

Evermore Chemical Industry Co., Ltd. and Subsidiaries

Consolidated Financial
Statements and Independent
Auditor's Report
2024 and 2023

Address: No. 7, Gongye S. 2nd Rd., Nantou City, Nantou
County 540, Taiwan (R.O.C.)
Telephone: (049) 2255357

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Statement of Affiliate's Consolidated Financial Report

For the year ended December 31, 2024, the Company complies with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises in that the companies that should be included in the preparation of the consolidated financial statements of the affiliated companies are the same as the companies that should be included in the preparation of the consolidated financial statements of the parent and subsidiary companies in accordance with IFRS 10. In addition, the relevant information that should be disclosed in the consolidated financial statements of the associated companies has been disclosed in the consolidated financial statements of the parent and subsidiary companies of the former disclosure. Therefore, there is no need to prepare the consolidated financial statements of associated companies separately.

Hereby declared by

Evermore Chemical Industry Co., Ltd.

Chairman: Ho Wen-Chieh

March 11, 2025

INDEPENDENT AUDITORS' REPORT

To Evermore Chemical Industry Co., Ltd.

Audit Opinion

We have audited the accompanying consolidated financial statements of Evermore Chemical Industry Co., Ltd. (the Company) and its subsidiaries (the Group), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements in all major respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of Evermore Group as of December 31, 2024 and 2023 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2024 and 2023.

Basis for Opinion

We are entrusted to conduct the audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of the report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters refer to the most important matters for the audit of Evermore Group's 2024 consolidated financial statements based on our professional judgment. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of Evermore Group's 2024 consolidated financial statements are hereby stated as follows:

Authenticity of revenue recognition for specific customers

The main source of the Company's revenue is the sales of resins, and the sales locations are mainly located in markets such as Asia. In the operating revenue in 2024, the amount of transactions with specific customers were critical to the overall operating revenue. Meanwhile, subject to the epidemic and changes in the economic environment, there was a significant risk to the authenticity of their revenue and, therefore, the authenticity of revenue recognition for specific customers was listed as a key audit matter. For accounting policies related to revenue recognition, please refer to Note IV of consolidated financial statements.

The main audit procedures that we have implemented in response to the above key audit matters are as follows:

1. Understand and evaluate internal control design related to inspection and risk in the sales and collection cycle, and execute tests of its effectiveness.
2. Select samples from the sales details of specific customers, review relevant documents such as shipment orders and export declarations, and check whether collection counterparties are consistent with sales counterparties.

Miscellaneous

Evermore Chemical Industry Co., Ltd. has prepared parent company only financial statements for 2024 and 2023, and the audit reports with unqualified opinions that we have issued are on file for reference.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no feasible alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Deloitte Taiwan
Shu-Ching Chiang, CPA

Su Ding-Jian, CPA

Approval reference of the Financial
Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1000028068

Approval reference of the Financial
Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1070323246

