiaries, which were not reviewed by independent auditors for the same reporting periods. In addition, as described in Note 14 to the consolidated financial statements, the balance of investments accounted for using the equity method of the Company and its subsidiaries amounted to NT\$2,617,720 thousand and NT\$2,375,901 thousand as of March 31, 2024 and 2023, respectively; the share of the profit of associates and joint ventures accounted for using the equity method amounted to NT\$82,628 thousand and NT\$38,836 thousand for the three months ended March 31, 2024 and 2023, respectively; the share of the other comprehensive income of associates and joint ventures amounted to profit of NT\$66,885 thousand and profit of NT\$5,507 thousand for the three months ended March 31, 2024 and 2023, respectively. The above amounts and information on investees disclosed in Note 35 to the consolidated financial statements were based on the financial statements recognized and disclosed by investees, which were not reviewed by independent auditors for the same reporting periods.

Qualified Conclusion

Base on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of some non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed by independent auditors, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and international Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chao-Chun Wang and Jui-Hsuan Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2024

Notice to Readers

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

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

Eternal Materials Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,871,302	10	\$ 6,356,603	11	\$ 5,560,553	10
Financial assets at fair value through profit or loss – current (Note 7)	–	–	–	–	133,719	–
Notes receivable, net (Notes 8 and 31)	5,090,541	9	4,512,991	8	4,875,685	8
Notes receivable from related parties, net (Notes 8 and 30)	46,280	–	50,447	–	51,451	–
Accounts receivable, net (Note 8)	10,241,569	17	10,476,717	18	9,981,559	17
Accounts receivable from related parties, net (Notes 8 and 30)	185,084	–	173,065	–	192,259	–
Other receivables (Notes 8 and 30)	746,094	1	638,761	1	864,732	2
Inventories (Note 9)	8,826,077	15	8,478,672	14	9,766,033	17
Non-current assets held for sale (Notes 10 and 30)	170,095	–	170,314	–	161,740	–
Other financial assets - current (Notes 11 and 31)	1,452,104	2	1,267,006	2	1,002,402	2
Other current assets - others	1,012,420	2	905,349	2	888,286	2
Total current assets	33,641,566	56	33,029,925	56	33,478,419	58
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	9,569	–	9,182	–	10,293	–
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,234,670	2	1,038,841	2	898,189	2
Investments accounted for using the equity method (Note 14)	2,617,720	4	2,468,207	4	2,375,901	4
Property, plant and equipment (Notes 15 and 31)	19,031,483	32	18,322,920	31	17,656,111	30
Right-of-use assets (Note 16)	1,668,035	3	1,658,505	3	1,351,082	2
Investment properties (Note 17)	1,253,374	2	1,221,322	2	1,376,953	2
Intangible assets (Note 18)	226,799	–	231,643	–	244,381	–
Deferred tax assets	261,158	1	270,831	1	294,969	1
Other non-current assets - others (Notes 19 and 31)	242,162	–	286,878	1	356,132	1
Total non-current assets	26,544,970	44	25,508,329	44	24,564,011	42
TOTAL	\$60,186,536	100	\$58,538,254	100	\$58,042,430	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 31)	\$ 5,221,182	9	\$ 5,557,448	10	\$ 5,113,908	9
Contract liabilities - current (Note 23)	866,942	1	873,877	2	621,086	1
Notes payable	832,198	1	778,344	1	582,630	1
Accounts payable (Note 30)	4,752,904	8	4,844,775	8	4,698,562	8
Dividend payable	942,612	2	–	–	1,413,919	3
Other payables - others	1,603,190	3	1,822,801	3	1,845,093	3
Current tax liabilities	525,914	1	422,718	1	473,700	1
Liabilities directly associated with non-current assets held for sale (Note 10)	2,275	–	2,543	–	46,175	–
Lease liabilities - current (Note 16)	79,153	–	81,604	–	54,502	–
Current portion of long-term liabilities (Notes 20 and 31)	4,246,152	7	3,741,170	7	3,005,970	5
Other current liabilities - others	54,904	–	68,172	–	79,964	–
Total current liabilities	19,127,426	32	18,193,452	32	17,935,509	31
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	2,497,461	4	2,497,203	4	5,494,475	10
Long-term borrowings (Notes 20 and 31)	9,299,049	16	9,360,843	16	7,453,295	13
Deferred tax liabilities	2,378,412	4	2,344,656	4	2,282,063	4
Lease liabilities - non-current (Note 16)	150,433	–	169,040	–	198,119	–
Other non-current liabilities	694,230	1	757,091	1	753,162	1
Total non-current liabilities	15,019,585	25	15,128,833	25	16,181,114	28
Total liabilities	34,147,011	57	33,322,285	57	34,116,623	59
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Ordinary shares	11,782,655	19	11,782,655	19	11,782,655	20
Capital surplus	666,233	1	664,785	1	371,719	1
Retained earnings						
Legal reserve	5,083,381	8	5,083,381	9	4,803,617	8
Special reserve	977,601	2	977,601	2	1,181,819	2
Unappropriated earnings	7,088,583	12	7,584,997	13	6,323,766	11
Total retained earnings	13,149,565	22	13,645,979	24	12,309,202	21
Other equity	(55,704)	–	(1,358,789)	(2)	(848,218)	(1)
Total equity attributable to owners of the Company	25,542,749	42	24,734,630	42	23,615,358	41
NON-CONTROLLING INTERESTS (Note 22)	496,776	1	481,339	1	310,449	–
Total equity	26,039,525	43	25,215,969	43	23,925,807	41
TOTAL	\$60,186,536	100	\$58,538,254	100	\$58,042,430	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 10, 2024)

Eternal Materials Co., Ltd. and Subsidiaries

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$10,020,545	100	\$ 9,575,492	100
OPERATING COSTS (Notes 9, 24 and 30)	7,856,705	78	7,865,637	82
GROSS PROFIT	2,163,840	22	1,709,855	18
OPERATING EXPENSES (Notes 8, 24 and 30)				
Selling and marketing expenses	585,849	6	573,898	6
General and administrative expenses	571,521	6	533,537	5
Research and development expenses	367,520	4	361,132	4
Expected credit loss (Reversal)	29,541	-	(2,804)	-
Total operating expenses	1,554,431	16	1,465,763	15
PROFIT FROM OPERATIONS	609,409	6	244,092	3
NON-OPERATING INCOME AND EXPENSES				
Interest Income (Note 24)	24,624	-	29,110	-
Other income (Notes 24 and 30)	107,178	1	55,256	-
Other gains and losses (Note 24)	(6,588)	-	(35,886)	-
Loss on disposal of financial assets at amortized cost	(1,456)	-	(2,710)	-
Finance costs (Note 24)	(108,610)	(1)	(102,132)	(1)
Share of the profit of associates and joint ventures (Note 14)	82,628	1	38,836	-
Total non-operating income and expenses	97,776	1	(17,526)	(1)
PROFIT BEFORE INCOME TAX	707,185	7	226,566	2
INCOME TAX EXPENSE(Notes 4 and 25)	(246,666)	(2)	(92,919)	(1)
NET PROFIT FOR THE PERIOD	460,519	5	133,647	1

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 14, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	\$ 186,705	2	\$ 27,208	-
Remeasurement of defined benefit plans of associated and joint ventures accounted for using the equity method	1,585	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	170	-	(1,339)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statement of foreign operations	1,048,694	10	100,590	1
Share of the other comprehensive income (loss) of associates and joint ventures	65,300	1	5,507	-
Other comprehensive income (loss) for the period, net of income tax	1,302,454	13	131,966	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,762,973</u>	<u>18</u>	<u>\$ 265,613</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 445,718		\$ 136,717	
Non-controlling interests	14,801		(3,070)	
	<u>\$ 460,519</u>		<u>\$ 133,647</u>	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,748,974		\$ 266,100	
Non-controlling interests	13,999		(487)	
	<u>\$ 1,762,973</u>		<u>\$ 265,613</u>	
EARNINGS PER SHARE (Note 26)				
Basic	\$ 0.38		\$ 0.12	
Diluted	0.38		0.12	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 10, 2024)

Eternal Materials Co., Ltd. and Subsidiaries

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

	Equity Attributable to Owners of the Company										
	Retained Earnings					Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	\$ 11,782,655	\$ 664,785	\$ 5,083,381	\$ 977,601	\$ 7,584,997	(\$ 1,886,840)	\$ 528,051	(\$ 1,358,789)	\$ 24,734,630	\$ 481,339	\$ 25,215,969
Appropriation of 2023 earnings(Note 22)											
Cash dividends—NT\$ 0.8 per share	-	-	-	-	(942,612)	-	-	-	(942,612)	-	(942,612)
Net profit for the three months ended March 31, 2024	-	-	-	-	445,718	-	-	-	445,718	14,801	460,519
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	1,585	1,114,796	186,875	1,301,671	1,303,256	(802)	1,302,454
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	447,303	1,114,796	186,875	1,301,671	1,748,974	13,999	1,762,973
Changes in ownership interests in subsidiaries	-	1,448	-	-	-	309	-	309	1,757	1,438	3,195
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(1,105)	-	1,105	1,105	-	-	-
BALANCE AT MARCH 31, 2024	\$ 11,782,655	\$ 666,233	\$ 5,083,381	\$ 977,601	\$ 7,088,583	(\$ 771,735)	\$ 716,031	(\$ 55,704)	\$ 25,542,749	\$ 496,776	\$ 26,039,525
BALANCE AT JANUARY 1, 2023	\$ 11,782,655	\$ 368,946	\$ 4,803,617	\$ 1,181,819	\$ 7,600,968	(\$ 1,335,011)	\$ 357,410	(\$ 977,601)	\$ 24,760,404	\$ 310,936	\$ 25,071,340
Appropriation of 2022 earnings(Note 22)											
Cash dividends—NT\$1.2 per share	-	-	-	-	(1,413,919)	-	-	-	(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)	-	2,773	-	-	-	-	-	-	2,773	-	2,773
Net profit for the three months ended March 31, 2023	-	-	-	-	136,717	-	-	-	136,717	(3,070)	133,647
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	103,514	25,869	129,383	129,383	2,583	131,966
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	136,717	103,514	25,869	129,383	266,100	(487)	265,613
BALANCE AT MARCH 31, 2023	\$ 11,782,655	\$ 371,719	\$ 4,803,617	\$ 1,181,819	\$ 6,323,766	(\$ 1,231,497)	\$ 383,279	(\$ 848,218)	\$ 23,615,358	\$ 310,449	\$ 23,925,807