March 11, 2025

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and 2023

Unit: NTD thousand

Code	ASSETS	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 341,674	10	\$ 372,784	11
1136	Financial assets measured at amortized cost - current (Notes IV, VII and XXIV)	17,893	1	16,853	-
1150	Notes receivable (Notes IV and VIII)	164,661	5	150,539	5
1170	Accounts receivable due from non-related parties (Notes IV and VIII)	406,488	12	397,825	12
1180	Accounts receivable due from related parties (Notes IV, VIII, and XXIII)	55,840	2	44,216	1
1200	Other receivables (Note XXIII)	5,541	-	13,141	-
1220	Current tax assets (Notes IV and XIX)	2,204	-	199	-
130X	Inventories (Notes IV and IX)	566,322	17	578,164	18
1410	Prepayments	53,888	2	50,409	2
1479	Other current assets	607	-	229	-
11XX	Total current assets	<u>1,615,118</u>	<u>49</u>	<u>1,624,359</u>	<u>49</u>
	NON-CURRENT ASSETS				
1600	Property, plant, and equipment (Notes IV, XI, and XXIV)	1,386,165	42	1,335,939	41
1755	Right-of-use assets (Notes IV and XII)	191,738	6	194,215	6
1760	Investment real estate (Note IV)	1,007	-	1,007	-
1780	Intangible assets (Note IV)	9,373	-	10,499	-
1805	Goodwill (Notes IV and XIII)	43,716	2	41,524	1
1840	Deferred tax assets (Notes IV and XIX)	24,564	1	29,478	1
1915	Prepayments for equipment	5,314	-	57,811	2
1920	Refundable deposits	2,976	-	2,837	-
15XX	Total non-current assets	<u>1,664,853</u>	<u>51</u>	<u>1,673,310</u>	<u>51</u>
1XXX	TOTAL	<u>\$ 3,279,971</u>	<u>100</u>	<u>\$ 3,297,669</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	Current liabilities:				
2100	Short-term bank loans (Notes XIV and XXIV)	\$ 770,038	24	\$ 889,062	27
2110	Short term notes and bills payable (Note XIV)	129,952	4	39,939	1
2150	Notes payable	3,228	-	3,436	-
2170	Accounts payable (Note XXIII)	264,638	8	261,270	8
2200	Other payables (Notes XV and XXIII)	143,364	5	120,857	4
2230	Current tax liabilities (Notes IV and XIX)	9,391	-	22,165	1
2280	Lease liabilities - current (Notes IV and XII)	3,955	-	3,911	-
2322	Long-term bank loans due within one year (Notes XIV and XXIV)	92,617	3	91,500	3
2399	Other current liabilities	11,414	-	9,500	-
21XX	Total current liabilities	<u>1,428,597</u>	<u>44</u>	<u>1,441,640</u>	<u>44</u>
	Non-current liabilities				
2541	Short-term bank loans (Notes XIV and XXIV)	192,500	6	285,117	9
2570	Deferred tax liabilities (Notes IV and XIX)	59,554	2	43,100	1
2580	Lease liabilities - non-current (Notes IV and XII)	25,769	-	29,725	1
2645	Guarantee deposits	448	-	433	-
25XX	Total non-current liabilities	<u>278,271</u>	<u>8</u>	<u>358,375</u>	<u>11</u>
2XXX	Total liabilities	<u>1,706,868</u>	<u>52</u>	<u>1,800,015</u>	<u>55</u>
	EQUITY				
3110	Share capital from common stock	993,880	30	993,880	30
3200	Capital surplus	98,017	3	98,017	3
	Retained earnings				
3310	Legal reserves	234,075	7	226,553	7
3320	Special reserve	13,937	-	-	-
3350	Undistributed earnings	218,401	7	193,141	6
3400	Other equity	14,793	1	(13,937)	(1)
3XXX	Total equity	<u>1,573,103</u>	<u>48</u>	<u>1,497,654</u>	<u>45</u>
	TOTAL	<u>\$ 3,279,971</u>	<u>100</u>	<u>\$ 3,297,669</u>	<u>100</u>

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

Chairman: Ho Wen-Chieh

Managerial Officer: Huang Chang-Tze

Accounting Officer: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

January 1 to December 31, 2024 and 2023

Unit: NTD Thousand, Except that Earnings Per Share is NTD

Code		2024		2023	
		Amount	%	Amount	%
4000	NET SALES REVENUES (Notes IV and XXIII)	\$ 2,646,091	100	\$ 2,367,512	100
5000	Operating costs (Notes IX, XVIII and XXIII)	<u>2,176,756</u>	<u>82</u>	<u>1,927,663</u>	<u>81</u>
5900	Gross operating profit	<u>469,335</u>	<u>18</u>	<u>439,849</u>	<u>19</u>
	OPERATING EXPENSES (Note XVIII)				
6100	Selling and marketing expenses	157,902	6	138,123	6
6200	Management expenses	170,248	6	168,901	7
6300	Research and development expenses	66,071	3	64,164	3
6450	Expected credit loss (gain) □ (Notes IV and VIII)	(<u>31,654</u>)	(<u>1</u>)	(<u>22,874</u>)	(<u>1</u>)
6000	Total operating expenses	<u>362,567</u>	<u>14</u>	<u>348,314</u>	<u>15</u>
6900	Net operating profit	<u>106,768</u>	<u>4</u>	<u>91,535</u>	<u>4</u>
	Non-operating revenue and expenditure				
7010	Other income (Note XXIII)	14,401	1	14,992	1
7020	Other gains and losses	(1,650)	-	(4,490)	-
7100	Interest income	8,510	-	7,033	-
7210	Gains (Losses) from disposal of property, plant, and equipment	(149)	-	189	-
7230	Gain on foreign exchange, net	22,699	1	7,799	-
7510	Interest expense	(<u>22,445</u>)	(<u>1</u>)	(<u>24,955</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>21,366</u>	<u>1</u>	<u>568</u>	<u>-</u>
7900	Net profits before tax	<u>128,134</u>	<u>5</u>	<u>92,103</u>	<u>4</u>
7950	INCOME TAX EXPENSE (Notes IV and XIX)	<u>31,721</u>	<u>1</u>	<u>16,888</u>	<u>1</u>
8200	Net income	<u>96,413</u>	<u>4</u>	<u>75,215</u>	<u>3</u>

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Code		2024		2023	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS) (Note IV)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	\$ 35,929	1	(\$ 20,787)	(1)
8399	Income tax related to items that may be reclassified to profit or loss	(7,199)	-	3,092	-
8300	Other comprehensive income (loss) for the year, net of tax	28,730	1	(17,695)	(1)
8500	Total comprehensive income	<u>\$ 125,143</u>	<u>5</u>	<u>\$ 57,520</u>	<u>2</u>
	EARNINGS PER SHARE (Note XX)				
9750	Basic	<u>\$ 0.97</u>		<u>\$ 0.76</u>	
9850	Diluted	<u>\$ 0.97</u>		<u>\$ 0.75</u>	

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

Chairman: Ho Wen-Chieh Managerial Officer: Huang Chang-Tze Accounting Officer: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Code		EQUITY						Total equity
		Share capital from common stock	Capital surplus	Retained Earnings (Note XVII)			Exchange differences on translation of foreign financial statements	
		(Note XVII)	(Note XVII)	Legal reserves	Special reserve	Undistributed earnings		
A1	Balance on January 1, 2023	\$ 993,880	\$ 98,017	\$ 223,032	\$ 24,313	\$ 152,499	\$ 3,758	\$ 1,495,499
	Earnings allocation and distribution for 2022							
B1	Legal reserves	-	-	3,521	-	(3,521)	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	(49,694)	-	(49,694)
B17	Reversal of special reserve	-	-	-	(24,313)	24,313	-	-
M3	Reorganization	-	-	-	-	(5,671)	-	(5,671)
D1	2023 net profit	-	-	-	-	75,215	-	75,215
D3	Other comprehensive income after tax for 2023	-	-	-	-	-	(17,695)	(17,695)
D5	Total comprehensive income for 2023	-	-	-	-	75,215	(17,695)	57,520
Z1	Balance on December 31, 2023	993,880	98,017	226,553	-	193,141	(13,937)	1,497,654
	Earnings allocation and distribution for 2023							
B1	Legal reserves	-	-	7,522	-	(7,522)	-	-
B3	Special reserve	-	-	-	13,937	(13,937)	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	(49,694)	-	(49,694)
D1	2024 net profit	-	-	-	-	96,413	-	96,413
D3	Other comprehensive income after tax for 2024	-	-	-	-	-	28,730	28,730
D5	Total comprehensive income for 2024	-	-	-	-	96,413	28,730	125,143
Z1	Balance on December 31, 2024	<u>\$ 993,880</u>	<u>\$ 98,017</u>	<u>\$ 234,075</u>	<u>\$ 13,937</u>	<u>\$ 218,401</u>	<u>\$ 14,793</u>	<u>\$ 1,573,103</u>