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

(With Deloitte & Touche auditors' review report dated May 10, 2024)

Eternal Materials Co., Ltd. and Subsidiaries

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 707,185	\$ 226,566
Adjustments for:		
Depreciation expense	538,130	526,117
Amortization expense	4,609	5,434
Expected credit loss (reversal gain)	29,541	(2,804)
Net gain on fair value changes of financial assets at fair value through profit or loss	(828)	(1,757)
Finance costs	108,610	102,132
Loss on disposal of financial assets at amortized cost	1,456	2,710
Interest income	(24,624)	(29,110)
Share of the profit of associates and joint ventures	(82,628)	(38,836)
Loss on disposal of property, plant and equipment	1,241	1,312
Impairment loss recognized (reversed) on non-financial assets	(5,577)	930
Others	179	-
Changes in operating assets and liabilities		
Notes receivable	(394,553)	581,076
Notes receivable from related parties	6,001	(4,200)
Accounts receivable	450,025	1,518,322
Accounts receivable from related parties	(5,757)	(5,954)
Other receivables	(92,071)	(240,314)
Inventories	(181,028)	(44,546)
Other current assets	(23,109)	(8,792)
Contract liabilities	5,430	181,041
Notes payable	21,434	(47,843)
Accounts payable	(223,007)	127,454
Other payables	(117,788)	(282,394)
Other current liabilities	(13,856)	(11,575)
Other non-current liabilities	(63,157)	(23,809)
Cash generated from operations	645,858	2,531,160
Interest received	20,715	27,314
Dividends received	-	52,241
Interest paid	(105,822)	(100,413)
Income taxes paid	(166,793)	(394,207)
Net cash generated from operating activities	393,958	2,116,095

(Continued)

Eternal Materials Co., Ltd. and Subsidiaries

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	(\$ 50,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,196	-
Purchase of financial assets at fair value through profit or loss	(260,796)	(134,325)
Proceeds from disposal of financial assets at fair value through profit of loss	262,513	-
Proceeds from disposal of non-current assets held for sale	49,812	51,312
Payments for property, plant and equipment	(929,938)	(743,493)
Proceeds from disposal of property, plant and equipment	2,092	3,145
Payments for intangible assets	-	(1,142)
Decrease in long-term lease receivables	6,452	16,131
Decrease (Increase) in other financial assets	(133,222)	224,684
Increase in other non-current assets	(3,435)	(42,221)
Net cash used in investing activities	(1,005,326)	(675,909)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(391,842)	(250,549)
Proceeds from long-term borrowings	985,646	1,326,699
Repayments of long-term borrowings	(613,533)	(2,375,145)
Decrease in guarantee deposits received	(2,047)	(1,342)
Repayment of the principal portion of lease liabilities	(20,768)	(17,613)
Disposal of ownership interests in subsidiaries (without losing control)	3,195	-
Net cash used in financing activities	(39,349)	(1,317,950)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	167,607	(12,449)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(483,110)	109,787
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,382,309	5,450,766
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 5,899,199	\$ 5,560,553

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

	March 31	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 5,871,302	\$ 5,560,553
Cash and cash equivalents classified to non-current assets held for sale	27,897	-
Cash and cash equivalents in the consolidated statements of cash flows	\$ 5,899,199	\$ 5,560,553

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 10, 2024)

Eternal Materials Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 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 May 10, 2024.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

- b. The IFRS Accounting Standards 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 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025(Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after

January 1, 2025. Upon initial application of the amendments to IAS 21, the Company and its subsidiaries shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of consolidation

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

c. Other material accounting policies

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

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

Current assets include:

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

Current liabilities include:

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

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

2) Retirement Benefits

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

3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated on an interim period's pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 14,778	\$ 14,497	\$ 11,185
Checking accounts and demand deposits	5,190,727	5,123,505	3,891,821
Cash equivalents (investments with original maturities of three months or less)			
Time deposits	665,797	1,218,601	1,657,547
	<u>\$ 5,871,302</u>	<u>\$ 6,356,603</u>	<u>\$ 5,560,553</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets - current</u>			
Hybrid financial assets			
Structured time deposits	\$ -	\$ -	\$ 133,719
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,719</u>
<u>Financial assets - non-current</u>			
Non-derivative financial assets			
Mutual fund			
Pacven Walden Ventures V, L.P.	\$ 9,569	\$ 9,182	\$ 10,293
	<u>\$ 9,569</u>	<u>\$ 9,182</u>	<u>\$ 10,293</u>

The subsidiary entered into a structured time deposit contract with a bank. The entire contract was mandatorily classified as financial assets at FVTPL in accordance with IFRS 9, and the net gain from the contract was recorded as other gains and losses. The subsidiary already settled the structured time deposit contracts as of March 31, 2024 and December 31, 2023.

8. NOTES, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 5,090,541	\$ 4,512,991	\$ 4,875,685
Notes receivable from related parties	\$ 46,280	\$ 50,447	\$ 51,451
Accounts receivable	\$ 10,492,345	\$ 10,698,826	\$ 10,245,658
Less: Allowance for loss	(250,776)	(222,109)	(264,099)
	<u>\$ 10,241,569</u>	<u>\$ 10,476,717</u>	<u>\$ 9,981,559</u>
Accounts receivable from related parties	\$ 185,226	\$ 173,223	\$ 192,364
Less: Allowance for loss	(142)	(158)	(105)
	<u>\$ 185,084</u>	<u>\$ 173,065</u>	<u>\$ 192,259</u>
Other receivables	\$ 775,894	\$ 668,561	\$ 894,532
Less: Allowance for loss	(29,800)	(29,800)	(29,800)
	<u>\$ 746,094</u>	<u>\$ 638,761</u>	<u>\$ 864,732</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 29.

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

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

March 31, 2024

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 14,200,904	\$ 621,240	\$ 623,698	\$ 176,641	\$ 191,909	\$ 15,814,392
Loss allowance (lifetime ECL)	(7,266)	(5,347)	(20,121)	(29,474)	(188,710)	(250,918)
Amortized cost	<u>\$ 14,193,638</u>	<u>\$ 615,893</u>	<u>\$ 603,577</u>	<u>\$ 147,167</u>	<u>\$ 3,199</u>	<u>\$ 15,563,474</u>

December 31, 2023

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

March 31, 2023

	Not Past Due	0 to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 14,059,816	\$ 437,191	\$ 463,492	\$ 187,250	\$ 217,409	\$ 15,365,158
Loss allowance (lifetime ECL)	(5,940)	(2,336)	(9,227)	(29,292)	(217,409)	(264,204)
Amortized cost	<u>\$ 14,053,876</u>	<u>\$ 434,855</u>	<u>\$ 454,265</u>	<u>\$ 157,958</u>	<u>\$ -</u>	<u>\$ 15,100,954</u>

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

	For the Three Months Ended March 31	
	2024	2023
Balance, beginning of the period	\$ 222,267	\$ 266,258
Recognized (Reversed)	29,541	(2,804)
Written-off	(7,466)	(509)
Effects of foreign currency exchange differences	6,576	1,259
Balance, end of the period	<u>\$ 250,918</u>	<u>\$ 264,204</u>

b. Other receivables

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

9. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 3,165,081	\$ 3,077,555	\$ 3,634,542
Supplies	134,152	128,349	153,350
Finished goods	5,036,659	4,772,596	5,705,673
Work in progress	201,471	207,783	18,988
Inventory in transit	288,714	292,389	253,480
	<u>\$ 8,826,077</u>	<u>\$ 8,478,672</u>	<u>\$ 9,766,033</u>

The cost of inventories recognized as operating costs for the three months ended March 31, 2024 and 2023 was \$7,843,720 thousand and \$7,840,914 thousand, respectively, including reversal of write-down of inventories of \$5,577 thousand and write-down of inventories of \$930 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 procedure is expected to be completed within twelve months; therefore, the relevant assets and liabilities attributed to the subsidiary were reclassified as disposal groups held for sale and presented separately in the consolidated balance sheets. The major classes of assets and liabilities of the disposal groups held for sale were as follows:

	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 27,897	\$ 25,706
Accounts receivable, net	-	1,819
Other receivables	35	66
Other current assets - others	721	955
Property, plant and equipment	58,921	58,770
Right-of-use assets	1,430	1,386
Investment properties	81,091	81,432
Intangible assets	-	180
	<u> </u>	<u> </u>
Non-current assets held for sale	<u>\$ 170,095</u>	<u>\$ 170,314</u>
Other payables - others	\$ 1,524	\$ 1,569
Contract liabilities - current	-	252
Other non-current liabilities	751	722
	<u> </u>	<u> </u>
Liabilities directly associated with non-current assets held for sale	<u>\$ 2,275</u>	<u>\$ 2,543</u>

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 March 31, 2024, but the disposal price of this transaction was higher than the carrying amount of the relevant net asset; therefore, no impairment loss should be recognized.

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. (Original name: ESCO Specialty Coatings (Shanghai) Co., Ltd.); therefore, the relevant assets and liabilities attributed to the associate were reclassified as disposal groups held for sale and presented separately in the consolidated balance sheets. The disposal was completed in May 2023 and the disposal price of this transaction was higher than the carrying amount of the relevant net assets; therefore, no impairment loss should be recognized. The major classes of assets and liabilities of the disposal groups held for sale were as follows:

	March 31, 2023
Non-current assets held for sale	
Other receivables (Note 30)	\$ 161,740
Liabilities directly associated with non-current assets held for sale	
Credit balance of investments accounted for using the equity method	46,175

11. OTHER FINANCIAL ASSETS - CURRENT

	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits with original maturities of more than three months	\$ 1,451,852	\$ 1,266,764	\$ 1,002,402
Restricted time deposit	252	242	-
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 1,452,104</u>	<u>\$ 1,267,006</u>	<u>\$ 1,002,402</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Domestic investments			
Listed shares			
President Securities Corp.	\$ 820,822	\$ 655,657	\$ 537,205
Unlisted shares			
Universal Venture Capital Investment Corp.	54,809	52,949	48,275
Der Yang Biotechnology Venture Capital Co., Ltd.	-	2,979	2,748
Research Innovation Capital Corporation	48,996	49,374	49,814
	<u>924,627</u>	<u>760,959</u>	<u>638,042</u>
Foreign investments			
Unlisted shares			
Grace THW Holding Limited	272,468	239,455	196,851
TBG Diagnostics Limited	37,575	38,427	63,296
	<u>310,043</u>	<u>277,882</u>	<u>260,147</u>
	<u>\$ 1,234,670</u>	<u>\$ 1,038,841</u>	<u>\$ 898,189</u>

The Company participated in cash capital increase of Research Innovation Capital Corporation. As of March 31, 2024, the Company holds a 29.76% interest in it. Because the fundraising of Research Innovation Capital Corporation has not yet been completed, and taking into account the capital plan of Research Innovation Capital Corporation, the Company expects the percentage of its interests in Research Innovation Capital Corporation to be less than 20%. Therefore, the Company does not have a significant influence on Research Innovation Capital Corporation.