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

Chairman: Ho Wen-Chieh

Managerial Officer: Huang Chang-Tze

Accounting Officer: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
January 1 to December 31, 2024 and 2023

		Unit: NTD thousand	
Code		2024	2023
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income before tax	\$ 128,134	\$ 92,103
A20000	Adjustments for:		
A20100	Depreciation expense	111,536	108,352
A20200	Amortization expense	1,900	1,970
A20300	Reversal gain of expected credit impairment	(31,654)	(22,874)
A20900	Interest expense	22,445	24,955
A21200	Interest income	(8,510)	(7,033)
A22500	Loss (gain) on disposal of property, plant, and equipment	149	(189)
A23700	Loss for market price decline and obsolete and slow-moving inventories	7,356	225
A24100	Gain on foreign exchange, net	(1,900)	(858)
A29900	Losses on goodwill impairment	-	2,096
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(10,654)	126,378
A31150	Accounts receivable	23,179	26,519
A31180	Other receivables	7,849	(11,278)
A31200	Inventories	12,173	98,040
A31230	Prepayments	(1,885)	(1,982)
A31240	Other current assets	(378)	399
A32130	Notes payable	(208)	(21,991)
A32150	Accounts payable	(2,130)	58,658
A32180	Other payables	23,890	11,503
A32230	Other current liabilities	1,913	(3,215)
A33000	Cash generated from operations	283,205	481,778
A33100	Interest received	8,510	7,033
A33300	Interest paid	(20,772)	(24,300)
A33500	Income tax paid	(32,405)	(7,630)
AAAA	Net cash flow from operating activities	<u>238,538</u>	<u>456,881</u>
	CASH FLOW FROM INVESTING ACTIVITIES		
B02700	Payments for property, plant, and equipment	(85,139)	(43,098)
B02800	Proceeds from disposal of property, plant, and equipment	140	860
B03700	Increase in refundable deposits	(318)	(1,846)

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Code		2024	2023
B03800	Decrease in refundable deposits	\$ 244	\$ 227
B04500	Acquisition of intangible assets	(491)	(1,083)
B07100	Increase in prepayments for equipment	(10,539)	(41,302)
BBBB	Net cash used in investing activities	(96,103)	(86,242)
CASH FLOW FROM FINANCING ACTIVITIES			
C00100	Proceeds from short-term borrowings	5,813,974	6,343,201
C00200	Repayments of short-term borrowings	(5,932,822)	(6,319,577)
C00600	Proceeds (repayments) from short-term bills payable	88,463	(70,683)
C01700	Repayments of long-term borrowings	(91,500)	(54,000)
C04020	Payments of lease liabilities	(3,912)	(3,865)
C04500	Dividends paid to owners of the Company	(49,694)	(49,694)
C05700	Income tax paid for disposal of subsidiary	-	(5,671)
CCCC	Net cash flow used in financing activities	(175,491)	(160,289)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	1,946	(52,714)
EEEE	Net increase (decrease) in cash and cash equivalents for the year	(31,110)	157,636
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	372,784	215,148
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 341,674	\$ 372,784

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

Chairman: Ho Wen-Chieh Managerial Officer: Huang Chang-Tze Accounting Officer: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
January 1 to December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars and Foreign Currencies, Unless Stated Otherwise)

I. COMPANY HISTORY

Evermore Chemical Industry Co., Ltd. (the “Company”) was incorporated in 1989. The Company’s shares were listed on the Taiwan Stock Exchange (“TWSE”) in 2002 after being traded on the Taipei Exchange (“TPEX”) since 2000.

The Company mainly engages in the manufacturing and selling of synthetic resin, synthetic chemistry, and investment related business operations.

The parent company of the Company is AICA Kogyo Company Limited (AICA) of Japan. As of December 31, 2024 and 2023, it held 50.1% of the Company's common stock.

II. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on March 11, 2025.

III. APPLICATION OF NEW, AMENDED, AND REVISED STANDARDS AND INTERPRETATIONS

- (I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, or SIC Interpretations endorsed by the Financial Supervisory Commission (hereafter IFRSs)

The application of the revised FSC approved and issued effective IFRSs will not cause significant changes to the consolidated entity's accounting policies.

- (II) IFRSs endorsed by the FSC applicable in 2025

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date of IASB announcement</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
The amendment regarding the application guidance of financial asset classification in the amendment to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026 (Note 2)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. At the initial application of the amendment, comparative periods shall not be restated. Instead, the impact should be recognized in retained earnings or the cumulative translation adjustment of foreign operations (as applicable) and the related affected assets and liabilities as of the initial application date.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026. Corporates may elect to apply such early from January 1, 2025. When the amendments are initially applied, the comparison period shall not be restated, and recognize the effect of the initial application on the initial application date. However, if the corporate is able to restate without hindsight, it may elect to restate the comparison period.

As of the date the consolidated financial statements were authorized for issue, the consolidated entity assessed that there would be no material impact of the initial application of said standards and the amendments to interpretations on its financial position and results of operations.

(III) New IFRSs in issue by IASB but not yet endorsed and issued into effect by the FSC	
<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date of IASB announcement (Note)</u>
"Annual Improvements to IFRS - Volume 11"	January 1, 2026
The amendment regarding the application guidance of financial asset classification in the amendment to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	Unresolved
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS No. 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless otherwise specified, all new/amended/modified standards and interpretations above shall take effect from the financial year that begins after the specified date.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes in this standard include:

- The income statement should categorize income and expense items into operating, investing, financing, income tax, and discontinued operations.
- The income statement shall report the operating income, pre-tax income before financing, and the subtotal and total of profit and loss.
- Provide guidance on the aggregation and disaggregation rules: The Company must identify the assets, liabilities, equity, income, expenses and cash flows generated from individual transactions or other matters, and classify and aggregate them based on the common characteristics, so that at least one of the items in the financial statements has a similar characteristic. Items with un-similar characteristics should be disaggregated in the primary financial statements and in the notes. The Group only marks such items as "others" when it is impossible to find a more information sign.
- Increase the disclosure of performance measures defined by management: When a Group engages in public communication outside of financial statements, and when communicating management's perspective on a specific aspect of the Group's overall financial performance to users of the financial statements, it should disclose information about performance measures defined by management in a single note to the financial statements. This includes a description of the measure, how it is calculated, a reconciliation with subtotals or totals specified by IFRS accounting standards, and the impact of related reconciliation items on income tax and non-controlling interests.

In addition to the above effects, as of the date the consolidated financial statements were approved for issue, the Group is continuously assessing the possible other impact that the application of each standard and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is

completed.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) 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 IFRSs as endorsed by the FSC.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments.

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

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

(III) Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting period, and
3. Liabilities for which there is no substantive right to defer settlement beyond the balance sheet date to at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Basis of consolidation

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

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

If the consolidated entity loses control over the subsidiary, a gain or loss is calculated as the difference between: (1) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (2) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The investment retained in the former subsidiary is to be recognized initially at its fair value at the date when control is lost.

Refer to Note X and Table 5 and 6 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

(V) Business mergers

Business mergers are handled by the acquisition method. Acquisition-related costs are included as expenses in the year in which the cost is incurred and the service is obtained.

Goodwill is measured by the total amount of the fair value of the transfer consideration and the fair value of the acquirer's previously held equity at the acquisition date over the net amount of identifiable assets acquired and liabilities assumed on the acquisition date.

The acquiree has the current ownership interest and is entitled to pro rata non-controlling interest in the acquiree's net assets at the time of liquidation, measured by fair value. Other non-controlling interests are measured at fair value.

If the measurement of identifiable assets acquired and liabilities assumed due to a business combination has not been completed, the balance sheet date is recognized as a provisional amount. During the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect the obtained new information about the facts and circumstances that existed on the acquisition date.