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

13. SUBSIDIARIES

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

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Remarks
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Eternal Holdings Inc.	International investment	100	100	100	1)
	Eternal Global (BVI) Co., Ltd.	International investment	100	100	100	1)
	Mixville Holdings Inc.	International investment	100	100	100	1)
	CHOU-KOU Materials Co., Ltd.	Selling, trading and providing services of resins material, electronic material and other related products; manufacturing and selling of dry film photoresist	100	100	100	1)
	Eternal Electronic Material (Thailand) Co., Ltd.	Trading services, cutting and selling of dry film photoresist	75	75	75	1)
	New E Materials Co., Ltd.	Researching, developing, manufacturing and selling of photoelectric, semiconductor process related electronic chemical materials and equipment spare parts	62.80	62.80	62.80	1)

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Remarks
			March 31, 2024	December 31, 2023	March 31, 2023	
	Eternal Precision Mechanics Co., Ltd.	Manufacturing and selling of vacuum laminator	84.52	84.61	100.00	1)
	Elga Europe S.r.l.	Manufacturing, selling, distribution and processing of electronic chemical products	72.68	72.68	72.68	1)
	Eternal Technology Corporation	Manufacturing and selling of photoresist; selling of chemical products	100	100	-	1) and 2)
Eternal Global (BVI) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Manufacturing and selling of resins material and processing products	100	100	100	
Eternal Holdings Inc.	Eternal International (BVI) Co., Ltd.	International investment	100	100	100	1)
	E-Chem Corp.	International investment	100	100	100	1)
	Eternal Nanyang Investment Co., Ltd.	International investment	90	90	90	1)
	PT Eternal Materials Indonesia	Trading of chemical products	67	67	67	1)
	Eternal Materials India Private Limited	Trading of chemical products	99	99	-	1) and 3)
Eternal International (BVI) Co., Ltd.	Eternal Technology Corporation	Manufacturing and selling of photoresist; selling of chemical products	-	-	100	1) and 2)
	Eternal (China) Investment Co., Ltd.	Managing, investing consulting services, researching, leasing, manufacturing and selling of resins material and photoelectric chemical materials	100	100	100	1)
E-Chem Corp.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Manufacturing and selling of acrylic resin and methacrylic acid	90	90	90	
	Eternal Materials India Private Limited	Trading of chemical products	1	1	-	1) and 3)
Eternal Nanyang Investment Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	Manufacturing, selling, trading and providing services of resins material and chemical related products	100	100	100	1)
Mixville Holdings Inc.	High Expectation Limited	International investment	100	100	100	1)
High Expectation Limited	Eternal Materials (Guangdong) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing of products	100	100	100	1)
Eternal (China) Investment Co., Ltd.	Eternal Optical Material (Suzhou) Co., Ltd.	Manufacturing and selling of optical films, and leasing business	100	100	100	1) and Note 10
	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Researching, developing and manufacturing of photoresist dry film, liquid photo imaginable solder masks and printed circuit board related materials	100	100	100	1)
	Eternal Synthetic Resins (Changshu) Co., Ltd.	Manufacturing and selling of unsaturated polyester resin	100	100	100	1)
	Eternal Chemical (Chengdu) Co., Ltd.	Researching, manufacturing and selling of resins material	100	100	100	1)
	Eternal Electronic (Suzhou) Co., Ltd.	Researching, developing, and manufacturing of dry film photoresist and dry film solder mask which used in electronic materials, researching resin materials and selling, providing after sales service of self-produced products	100	100	100	1)
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Researching, developing, manufacturing and selling of electronic high-tech chemical and related products	100	100	100	
	Eternal Chemical (Tianjin) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	100	100	100	1)
	Eternal Specialty Materials (Suzhou) Co., Ltd.	Researching and developing chemical products, and selling, providing technical services of self-produced products	100	100	100	
	Elga Europe S.r.l.	Manufacturing, selling, distribution and processing of electronic chemical products	22.32	22.32	22.32	1)
	Eternal Material Industry (Tongling) Co., Ltd.	Manufacturing, selling and providing technical services of products related to resins material	100	100	100	1)
Eternal Precision Mechanics Co., Ltd.	Nikko-Materials Co., Ltd.	Manufacturing and selling of vacuum laminator	100	100	100	1)
	Eternal Precision Mechanics (Guangzhou) Ltd.	Manufacturing and selling of calculators, telecommunication and other electronic equipment	100	100	-	1) and 4)

(Concluded)

1) This is an immaterial subsidiary for which its financial statements are not reviewed by the Company's independent auditors.

- 2) The subsidiary Eternal International (BVI) Co., Ltd. had a reorganization in July 2023 to transfer the equity interest of the subsidiary Eternal Technology Corporation to the Company.
 - 3) The company was established as a new subsidiary in August 2023.
 - 4) The company was established as a new subsidiary in September 2023.
- b. The Company and its subsidiaries did not have any subsidiary with material non-controlling interests.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Associates that are not individually material	<u>\$ 2,617,720</u>	<u>\$ 2,468,207</u>	<u>\$ 2,375,901</u>

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

	For the Three Months Ended March 31	
	2024	2023
The Company and its subsidiaries' share of		
Net profit for the period	\$ 82,628	\$ 38,836
Other comprehensive income for the period	<u>66,885</u>	<u>5,507</u>
Total comprehensive income for the period	<u>\$ 149,513</u>	<u>\$ 44,343</u>

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

Name of Associate	March 31, 2024	December 31, 2023	March 31, 2023
Daxin Materials Corporation	<u>\$ 3,560,419</u>	<u>\$ 2,325,985</u>	<u>\$ 1,953,546</u>

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

The Company and its subsidiaries' investments accounted for using the equity method as of March 31, 2024 and 2023 are based on the associates' financial statements which have not been reviewed by independent auditors for the same period.

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

15. PROPERTY, PLANT AND EQUIPMENT

For the Three Months Ended March 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	\$ 2,712,872	\$ 4,629,869	\$ 5,992,543	\$ 661,205	\$ 500,961	\$ 266,878	\$ 3,558,592	\$18,322,920
Cost								
Balance at January 1, 2024	\$ 2,712,872	\$11,774,346	\$23,535,543	\$ 1,688,065	\$ 1,817,490	\$ 954,402	\$ 3,558,592	\$46,041,310
Additions	-	558,130	644,598	54,251	14,755	10,808	(477,984)	804,558
Disposals	-	(805)	(27,986)	(3,589)	(16,269)	(3,281)	-	(51,930)
Transferred to investment properties	-	-	-	-	-	-	(261)	(261)
Effect of foreign currency exchange difference	3,422	292,449	481,745	35,432	17,614	26,261	89,353	946,276
Balance at March 31, 2024	\$ 2,716,294	\$12,624,120	\$24,633,900	\$ 1,774,159	\$ 1,833,590	\$ 988,190	\$ 3,169,700	\$47,739,953
Accumulated depreciation and impairment								
Balance at January 1, 2024	\$ -	\$ 7,144,477	\$17,543,000	\$ 1,026,860	\$ 1,316,529	\$ 687,524	\$ -	\$27,718,390
Depreciation	-	129,434	292,805	19,801	30,596	19,979	-	492,615
Disposals	-	(742)	(25,312)	(3,574)	(15,733)	(3,202)	-	(48,563)
Effect of foreign currency exchange difference	-	158,072	335,030	21,718	12,448	18,760	-	546,028
Balance at March 31, 2024	\$ -	\$ 7,431,241	\$18,145,523	\$ 1,064,805	\$ 1,343,840	\$ 723,061	\$ -	\$28,708,470
Carrying amount at March 31, 2024	\$ 2,716,294	\$ 5,192,879	\$ 6,488,377	\$ 709,354	\$ 489,750	\$ 265,129	\$ 3,169,700	\$19,031,483

For the Three Months Ended March 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	\$ 2,705,522	\$ 4,887,232	\$ 6,093,148	\$ 673,854	\$ 524,164	\$ 299,695	\$ 2,289,335	\$17,472,950
Cost								
Balance at January 1, 2023	\$ 2,705,522	\$11,653,533	\$22,972,582	\$ 1,658,571	\$ 1,786,946	\$ 957,333	\$ 2,289,335	\$44,023,822
Additions	-	93,053	208,756	20,145	10,144	10,041	300,655	642,794
Disposals	-	(1,372)	(29,995)	(13,889)	(17,153)	(11,249)	-	(73,658)
Transferred to investment properties	-	-	-	-	-	-	(976)	(976)
Effect of foreign currency exchange difference	2,547	25,447	45,711	3,084	2,066	2,697	3,860	85,412
Balance at March 31, 2023	\$ 2,708,069	\$11,770,661	\$23,197,054	\$ 1,667,911	\$ 1,782,003	\$ 958,822	\$ 2,592,874	\$44,677,394
Accumulated depreciation and impairment								
Balance at January 1, 2023	\$ -	\$ 6,766,301	\$16,879,434	\$ 984,717	\$ 1,262,782	\$ 657,638	\$ -	\$26,550,872
Depreciation	-	128,035	285,284	19,080	31,554	19,374	-	483,327
Disposals	-	(1,152)	(28,055)	(13,405)	(16,962)	(10,945)	-	(70,519)
Effect of foreign currency exchange difference	-	15,730	36,648	1,866	1,519	1,840	-	57,603
Balance at March 31, 2023	\$ -	\$ 6,908,914	\$17,173,311	\$ 992,258	\$ 1,278,893	\$ 667,907	\$ -	\$27,021,283
Carrying amount at March 31, 2023	\$ 2,708,069	\$ 4,861,747	\$ 6,023,743	\$ 675,653	\$ 503,110	\$ 290,915	\$ 2,592,874	\$17,656,111