(VI) Foreign currencies

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

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

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

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the Group entities are translated into the presentation currency - New Taiwan dollars. Income and expense items are translated in accordance with the current average exchange rates and the exchange differences are booked in the other comprehensive profit or loss.

(VII) Inventories

Inventories consist of raw materials, finished goods, and merchandise. Inventories are stated at the lower cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

(VIII) Investment in associate

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

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

When impairment loss is evaluated, the entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increase.

When a group entity transacts with its associates, profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(IX) Property, plant, and equipment

Property, plant, and equipment are stated at cost minus accumulated depreciation.

Property, plant, and equipment in the course of construction are carried at cost. The assets were measured at the lower of the costs and net realizable value to the extent of being ready for use. The proceeds from sale and costs thereof were classified into the income. Such properties are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use and depreciated accordingly.

Depreciation of property, plant, and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(X) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use

Investment property is initially measured at cost (including transaction costs), and the subsequent measurement is the cost minus accumulated depreciation. Depreciation is recognized using the straight-line method.

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

(XI) Goodwill

The goodwill obtained from a business combination is based on the amount of goodwill recognized on the acquisition date as the cost. Subsequent measurement is based on the cost minus the accumulated impairment loss.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit or group of cash-generating units that the consolidated entity expects to benefit from the synergy of the merger (hereafter abbreviated to "cash-generating unit").

The cash-generating unit of the assessed goodwill conducts an impairment test of the unit every year (and when there are signs that the unit may have been impaired) by comparing the carrying value of the unit containing the goodwill and its recoverable amount. If the goodwill allocated to the cash-generating unit is obtained from a business combination in the current year, then the unit shall conduct an impairment test before the end of the current year. If the recoverable amount of the cash-generating unit of the assessed goodwill is lower than its carrying value, the impairment losses are to first reduce the carrying value of the cash-generating unit's assessed goodwill, and then reduce the carrying value of each asset in proportion to the carrying value of the other assets in the unit. Any impairment losses are directly recognized as losses for the current year. Goodwill impairment losses shall not be reversed in subsequent periods.

When disposing of a certain operation within the cash-generating unit of the assessed goodwill, the amount of goodwill related to the dispositioned operation is included in the carrying value of the operation to determine the disposition profit and loss.

(XII) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost minus accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(XIII) Impairment of property, plant and equipment, right of use assets, investment properties and intangible assets

The Group evaluates on each balance sheet date whether there are any signs of possible impairment of property, plant and equipment, right of use assets, and intangible assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

(XIV) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

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

Financial assets

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

1. Measurement Category

Financial assets held by the Group are financial assets measured at amortized cost.

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

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

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes and trade receivables at amortized cost, other receivables, other financial asset and refundable deposits) are measured at amortized cost, which equals to the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Credit-impaired financial assets refers to when there is a significant financial difficulty or a breach of contract of the issuer or debtor, the debtor will enter bankruptcy or other financial reorganization, or the disappearance of an active market because the financial instruments are no longer publicly traded.

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

2. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime Expected Credit Loss (i.e. ECL) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

To manage the internal credit risk, the Group determined that the following situations represent a default of financial assets without considering the collateral information:

- (1) Internal or external information indicates that debt settlement is no longer possible for the debtor.
- (2) Past due more than 90 days, unless there is reasonable evidence as the appropriate reason for the delay.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

For derecognition of financial assets measured at amortized cost, any difference between the carrying amount and consideration is recognized as gains/losses.

Financial liabilities

1. Subsequent measurement

The financial liabilities are measured at amortized cost using the effective interest method.

2. Derecognition of financial liabilities

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

(XV) Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date the Group transfers a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

For the revenue from sale of goods, when the products are delivered, shipped or provided to the destination designated by the customers and the customers take over the products, the Company recognizes the revenue and receivable accounts at the same time.

(XVI) Leasing

The consolidated entity evaluates whether a contract meets the criteria of (or includes arrangements characterized as) lease on the day of establishment.