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

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

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Land	\$ 1,440,810	\$ 1,410,010	\$ 1,109,342
Buildings	98,595	107,719	75,775
Machinery and equipment	96,939	105,612	137,891
Storage equipment	14,676	16,153	10,278
Other equipment	17,015	19,011	17,796
	<u>\$ 1,668,035</u>	<u>\$ 1,658,505</u>	<u>\$ 1,351,082</u>
		For the Three Months Ended March 31	
		2024	2023
Additions to right-of-use assets		<u>\$ 2,522</u>	<u>\$ 56,100</u>
Depreciation charge for right-of-use assets			
Land		\$ 8,547	\$ 6,976
Buildings		9,947	11,671
Machinery and equipment		6,184	6,486
Storage equipment		1,654	751
Other equipment		2,488	2,106
		<u>\$ 28,820</u>	<u>\$ 27,990</u>

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

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Current	\$ 79,153	\$ 81,604	\$ 54,502
Non-current	<u>\$ 150,433</u>	<u>\$ 169,040</u>	<u>\$ 198,119</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.72~6.66	1.72~6.66	0.93~6.66
Buildings	0.86~6.09	0.86~6.09	0.63~4.60

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Machinery and equipment	0.22~6.58	0.22~6.58	0.22~6.58
Storage equipment	1.63~3.78	1.63~3.78	1.63~3.78
Other equipment	0.69~6.16	0.69~6.16	0.63~4.60

(Concluded)

c. Material lease activities and terms

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

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term and low-value asset leases	\$ 39,603	\$ 38,596
Total cash outflow for all lease arrangements (including short-term and low-value asset leases)	\$ 61,714	\$ 56,665

17. INVESTMENT PROPERTIES

For the Three Months Ended March 31, 2024

	Land	Buildings	Right-of-use Assets	Total
Carrying amount at January 1, 2024	\$ 50,923	\$1,108,809	\$ 61,590	\$1,221,322
<u>Cost</u>				
Balance at January 1, 2024	\$ 50,923	\$1,407,452	\$ 72,174	\$1,530,549
Transferred from property, plant and equipment	-	261	-	261
Effects of foreign currency exchange differences	(796)	52,480	2,914	54,598
Balance at March 31, 2024	\$ 50,127	\$1,460,193	\$ 75,088	\$1,585,408
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2024	\$ -	\$ 298,643	\$ 10,584	\$ 309,227
Depreciation	-	10,488	533	11,021
Effect of foreign currency exchange differences	-	11,341	445	11,786
Balance at March 31, 2024	\$ -	\$ 320,472	\$ 11,562	\$ 332,034
Carrying amount at March 31, 2024	\$ 50,127	\$1,139,721	\$ 63,526	\$1,253,374

For the Three Months Ended March 31, 2023

	Land	Buildings	Right-of-use Assets	Total
Carrying amount at January 1, 2023	\$ 53,386	\$1,263,803	\$ 68,329	\$1,385,518
<u>Cost</u>				
Balance at January 1, 2023	\$ 53,386	\$1,674,171	\$ 77,392	\$1,804,949
Transferred from property, plant and equipment	-	976	-	976
Effects of foreign currency exchange differences	(557)	7,159	382	6,984
Balance at March 31, 2023	\$ 52,829	\$1,682,306	\$ 77,774	\$1,812,909
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ -	\$ 410,368	\$ 9,063	\$ 419,431
Depreciation	-	14,230	570	14,800
Effect of foreign currency exchange differences	-	1,681	44	1,725
Balance at March 31, 2023	\$ -	\$ 426,279	\$ 9,677	\$ 435,956
Carrying amount at March 31, 2023	\$ 52,829	\$1,256,027	\$ 68,097	\$1,376,953

The investment properties were leased for terms of 1 to 15 years.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 147,040	\$ 164,767	\$ 197,915
Year 2	115,552	107,344	105,225
Year 3	116,945	112,222	94,058
Year 4	115,307	111,148	94,577
Year 5	102,357	103,608	92,808
Year 6 onwards	120,137	138,544	193,091
	\$ 717,338	\$ 737,633	\$ 777,674

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:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value	\$ 3,233,014	\$ 3,124,939	\$ 3,385,897

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

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

Operating income and expenses directly related to investment properties

	For the Three Months Ended March 31	
	2024	2023
Rental income	\$ 48,772	\$ 66,152
Operating expenses directly related to investment properties	\$ 21,743	\$ 31,715

18. INTANGIBLE ASSETS

For the Three Months Ended March 31, 2024

	Goodwill	Expertise	Customer Relationships	Computer Software	Others	Total
Carrying amount at January 1, 2024	\$ 30,474	\$ -	\$ -	\$195,164	\$ 6,005	\$231,643
<u>Cost</u>						
Balance at January 1, 2024	\$ 67,474	\$127,513	\$ 104,038	\$259,886	\$101,913	\$660,824
Disposals	-	-	-	-	(282)	(282)
Effects of foreign currency exchange differences	(724)	-	-	(8)	5,476	4,744
Balance at March 31, 2024	\$ 66,750	\$127,513	\$ 104,038	\$259,878	\$107,107	\$665,286
<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	-	-	-	3,826	508	4,334
Disposals	-	-	-	-	(282)	(282)
Effects of foreign currency exchange differences	-	-	-	(33)	5,287	5,254
Balance at March 31, 2024	\$ 37,000	\$127,513	\$ 104,038	\$ 68,515	\$101,421	\$438,487
Carrying amount at March 31, 2024	\$ 29,750	\$ -	\$ -	\$191,363	\$ 5,686	\$226,799

For the Three Months Ended March 31, 2023

	Goodwill	Expertise	Customer Relationships	Computer Software	Others	Total
Carrying amount at January 1, 2023	\$ 32,713	\$ -	\$ -	\$206,659	\$ 9,458	\$248,830
<u>Cost</u>						
Balance at January 1, 2023	\$ 69,713	\$127,513	\$ 104,038	\$253,775	\$105,183	\$660,222
Additions	-	-	-	-	1,142	1,142
Effects of foreign currency exchange differences	(507)	-	-	4	3,173	2,670
Balance at March 31, 2023	\$ 69,206	\$127,513	\$ 104,038	\$253,779	\$109,498	\$664,034
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2023	\$ 37,000	\$127,513	\$ 104,038	\$ 47,116	\$ 95,725	\$411,392
Amortization expense	-	-	-	4,206	884	5,090
Effects of foreign currency exchange differences	-	-	-	-	3,171	3,171
Balance at March 31, 2023	\$ 37,000	\$127,513	\$ 104,038	\$ 51,322	\$ 99,780	\$419,653
Carrying amount at March 31, 2023	\$ 32,206	\$ -	\$ -	\$202,457	\$ 9,718	\$244,381

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

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

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

19. FINANCE LEASE RECEIVABLES

The lease period of the Company and its subsidiaries' lease contracts for both renovation works and machinery and equipment is ten-year, and the implicit interest rate range of the leases is 4.82%-6.23%. The Company and its subsidiaries entered into a lease agreement with an associate Allnex - Eternal Resins (Guangdong) Co., Ltd. for the leasing out of machinery and equipment for ten years, and the implicit interest rate in the lease was 6.23%. This agreement was deemed as a sales agreement. The gain on disposal will be deferred and subsequently recognized as profit over the lease term. The balance of finance lease receivables from related parties generated from the aforementioned transactions was \$7,882 thousand, \$9,405 thousand, and \$9,154 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Undiscounted lease payments			
Year 1	\$ 19,050	\$ 18,680	\$ 18,716
Year 2	19,338	18,588	19,094
Year 3	19,242	18,495	18,999
Year 4	19,146	18,403	18,905
Year 5	17,024	18,310	18,810
Year 6 onwards	18,442	21,818	34,845
	<u>112,242</u>	<u>114,294</u>	<u>129,369</u>
Less: Unearned financial income	(14,748)	(15,726)	(20,009)
Finance lease receivable (recorded as other non-current assets - others)	<u>\$ 97,494</u>	<u>\$ 98,568</u>	<u>\$ 109,360</u>

20. BORROWINGS

a. Short-term borrowings

Type of Borrowings	Interest Rate Range (%)	Amount
March 31, 2024		
Mortgage secured loans	1.12~2.50	\$ 128,345
Unsecured loans	0.58~6.07	3,312,701
Purchase loans	4.25~6.86	236,135
Secured loans	4.18~5.06	<u>1,544,001</u>
		<u>\$ 5,221,182</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>
March 31, 2023		
Mortgage secured loans	1.13~3.10	\$ 179,524
Unsecured loans	0.58~5.97	3,078,532
Purchase loans	5.77~6.34	187,062
Secured loans	1.07~6.22	<u>1,668,790</u>
		<u>\$ 5,113,908</u>

b. Long-term borrowings

Type of Borrowings	Agreement Period and Interest Payable Schedule	Interest Rate Range (%)	Amount
March 31, 2024			
Mortgage secured loans	From December 17, 2010 to December 31, 2025. Interest is paid based on schedule.	1.60~1.75	\$ 22,831
Secured loans	From July 14, 2023 to April 1, 2031. Interest is paid based on schedule.	3.05~6.18	1,855,537
Unsecured loans	From May 31, 2021 to December 6, 2026. Interest is paid based on schedule.	1.06~3.50	8,667,563
			<u>10,545,931</u>
Less: Current portion			<u>(1,246,882)</u>
			<u>\$ 9,299,049</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>
March 31, 2023			
Mortgage secured loans	From December 17, 2010 to December 31, 2025. Interest is paid based on schedule.	0.86~1.75	\$ 34,874
Secured loans	From November 25, 2020 to November 25, 2025. Interest is paid based on schedule.	5.71~5.86	1,309,350
Unsecured loans	From October 2, 2017 to November 23, 2025. Interest is paid based on schedule.	1.05~3.43	9,115,041
			<u>10,459,265</u>
Less: Current portion			<u>(3,005,970)</u>
			<u>\$ 7,453,295</u>

c. Facility agreements and financial covenants

- 1) During the period of the credit facility agreements, the Company and its subsidiaries made agreements with the creditors that the current ratio, liability ratio, interest coverage ratio and net tangible assets of the consolidated financial statements will be maintained within a certain specified ratio or amount and reviewed at least once a year. If the Company or its subsidiaries breach these clauses, the bank and syndicated banks can cancel the credit line or declare that part or all of the loan together with accrued interest is immediately due. The Company and its subsidiaries were in compliance with the syndicated credit facility agreements based on its consolidated financial statements for the years ended December 31, 2023 and 2022.
- 2) As of March 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	\$ 900,000
CTBC Bank Co., Ltd.	NTD	450,000
Far Eastern International Bank Co., Ltd.	NTD	650,000

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

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

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

d. Bonds Payable

	March 31, 2024	December 31, 2023	March 31, 2023
5 year secured bonds - issued at par value			
Issued in November 2019; interest at 0.82%; principal repayable at maturity and interest payable annually	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Less: Issuance cost	(730)	(1,031)	(1,942)
	<u>2,999,270</u>	<u>2,998,969</u>	<u>2,998,058</u>
5 year secured bonds - issued at par value			
Issued in August 2021; interest rate at 0.58%; principal repayable at maturity and interest payable annually	2,500,000	2,500,000	2,500,000
Less: Issuance cost	(2,539)	(2,797)	(3,583)
	<u>2,497,461</u>	<u>2,497,203</u>	<u>2,496,417</u>
	5,496,731	5,496,172	5,494,475

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Less: Current portion	(\$ 2,999,270)	(\$ 2,998,969)	\$ -
	<u>\$ 2,497,461</u>	<u>\$ 2,497,203</u>	<u>\$ 5,494,475</u>

(Concluded)

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

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

21. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, the pension expenses of defined benefit plans were \$5,396 thousand and \$7,791 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

22. EQUITY

a. Share capital

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

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset deficit, distributed as cash or transferred to share capital (Note 1)			
Additional paid-in capital	\$ 309,017	\$ 309,017	\$ 309,017
Treasury share transactions	19,642	19,642	19,642
Difference between the consideration received or paid and the carrying amount of the subsidiaries during actual disposal or acquisition	12,872	12,872	12,872
	<u>341,531</u>	<u>341,531</u>	<u>341,531</u>

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset deficit only			
Share of changes in equities of associates or joint ventures	\$ 27,357	\$ 27,357	\$ 27,357
Changes in percentage of ownership interests in subsidiaries (Note 2)	293,939	292,491	-
Others	58	58	58
	<u>321,354</u>	<u>319,906</u>	<u>27,415</u>
May not be used for any purpose			
Share of changes in equities of associates or joint ventures	3,348	3,348	2,773
	<u>\$ 666,233</u>	<u>\$ 664,785</u>	<u>\$ 371,719</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 March 31, 2024, December 31, 2023 and March 31, 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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 of 2023 and 2022 were resolved by the Company's board of directors in March 2024 and 2023, respectively. The other proposed appropriations for 2022 were approved by the shareholders in their meeting in June 2023. The other proposed appropriations for 2023 are subject to the resolution of the shareholders in their meeting to be held in June 2024.

d. Other equity items

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

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Balance, beginning of the period	(\$ 1,886,840)	(\$ 1,335,011)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	1,049,496	98,007
Share of exchange differences of associates and joint ventures accounted for using the equity method	65,300	5,507
Other comprehensive income (loss) for the period	<u>1,114,796</u>	<u>103,514</u>
Partial disposal of subsidiaries	<u>309</u>	<u>-</u>
Balance, end of the period	<u>(\$ 771,735)</u>	<u>(\$ 1,231,497)</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

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Balance, beginning of the period	\$ 528,051	\$ 357,410
Recognized for the period		
Unrealized gains and losses - equity instruments	186,875	25,869

(Continued)

	For the Three Months Ended March 31	
	2024	2023
Reclassification adjustments		
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	\$ 1,105	\$ -
Balance, end of the period	<u>\$ 716,031</u>	<u>\$ 383,279</u>

(Concluded)

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance, beginning of the period	\$ 481,339	\$ 310,936
Share of net profit (loss) for the period	14,801	(3,070)
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign operations	(802)	2,583
Partial disposal of subsidiaries	1,438	-
Balance, end of the period	<u>\$ 496,776</u>	<u>\$ 310,449</u>

23. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 9,973,378	\$ 9,511,680
Lease revenue	47,167	63,812
	<u>\$ 10,020,545</u>	<u>\$ 9,575,492</u>

Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes and accounts receivable	<u>\$ 15,563,474</u>	<u>\$ 15,213,220</u>	<u>\$ 15,100,954</u>	<u>\$ 17,132,279</u>
Contract liabilities				
Sale of goods	<u>\$ 866,942</u>	<u>\$ 873,877</u>	<u>\$ 621,086</u>	<u>\$ 444,225</u>

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

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

	For the Three Months Ended March 31	
	2024	2023
From the balance of contract liabilities at the beginning of the period		
Sale of goods	\$ 270,388	\$ 121,778

24. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Interest on bank deposits	\$ 22,151	\$ 24,745
Others	2,473	4,365
	<u>\$ 24,624</u>	<u>\$ 29,110</u>

b. Other income

	For the Three Months Ended March 31	
	2024	2023
Subsidy income	\$ 32,372	\$ 15,344
Others	74,806	39,912
	<u>\$ 107,178</u>	<u>\$ 55,256</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Loss on disposal of property, plant and equipment	(\$ 1,241)	(\$ 1,312)
Gain on financial assets		
Financial assets at FVTPL	828	1,757
Finance fees	(12,719)	(11,539)
Net foreign exchange gains and losses	15,206	(15,170)
Others	(8,662)	(9,622)
	<u>(\$ 6,588)</u>	<u>(\$ 35,886)</u>

d. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest Expense		
Interest on loans	\$ 115,867	\$ 107,256
Interest on lease liabilities	1,343	456
Less: Amounts included in the cost of qualifying assets	(8,600)	(5,580)
	<u>\$ 108,610</u>	<u>\$ 102,132</u>

Information about capitalized interest was as follows:

	For the Three Months Ended March 31	
	2024	2023
Capitalized interest amount	<u>\$ 8,600</u>	<u>\$ 5,580</u>
Capitalization rates (%)	1.75~3.50	1.60~1.75

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
Property, plant and equipment	\$ 492,615	\$ 483,327
Investment properties	11,021	14,800
Right-of-use assets	28,820	27,990
Intangible assets	4,334	5,090
Other non-current assets - others	275	344
Non-current assets held for sale	5,674	-
	<u>\$ 542,739</u>	<u>\$ 531,551</u>
Analysis of depreciation by function		
Operating costs	\$ 413,988	\$ 415,948
Operating expenses	124,142	110,169
	<u>\$ 538,130</u>	<u>\$ 526,117</u>
Analysis of amortization by function		
Operating costs	\$ 304	\$ 395
Operating expenses	4,305	5,039
	<u>\$ 4,609</u>	<u>\$ 5,434</u>

f. Employee benefits

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits		
Salaries	\$ 960,165	\$ 968,725
Labor and health insurance	91,488	86,267
Others	82,577	82,321
	<u>1,134,230</u>	<u>1,137,313</u>
Post-employment benefits		
Defined contribution plans	63,423	62,965
Defined benefit plans (Note 21)	5,396	7,791
	<u>68,819</u>	<u>70,756</u>
	<u>\$ 1,203,049</u>	<u>\$ 1,208,069</u>
Analysis by function		
Operating costs	\$ 543,883	\$ 536,711
Operating expenses	659,166	671,358
	<u>\$ 1,203,049</u>	<u>\$ 1,208,069</u>

g. Compensation of employees and remuneration of directors

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

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	<u>\$ 24,855</u>	<u>\$ 6,665</u>
Remuneration of directors	<u>\$ 3,585</u>	<u>\$ 963</u>

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

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

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

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

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

25. INCOME TAX

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

	For the Three Months Ended March 31	
	2024	2023
Current tax	\$ 201,411	\$ 78,426
Deferred tax	45,255	14,493
	\$ 246,666	\$ 92,919

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

	For the Three Months Ended March 31	
	2024	2023
Deferred tax		
Recognized in the current period		
Unrealized gains and losses on financial assets at fair value through other comprehensive income	(\$ 170)	\$ 1,339

- c. Income tax assessment

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

26. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	\$ 0.38	\$ 0.12
Diluted earnings per share	\$ 0.38	\$ 0.12

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

Net Profit for the period

	For the Three Months Ended March 31	
	2024	2023
Net profit for the period attributable to owners of the Company	\$ 445,718	\$ 136,717

Number of ordinary shares

Unit: Thousand Shares

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,178,266	1,178,266
Effect of potentially dilutive ordinary shares		
Compensation of employees	2,567	3,167
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,180,833	1,181,433

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

27. CASH FLOW INFORMATION

a. Information on investment activities

	For the Three Months Ended March 31	
	2024	2023
Acquisition of property, plant and equipment	\$ 804,558	\$ 642,794
Decrease in payables for equipment	133,980	106,439
Increase in other non-current liabilities	-	(160)
	<u>938,538</u>	<u>749,073</u>
Capitalized interest	(8,600)	(5,580)
Cash paid	<u>\$ 929,938</u>	<u>\$ 743,493</u>

b. Changes in major liabilities arising from financing activities

For the three months ended March 31, 2024

	January 1, 2024	Cash Flows	Non-cash Changes		March 31, 2024
			Exchange Rate Adjustment	Issuance Cost	
Short-term borrowings	\$ 5,557,448	(\$ 391,842)	\$ 55,576	\$ -	\$ 5,221,182
Long-term borrowings	10,103,044	372,113	70,774	-	10,545,931
Bonds payable	5,496,172	-	-	559	5,496,731

For the three months ended March 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes		March 31, 2023
			Exchange Rate Adjustment	Issuance Cost	
Short-term borrowings	\$ 5,364,058	(\$ 250,549)	\$ 399	\$ -	\$ 5,113,908
Long-term borrowings	11,533,473	(1,048,446)	(25,762)	-	10,459,265
Bonds payable	5,493,921	-	-	554	5,494,475

28. CAPITAL MANAGEMENT

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

29. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>March 31, 2024</u>				
Financial instruments at FVTPL				
Mutual funds	\$ -	\$ -	\$ 9,569	\$ 9,569
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 820,822	\$ -	\$ -	\$ 820,822
Domestic and foreign unlisted shares	\$ -	\$ -	\$ 413,848	\$ 413,848
<u>December 31, 2023</u>				
Financial instruments at FVTPL				
Mutual funds	\$ -	\$ -	\$ 9,182	\$ 9,182
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 655,657	\$ -	\$ -	\$ 655,657
Domestic and foreign unlisted shares	\$ -	\$ -	\$ 383,184	\$ 383,184
<u>March 31, 2023</u>				
Financial instruments at FVTPL				
Structured Deposit	\$ -	\$ 133,719	\$ -	\$ 133,719
Mutual funds	\$ -	\$ -	\$ 10,293	\$ 10,293
Financial instruments at FVTOCI				
Equity instruments				
Domestic and foreign listed shares	\$ 537,205	\$ -	\$ -	\$ 537,205
Domestic and foreign unlisted shares	\$ -	\$ -	\$ 360,984	\$ 360,984

There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2024 and 2023.