1. The Group as the lessor

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

Under the operating lease, the rent less the lease incentives was recognized as income based on the straight-line method in the duration of the leasehold. The original direct cost generated from operating leases plus the carrying amount of underlying assets was stated as expenses on a straight-line basis over the lease term.

2. The Group as the lessee

The consolidated entity recognizes right-of-use assets and lease liabilities from the lease start date, except for exempted low-value and short-term leases where expenses are recognized on a straight-line basis over the lease tenor.

Right-of-use assets are measured at cost at initiation (including the initial amount of lease liability, lease payments made before the lease start date, and the initial direct cost), and subsequently at cost less accumulated depreciation and accumulated impairment loss with adjustments made to the remeasurement account for lease liability. Right-of-use assets are presented individually on the balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease start date until the end of useful life or upon expiry of the lease tenor, whichever is earlier.

The lease liabilities are measured based on the present value of the lease payment (including fixed payment). If the implied interest rate of a lease is easy to be confirmed, the rate is applied to discount the lease payment. If the rate is not easy to be confirmed, the lessee's incremental borrowing rate of interest will be applied.

Subsequently, the lease liabilities are measured at the amortized cost under the effective interest method, and the interest expense are allocated during the lease periods. If there is any change in the lease period the consolidated company shall re-measure the lease liabilities, and relatively adjusts the right-of-use assets, provided that if the carrying amount of the right-of-use asset has decreased to zero, the remaining re-measured amount is recognized in into the income. For the leasehold modification not treated as the separate leasehold, the lease liability remeasurement resulting from reduction of the scope of lease refers to reduction of the right-of-use assets, and profit or loss from termination of the lease, in whole or in part, is recognized. The lease liability remeasurement resulting from other modifications refers to adjustment of the right-of-use assets. Lease liabilities are presented individually on the balance sheet.

(XVII) Borrowing cost

All borrowing costs are stated as income when they are incurred.

(XVIII) Government subsidies

Government subsidies are recognized only when it is reasonably certain that the consolidated entity will comply with the conditions attached to the government subsidies and will receive the subsidies.

Government subsidies related to income are recognized in other revenues on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses by the consolidated company.

If government subsidies are used to offset expenses or losses incurred, or used for the purpose of providing immediate financial support to the consolidated entity and there are no future related costs, they are recognized in profit and loss during the period when they can be collected.

(XIX) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

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

(XX) Income taxes

Income tax expense is the sum of the current income tax and deferred income tax.

1. Current income tax

The consolidated entity determines current income (loss) in accordance with the laws and regulations established by each income tax reporting jurisdiction, based on the calculation of income tax payable (recoverable).

Income tax on undistributed surplus earnings is calculated in accordance with the provisions of the Income Tax Act of the Republic of China and recognized in the annual resolution of the shareholders' meeting.

The adjustment to prior period income tax payable is booked as current income tax.

2. Deferred income tax

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

Deferred tax liability is generally recognized for all taxable temporary differences, while deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

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

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

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

3. Current and deferred income taxes

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive profit or loss or directly included in the equity are recognized in the other comprehensive profit or loss or directly included in the equity.

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

In order to develop the important accounting estimates, the consolidated entity took into account the potential impact when estimating the cash flow, growth rate, discount rate and profitability. The management will review the estimates and underlying assumptions on an ongoing basis.

The accounting policies, estimates and basic assumptions are without uncertainties upon the assessment of the management of the Company.

VI. CASH AND CASH EQUIVALENTS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and petty cash	\$ 1,545	\$ 2,302
Checking accounts and demand deposits	337,130	278,291
Cash equivalent		
Time deposits with original maturities of less than 3 months	<u>2,999</u>	<u>92,191</u>
	<u>\$ 341,674</u>	<u>\$ 372,784</u>

VII. Financial assets measured at amortized cost - current

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank time deposits with original maturities of more than 3 months	<u>\$ 17,893</u>	<u>\$ 16,853</u>
Rates of interest per annum (%)	1.7-4.4	1.1-5.1

For the information about pledge of the financial assets measured at amortized cost, please refer to Note XXIV.