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

For the Three Months Ended March 31, 2024

Financial assets	Mutual Funds Financial Assets at FVTPL	Stocks Financial Assets at FVTOCI	Total
Balance, beginning of the period	\$ 9,182	\$ 383,184	\$ 392,366
Recognized in other comprehensive income	-	21,539	21,539
Disposal	-	(1,196)	(1,196)
Effects of foreign currency exchange differences	387	10,321	10,708
Balance, end of the period	<u>\$ 9,569</u>	<u>\$ 413,848</u>	<u>\$ 423,417</u>

For the Three Months Ended March 31, 2023

Financial assets	Mutual Funds Financial Assets at FVTPL	Stocks Financial Assets at FVTOCI	Total
Balance, beginning of the period	\$ 9,402	\$ 300,457	\$ 309,859
Additions	-	50,000	50,000
Recognized in profit or loss (recorded as other gains and losses)	974	-	974
Recognized in other comprehensive income	-	12,193	12,193
Effects of foreign currency exchange differences	(83)	(1,666)	(1,749)
Balance, end of the period	<u>\$ 10,293</u>	<u>\$ 360,984</u>	<u>\$ 371,277</u>
Unrealized other gains and losses for the period	<u>\$ 974</u>		<u>\$ 974</u>

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

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

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

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

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily classified as at fair value through profit or loss	\$ 9,569	\$ 9,182	\$ 144,012
Financial assets at amortized cost (Note 1)	23,727,885	23,618,377	22,690,646
Financial assets at fair value through other comprehensive income - equity instruments	1,234,670	1,038,841	898,189
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	28,531,779	28,681,187	28,275,777

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

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

d. Financial risk management objectives and policies

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

1) Market risk

a) Foreign currency risk

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

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

Sensitivity analysis

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

	Impact on Profit or Loss	
	For the Three Months Ended March 31	
	2024	2023
<u>Foreign Currencies : Functional Currencies</u>		
Financial assets		
Monetary items		
USD:NTD	\$ 24,361	\$ 24,823
USD:RMB	8,540	6,071
USD:MYR	4,307	4,588
JPY:NTD	3,596	3,643
EUR:NTD	1,182	675
Financial liabilities		
Monetary items		
USD:NTD	20,323	17,353
USD:RMB	3,870	3,936
USD:MYR	3,000	4,017
JPY:NTD	1,943	3,204
USD:THB	1,304	318

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:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 2,233,651	\$ 2,602,302	\$ 2,787,500
Financial liabilities	5,726,317	5,746,816	7,097,096
Cash flow interest rate risk			
Financial assets	5,110,674	5,076,242	3,862,013
Financial liabilities	15,767,113	15,660,492	14,223,173

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 \$157,671 thousand and \$142,232 thousand at March 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 three months ended March 31, 2024 and 2023 would have increased/decreased by \$8,208 thousand and \$5,372 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.

March 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	\$ 5,259,074	\$ -	\$ -	\$ -	\$ -	\$ 5,259,074
Notes payable	832,198	-	-	-	-	832,198
Accounts payable	4,752,904	-	-	-	-	4,752,904
Dividend payable	942,612	-	-	-	-	942,612
Other payables	1,603,190	-	-	-	-	1,603,190
Lease liabilities	83,419	65,930	35,919	42,788	10,021	238,077
Long-term borrowings (including current portion)	4,171,652	3,460,748	1,697,914	1,811,457	23,774	11,165,545
Bonds payable (including current portion)	3,039,100	14,500	2,514,500	-	-	5,568,100
	<u>\$ 20,684,149</u>	<u>\$ 3,541,178</u>	<u>\$ 4,248,333</u>	<u>\$ 1,854,245</u>	<u>\$ 33,795</u>	<u>\$ 30,361,700</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>

March 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	\$ 5,150,685	\$ -	\$ -	\$ -	\$ -	\$ 5,150,685
Notes payable	582,630	-	-	-	-	582,630
Accounts payable	4,698,562	-	-	-	-	4,698,562
Dividend payable	1,413,919	-	-	-	-	1,413,919
Other payables	1,845,093	-	-	-	-	1,845,093
Lease liabilities	81,211	63,722	53,470	66,070	25,508	289,981
Long-term borrowings (including current portion)	5,037,957	2,154,956	3,607,070	-	-	10,799,983
Bonds payable	39,100	3,029,193	14,500	2,505,919	-	5,588,712
	<u>\$ 18,849,157</u>	<u>\$ 5,247,871</u>	<u>\$ 3,675,040</u>	<u>\$ 2,571,989</u>	<u>\$ 25,508</u>	<u>\$ 30,369,565</u>

e. Transfers of financial assets

Subsidiaries discounted notes receivable to banks for cash proceeds and transferred a portion of the banker's acceptance bills of receivables from China to vendors for repayment. If above financial assets are not recoverable at maturity, 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 March 31, 2024, December 31, 2023 and March 31, 2023, the carrying amount of the accounts receivable that have been transferred but have not been derecognized amounted to \$1,982,262 thousand, \$2,088,944 thousand and \$1,766,330 thousand, respectively, and the carrying amount of the related borrowings and payables were \$1,981,681 thousand, \$2,088,674 thousand and \$1,765,707 thousand, respectively.

30. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party names and relationships

<u>Related Party Name</u>	<u>Relationship</u>
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. (Original name: Showa Denko New Material (Zhuhai) Co., Ltd.)	Associate
Shanghai Dowill Paint Technology Co., Ltd. (Original name: ESCO Specialty Coatings (Shanghai) Co., Ltd.)	Associate (no longer a related party since June 2023)
Covestro Eternal Resins (Far East) Ltd.	Associate
Covestro Eternal Resins (Kunshan) Ltd.	Associate
Kwang Yang Motor Co., Ltd.	Key management personnel

b. Operating revenue

Account Item	Related Party Category	For the Three Months Ended March 31	
		2024	2023
Revenue from sales of goods	Associates	\$ 162,853	\$ 153,510

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

c. Purchase of goods

Related Party Category	For the Three Months Ended March 31	
	2024	2023
Associates	\$ 1,429	\$ 219

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

d. Other income

Related Party Category/Name	For the Three Months Ended March 31	
	2024	2023
Associates		
Allnex-Eternal Resins (Guangdong) Co., Ltd.	\$ 13,550	\$ 13,100
Others	3,080	2,652
Key management personnel	-	5
	\$ 16,630	\$ 15,757

Inclusive of rental income, service revenue and so on.

e. Receivables from related parties

Account Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Notes and accounts receivable	Associates	\$ 231,364	\$ 223,512	\$ 243,710

The receivables arose mainly from sales transactions; the receivables were not guaranteed, pledged and do not bear interest. As of March 31, 2024, December 31, 2023 and March 31, 2023, the balance of loss allowance of accounts receivable from related parties was \$142 thousand, \$158 thousand and \$105 thousand, respectively.

f. Payables to related parties

Account Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	Associates	\$ 236	\$ -	\$ 230

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

g. Loans to related parties

Account Item	Related Party Category / Name	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	Associates Eterkon Semiconductor Materials Co., Ltd.	\$ 108,245	\$ 104,045	\$ 106,349
Non-current assets held for sale	Associates Shanghai Dowill Paint Technology Co., Ltd.	-	-	161,740
		<u>\$ 108,245</u>	<u>\$ 104,045</u>	<u>\$ 268,089</u>

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

h. Dividends receivable

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

i. Compensation of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 23,501	\$ 19,197
Post-employment benefits	297	267
	<u>\$ 23,798</u>	<u>\$ 19,464</u>

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 1,982,262	\$ 2,088,944	\$ 1,766,330
Property, plant and equipment	268,699	267,336	262,980
Other financial assets – current and non-current (recorded as other non-current assets - others)			
Time deposit certificates and deposit of escrow account	18,507	18,369	18,191
	<u>\$ 2,269,468</u>	<u>\$ 2,374,649</u>	<u>\$ 2,047,501</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. The Company and its subsidiaries have issued but unused letters of credit with an aggregate amount of \$85,303 thousand as of March 31, 2024.
- b. The Company and its subsidiaries have contracts that were not yet incurred to purchase property, plant and equipment and intangible assets of \$2,185,104 thousand as of March 31, 2024.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currency (In Thousands)		Exchange Rate	Carrying Amount
<u>March 31, 2024</u>				
Financial assets				
Monetary items				
USD	\$ 76,129	32.0000	(USD:NTD)	\$ 2,436,128
USD	26,687	7.0950	(USD:RMB)	853,984
USD	13,460	4.7375	(USD:MYR)	430,720
JPY	1,701,216	0.2114	(JPY:NTD)	359,552
EUR	3,413	34.6227	(EUR:NTD)	118,167
Non-monetary items				
Investments accounted for using the equity method				
USD	923,000	32.0000	(USD:NTD)	29,536,006
RMB	5,906,286	0.1409	(RMB:USD)	26,638,647
RMB	29,487	4.5102	(RMB:NTD)	132,994
JPY	8,419,181	0.2114	(JPY:NTD)	1,779,394
MYR	233,593	0.2111	(MYR:USD)	1,577,832
THB	137,817	0.8840	(THB:NTD)	121,830

(Continued)

	Foreign Currency (In Thousands)		Exchange Rate	Carrying Amount
Financial liabilities				
Monetary items				
USD	\$ 63,509	32.0000	(USD:NTD)	\$ 2,032,288
USD	12,093	7.0950	(USD:RMB)	386,976
USD	9,374	4.7375	(USD:MYR)	299,968
JPY	919,430	0.2114	(JPY:NTD)	194,322
USD	4,076	36.4651	(USD:THB)	130,432
<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
<hr/> March 31, 2023 <hr/>				
Financial assets				
Monetary items				
USD	81,522	30.4500	(USD:NTD)	2,482,345
USD	19,936	6.8717	(USD:RMB)	607,051
USD	15,068	4.4150	(USD:MYR)	458,821
JPY	1,592,402	0.2288	(JPY:NTD)	364,342
Non-monetary items				
Investments accounted for using the equity method				
USD	937,191	30.4500	(USD:NTD)	28,537,463
RMB	5,947,667	0.1455	(RMB:USD)	26,355,421
JPY	5,664,773	0.2288	(JPY:NTD)	1,296,100
MYR	251,377	0.2265	(MYR:USD)	1,733,732
THB	150,977	0.8973	(THB:NTD)	135,472

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount
Financial liabilities				
Monetary items				
USD	\$ 56,989	30.4500	(USD:NTD)	\$ 1,735,315
USD	12,925	6.8717	(USD:RMB)	393,566
USD	13,191	4.4150	(USD:MYR)	401,666
JPY	1,400,455	0.2288	(JPY:NTD)	320,424
				(Concluded)

The total realized and unrealized foreign exchange gains and losses were a gain of \$15,206 thousand and a loss of \$15,170 thousand for the three months ended March 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 foreign exchange gains and losses in aggregate.

35. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

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

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 5)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 5)
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None
- c. Information of major shareholders: list of the shareholders with ownership of 5% or greater, showing the names, the number of shares and percentage of ownership held by each shareholder. (Table 10)

36. SEGMENT INFORMATION

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

- Resins Materials

Mainly operating variety of industrial resins materials.

- Electronic Materials

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

- High Performance Materials

Mainly operating UV - light curing raw material.

- Others

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

Segment revenues and operating results

The Company and its subsidiaries' segment profit (loss) is 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 three months ended March 31, 2024</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 4,688,055	\$ 2,686,911	\$ 2,595,805	\$ 2,607	\$ -	\$ 9,973,378
Revenue from the rental service	-	410	-	46,757	-	47,167
Inter-segment revenues	496,949	611,789	436,688	658	(1,546,084)	-
Total revenue	<u>\$ 5,185,004</u>	<u>\$ 3,299,110</u>	<u>\$ 3,032,493</u>	<u>\$ 50,022</u>	<u>(\$ 1,546,084)</u>	<u>\$ 10,020,545</u>
Segment operating profit (loss)	<u>\$ 129,085</u>	<u>\$ 297,389</u>	<u>\$ 345,729</u>	<u>(\$ 162,794)</u>	<u>\$ -</u>	<u>\$ 609,409</u>
<u>For the three months ended March 31, 2023</u>						
Revenues from external customers						
Revenue from the sale of goods	\$ 5,068,130	\$ 2,550,999	\$ 1,873,679	\$ 18,872	\$ -	\$ 9,511,680
Revenue from the rental service	-	7,103	-	56,709	-	63,812
Inter-segment revenues	539,854	585,787	319,442	668	(1,445,751)	-
Total revenue	<u>\$ 5,607,984</u>	<u>\$ 3,143,889</u>	<u>\$ 2,193,121</u>	<u>\$ 76,249</u>	<u>(\$ 1,445,751)</u>	<u>\$ 9,575,492</u>
Segment operating profit (loss)	<u>\$ 92,889</u>	<u>\$ 118,292</u>	<u>\$ 144,051</u>	<u>(\$ 111,140)</u>	<u>\$ -</u>	<u>\$ 244,092</u>

Eternal Materials Co., Ltd. and Subsidiaries

**FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 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	\$ -	-	\$ -	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Materials (Guangdong) Co., Ltd.	Other receivables from related parties	Y	90,204	-	-	-	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Specialty Materials (Suzhou) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	880,924	-	-	-	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	1,578,577	1,127,555	510,208	1.76-2.93	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Other receivables from related parties	Y	67,653	-	-	-	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
1	Eternal Chemical (China) Co., Ltd.	Eternal Optical Material (Suzhou) Co., Ltd.	Other receivables from related parties	Y	44,046	-	-	-	2	-	Operating needs	-	-	-	9,455,503	9,455,503	Note 6
2	Eternal Materials (Guangdong) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	7,025,262	7,025,262	Note 5
2	Eternal Materials (Guangdong) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	360,818	360,818	-	-	2	-	Operating needs	-	-	-	7,025,262	7,025,262	Note 5
3	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	Other receivables from related parties	Y	1,664,000	1,664,000	1,664,000	5.55-5.65	2	-	Operating needs	-	-	-	41,640,184	41,640,184	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	451,022	-	-	-	2	-	Operating needs	-	-	-	30,780,166	30,780,166	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	Other receivables from related parties	Y	992,248	992,248	801,402	2.76	2	-	Operating needs	-	-	-	30,780,166	30,780,166	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	Other receivables from related parties	Y	1,172,657	1,172,657	531,145	2.76-3.10	2	-	Operating needs	-	-	-	30,780,166	30,780,166	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	Other receivables from related parties	Y	1,262,862	1,262,862	669,282	2.76-3.10	2	-	Operating needs	-	-	-	30,780,166	30,780,166	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	Other receivables from related parties	Y	1,353,066	1,353,066	451,417	2.76-3.10	2	-	Operating needs	-	-	-	30,780,166	30,780,166	Note 5
4	Eternal (China) Investment Co., Ltd.	Eterkon Semiconductor Materials Co., Ltd.	Other receivables from related parties	Y	216,491	216,491	108,245	3.65	2	-	Operating needs	-	-	-	6,156,033	6,156,033	Note 7
4	Eternal (China) Investment Co., Ltd.	Eternal Specialty Materials (Suzhou) Co., Ltd.	Other receivables from related parties	Y	225,511	225,511	-	-	2	-	Operating needs	-	-	-	30,780,166	30,780,166	Note 5
4	Eternal (China) Investment Co., Ltd.	Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Other receivables from related parties	Y	67,653	67,653	-	-	2	-	Operating needs	-	-	-	30,780,166	30,780,166	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	-	-	-	8,009,797	8,009,797	Note 6
5	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	676,533	676,533	317,134	1.76	2	-	Operating needs	-	-	-	8,009,797	8,009,797	Note 6
6	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	3,666,708	3,666,708	Note 6
6	Eternal Specialty Materials (Suzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	451,022	451,022	49	1.76	2	-	Operating needs	-	-	-	3,666,708	3,666,708	Note 6
7	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal Chemical (China) Co., Ltd.	Other receivables from related parties	Y	225,511	-	-	-	2	-	Operating needs	-	-	-	1,277,397	1,277,397	Note 8
7	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	Other receivables from related parties	Y	451,022	451,022	135,814	1.76	2	-	Operating needs	-	-	-	1,277,397	1,277,397	Note 8

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

1. No. 0 represents the issuer.

2. Investees are numbered in order from No. 1.

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

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

Note 4: Nature of financing is as follows:

1. Business relationship.

2. Short-term financing

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

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

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

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

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

Eternal Materials Co., Ltd. and Subsidiaries

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 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 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	\$ 25,542,749	\$ 576,000	\$ 576,000	\$ -	\$ -	2.26	\$ 25,542,749	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Materials (Malaysia) Sdn. Bhd.	2	25,542,749	2,646,037	2,646,037	1,418,606	-	10.36	25,542,749	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Elga Europe S.r.l.	2	25,542,749	519,341	519,341	477,447	-	2.03	25,542,749	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Nanyang Investment Co., Ltd.	2	25,542,749	1,920,000	1,920,000	1,478,400	-	7.52	25,542,749	Y	N	N	Notes 3 and 6
0	Eternal Materials Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	25,542,749	1,646,230	1,646,230	336,213	-	6.44	25,542,749	Y	N	Y	Notes 3 and 6
1	Eternal (China) Investment Co., Ltd.	Eternal Material Industry (Tongling) Co., Ltd.	2	15,390,083	451,022	451,022	40,923	-	2.93	15,390,083	N	N	Y	Note 7

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

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

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

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

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

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

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

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

Note 7: In accordance with the subsidiary's "Procedures for Provision of Endorsements and Guarantees", the limit on endorsement/guarantee given on behalf of each party and the maximum amount endorsed/guaranteed is based on its net worth for the year ended December 31, 2023.

Eternal Materials Co., Ltd. and Subsidiaries

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

MARCH 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	March 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	33,366,767	\$ 820,822	2.29	\$ 820,822	
	TBG Diagnostics Limited (stock)	-	Financial assets at fair value through other comprehensive income - non-current	40,200,000	37,575	18.48	37,575	
	Universal Venture Capital Investment Corp. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	54,809	4.15	54,809	
	Research Innovation Capital Corporation. (stock)	-	Financial assets at fair value through other comprehensive income - non-current	10,000,000	48,996	29.76 (Note 1)	48,996	
	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	272,468	Note 2	272,468	
	Pacven Walden Ventures V,L.P.(fund)	-	Financial assets at fair value through profit or loss - non-current	-	9,569	Note 2	9,569	

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

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

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 THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)**

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

Eternal Materials 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 THREE MONTHS ENDED MARCH 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.	CHOU-KOU Materials Co., Ltd.	Subsidiary	Sales	\$ 155,966	5	Note 1	\$ -	-	\$ 171,973	5	
	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Subsidiary	Sales	144,789	4	Note 1	-	-	98,182	3	
	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Subsidiary	Sales	101,047	3	Note 1	-	-	97,456	3	
Eternal Materials (Guangdong) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	Sales	106,716	9	Note 1	-	-	116,206	5	

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.

Eternal Materials Co., Ltd. and Subsidiaries

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 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	\$ 171,973	3.47	\$ 2,443	Collected subsequently	\$ 41,826	\$ -
	Eternal Technology Corporation	Subsidiary	108,267	1.62	43,975	Collected subsequently	-	-
	Elga Europe S.r.l.	Subsidiary	114,488	1.59	61,480	Collected subsequently	3,853	-
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Sister company	133,855	3.72	23,932	Collected subsequently	-	-
Eternal Materials (Guangdong) Co., Ltd.	Allnex-Eternal Resins (Guangdong) Co., Ltd.	Associate	116,206	3.91	-	-	28,784	116

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

Eternal Materials Co., Ltd. and Subsidiaries

**INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 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.	CHOU-KOU Materials Co., Ltd.	1	Revenue from sales of goods	\$ 155,966	Note3	1.56
0	Eternal Materials Co., Ltd.	Eternal Specialty Materials (Zhuhai) Co., Ltd.	1	Revenue from sales of goods	144,789	Note3	1.44
0	Eternal Materials Co., Ltd.	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	1	Revenue from sales of goods	101,047	Note3	1.01
0	Eternal Materials Co., Ltd.	CHOU-KOU Materials Co., Ltd.	1	Notes and accounts receivable from related parties	171,973	Note3	0.29
0	Eternal Materials Co., Ltd.	Eternal Technology Corporation	1	Notes and accounts receivable from related parties	108,267	Note3	0.18
0	Eternal Materials Co., Ltd.	Elga Europe S.r.l.	1	Notes and accounts receivable from related parties	114,488	Note3	0.19
1	Eternal Holdings Inc.	Eternal Materials Co., Ltd.	2	Other receivables from related parties	1,664,000	Note4	2.76
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Chengdu) Co., Ltd.	1	Other receivables from related parties	801,402	Note4	1.33
2	Eternal (China) Investment Co., Ltd.	Eternal Chemical (Tianjin) Co., Ltd.	1	Other receivables from related parties	531,145	Note4	0.88
2	Eternal (China) Investment Co., Ltd.	Eternal Synthetic Resins (Changshu) Co., Ltd.	1	Other receivables from related parties	669,282	Note4	1.11
2	Eternal (China) Investment Co., Ltd.	Eternal Electronic (Suzhou) Co., Ltd.	1	Other receivables from related parties	451,417	Note4	0.75
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	3	Notes and accounts receivable from related parties	133,855	Note3	0.22
3	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Eternal (China) Investment Co., Ltd.	2	Other receivables from related parties	317,134	Note4	0.53
4	Eternal Specialty Materials (Zhuhai) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	135,814	Note4	0.23
5	Eternal Chemical (China) Co., Ltd.	Eternal (China) Investment Co., Ltd.	3	Other receivables from related parties	510,208	Note4	0.85

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

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

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

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

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

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

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

Eternal Materials Co., Ltd. and Subsidiaries

**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 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 March 31, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 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	\$ 20,778,941	\$ 165,142	\$ 170,817	
Eternal Materials Co., Ltd.	Eternal Global (BVI) Co., Ltd.	British Virgin Islands	International investment	703,144	703,144	16,357,914	100.00	5,058,849	36,788	35,557	
Eternal Materials Co., Ltd.	Mixville Holdings Inc.	British Virgin Islands	International investment	899,392	899,392	26,630,000	100.00	3,409,961	63,111	62,994	
Eternal Materials Co., Ltd.	Advanced PETFILM Investment Co., Ltd.	Japan	International investment	788,630	788,630	270	20.00	541,509	48,561	14,749	
Eternal Materials Co., Ltd.	Daxin Materials Corporation	Taiwan	Manufacturing and selling of chemical, resins materials and electronic materials	191,052	191,052	23,423,812	22.80	740,960	114,001	25,992	
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	6,907,585	62.80	32,172	185	116	
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	131,681	7,141	6,679	
Eternal Materials Co., Ltd.	Eternal Precision Mechanics Co., Ltd.	Taiwan	Manufacturing and selling of vacuum laminator	554,555	555,123	52,032,131	84.52	1,351,008	121,680	103,317	
Eternal Materials Co., Ltd.	Eternal Electronic Material (Thailand) Co., Ltd.	Thailand	Trading services, cutting and selling of dry film photoresist	90,919	90,919	937,500	75.00	121,830	(9,421)	(6,703)	
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	230,258	14,360	14,360	
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	6,689	(15,581)	(11,324)	
Eternal Materials Co., Ltd.	Eternal Technology Corporation	United States	Manufacturing and selling of photoresist; selling of chemical products	622,950	622,950	1,000	100.00	288,255	(21,563)	(21,563)	
Eternal Precision Mechanics Co., Ltd.	Nikko-Materials Co., Ltd.	Japan	Manufacturing and selling of vacuum laminator	300,150	300,150	11,520	100.00	1,007,627	153,739	-	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	15,459,137	33,591	-	Note
Eternal Holdings Inc.	E-Chem Corp.	Samoa	International investment	165,608	165,608	4,990,000	100.00	3,035,865	125,118	-	Note
Eternal Holdings Inc.	Eternal Nanyang Investment Co., Ltd.	Samoa	International investment	841,453	841,453	28,350,000	90.00	88,129	(34,289)	-	Note
Eternal Holdings Inc.	PT Eternal Materials Indonesia	Indonesia	Trading of chemical products	13,360	13,360	670	67.00	13,695	(1,883)	-	Note
Eternal Holdings Inc.	Eternal Materials India Private Limited	India	Selling, trading of chemical	13,643	13,643	3,465,000	99.00	11,458	(1,564)	-	Note
Eternal Holdings Inc.	Allnex-Eternal Resins Corporation Limited	Hong Kong	Trading and international investment	14,496	14,496	49,000	49.00	452,301	33,004	-	Note
Eternal Holdings Inc.	Polymer Instrumentation and Consulting Services, Ltd.	United States	Plastic products manufacturing	121,913	121,913	4,694,296	30.00	-	-	-	Note
E-Chem Corp.	Eternal Materials India Private Limited	India	Selling, trading of chemical	138	138	35,000	1.00	116	(1,564)	-	Note
Mixville Holdings Inc.	High Expectation Limited	Cayman Islands	International investment	871,519	871,519	26,005,000	100.00	3,128,406	62,990	-	Note
Eternal (China) Investment Co., Ltd.	Elga Europe S.r.l.	Italy	Manufacturing, selling, distribution and processing of electronic chemical products	58,610	58,610	-	22.32	2,460	(15,581)	-	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	1,577,832	(8,807)	-	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.

Eternal Materials Co., Ltd. and Subsidiaries

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

Investor Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 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	\$ 31,922	100.00	\$ 31,922	\$ 4,727,751	\$ 1,772,062	Note 2
Covestro Eternal Resins (Kunshan) Co., Ltd.	Manufacturing and selling of powder coating resin	183,470	2	91,735	-	-	91,735	1,027	50.00	4,970	339,035	600,691	Note 3
Eternal Optical Material (Suzhou) Co., Ltd.	Manufacturing and selling of optical films, and leasing business	1,563,967	2	-	-	-	-	(6,042)	100.00	(6,042)	168,731	-	Note 3 and 10
Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	Researching, developing, manufacturing and selling of electronic high-tech chemical and related products	2,256,739	2	444,685	-	-	444,685	51,675	100.00	51,675	4,004,899	983,767	Note 2
Eternal Photoelectric Material Industry (Yingkou) Co., Ltd.	Researching, developing and manufacturing of photoresist dry film, liquid photo imaginable solder masks and printed circuit board related materials	469,402	2	-	-	-	-	1,628	100.00	1,628	186,513	-	Note 3
Eterkon Semiconductor Materials Co., Ltd.	Manufacturing and selling of epoxy molding compounds which are used in electronic parts and related products	524,337	2	456,427	-	-	456,427	12,592	40.00	7,489	316,633	-	Note 3
Eternal Synthetic Resins (Changshu) Co., Ltd.	Manufacturing and selling of unsaturated polyester resin	726,426	2	279,811	-	-	279,811	(9,057)	100.00	(9,057)	171,886	-	Note 3
Eternal Chemical (Tianjin) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	1,008,004	2	599,320	-	-	599,320	(7,166)	100.00	(7,166)	972,998	-	Note 3
Eternal Specialty Materials (Zhuhai) Co., Ltd.	Manufacturing and selling of acrylic resin and methacrylic acid	611,011	2	243,540	-	-	243,540	128,146	90.00	124,955	3,020,841	1,577,039	Note 2
Eternal Materials (Guangdong) Co., Ltd.	Manufacturing and selling of adhesives, resins material and processing products	1,297,259	2	868,175	-	-	868,175	62,990	100.00	62,990	3,126,682	2,589,220	Note 3
Eternal (China) Investment Co., Ltd.	Managing, investing consulting services, researching, leasing, manufacturing and selling of resins material and photoelectric chemicals materials	6,880,878	2	3,810,719	-	-	3,810,719	33,182	100.00	33,182	15,424,338	-	Notes 3 and 4
Eternal Chemical (Chengdu) Co., Ltd.	Researching, manufacturing and selling of resins material	1,454,071	2	-	-	-	-	(33,061)	100.00	(33,061)	129,175	-	Note 3
Eternal Electronic (Suzhou) Co., Ltd.	Researching, developing, and manufacturing of dry film photoresist and dry film solder masks which are used in electronic materials, researching resin materials and selling, providing after sales service of self-produced products	1,929,180	2	-	-	-	-	(31,791)	100.00	(31,791)	2,060,698	-	Note 3
Eternal Specialty Materials (Suzhou) Co., Ltd.	Researching and developing chemical products, and selling, providing technical services of self-produced products	1,199,225	2	-	-	-	-	66,844	100.00	66,844	1,833,354	-	Note 2
Resonac New Material (Zhuhai) Co., Ltd. (Original name: Showa Denko New Material (Zhuhai) Co., Ltd.)	Manufacturing and selling of functional resins, resins composite material and providing technical services	366,881	2	-	-	-	-	760	30.00	335	95,601	-	Note 3
Eternal Material Industry (Tongling) Co., Ltd.	Manufacturing, selling and providing technical services of products related to resins material	1,650,580	2	-	-	-	-	(12,526)	100.00	(12,526)	1,637,286	-	Note 3
Eternal Precision Mechanics (Guangzhou) Ltd.	Manufacturing and selling of computers, communications and other electronic equipment	132,928	1	132,928	-	-	132,928	4,744	84.52	4,014	112,406	-	Note 3

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2024 (Note 5)	Investment Amount Authorized by the Investment Commission, MOEA (Note 5)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 6)
Eternal Materials Co., Ltd.	\$ 7,622,793	\$ 28,198,265	\$ -
Eternal Precision Mechanics Co., Ltd.	132,928	132,330	958,813

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

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

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

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

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

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

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

TABLE10**Eternal Materials Co., Ltd. and Subsidiaries****INFORMATION OF MAJOR SHAREHOLDERS
MARCH 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	74,667,152	6.33

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee 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.