VIII. Notes receivable and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable</u>		
Notes receivable - operating	\$ 164,661	\$ 150,539
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 164,661</u>	<u>\$ 150,539</u>
<u>Trade receivables - unrelated parties</u>		
Measured by cost after amortization		
Total carrying amount	\$ 487,263	\$ 509,362
Less: Loss allowance	<u>(80,775)</u>	<u>(111,537)</u>
	<u>\$ 406,488</u>	<u>\$ 397,825</u>
<u>Accounts receivables - related parties</u>		
Measured by cost after amortization		
Total carrying amount	\$ 55,840	\$ 44,216
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 55,840</u>	<u>\$ 44,216</u>

(I) Notes receivable

The aging of notes receivable was as follows:

	December 31, 2024	December 31, 2023
Not past due	\$ 164,661	\$ 150,539
Past due	-	-
Total	<u>\$ 164,661</u>	<u>\$ 150,539</u>

The above aging schedule was based on the number of past due days from the invoice date.

(II) Accounts receivable

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. Accordingly, the consolidated company's management believes that the consolidated company's credit risk is significantly reduced.

The consolidated entity recognizes loss provisions on accounts receivable based on expected credit losses over the duration. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Loss provisions on accounts receivable recognized by the consolidated entity are as follows:

	Not Past Due	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
<u>December 31, 2024</u>					
Expected credit loss rate (%)	0-1	1-3	4-100	10-100	
Total carrying amount	\$449,130	\$ 9,166	\$ 919	\$ 83,888	\$543,103
Allowance for loss					
(Expected credit loss during the period)	(2,734)	(114)	(46)	(77,881)	(80,775)
Amortized cost	<u>\$446,396</u>	<u>\$ 9,052</u>	<u>\$ 873</u>	<u>\$ 6,007</u>	<u>\$462,328</u>
<u>December 31, 2023</u>					
Expected credit loss rate (%)	0-1	1-3	5-100	100	
Total carrying amount	\$429,844	\$ 7,947	\$ 1,547	\$114,240	\$553,578
Allowance for loss					
(Expected credit loss during the period)	(1,616)	(239)	(232)	(109,450)	(111,537)
Amortized cost	<u>\$428,228</u>	<u>\$ 7,708</u>	<u>\$ 1,315</u>	<u>\$ 4,790</u>	<u>\$442,041</u>

The movements of the loss allowance of notes and accounts receivables are as follows:

	2024	2023
Balance at Beginning of Year	\$ 111,537	\$ 135,890
Reversed impairment losses for the current year	(31,654)	(22,874)
Actual write-offs for the current year	(2,096)	(13)
Foreign exchange gains and losses	2,988	(1,466)
Balance at End of Year	<u>\$ 80,775</u>	<u>\$ 111,537</u>

IX. Inventories

	December 31, 2024	December 31, 2023
Finished goods	\$ 233,856	\$ 268,050
Raw materials and supplies	260,331	211,810
Merchandise	57,119	80,770
Inventories in transit	15,016	17,534
	<u>\$ 566,322</u>	<u>\$ 578,164</u>

The nature of the cost of goods sold was as follows:

	2024	2023
Cost of inventories sold	\$ 2,131,889	\$ 1,885,753
Inventory write-downs	7,356	225
Unallocated production overhead	35,079	39,391
Revenue from sale of scraps	(1,633)	(1,567)
Other	4,065	3,861
	<u>\$ 2,176,756</u>	<u>\$ 1,927,663</u>

X. SUBSIDIARIES

Subsidiary included in the consolidated financial statements:

Name of investor	Investee	% of Ownership	
		December 31, 2024	December 31, 2023
The Company	NEOLITE INVESTMENTS LIMITED □ (NEOLITE)	100	100
	GIANT STAR TRADING CO., LTD □ (GIANT STAR)	100	100
	CHEM-MAT TECHNOLOGIES CO., LTD □ (CHEM-MAT)	100	100
	U-BEST VIETNAM POLYMER INDUSTRY COMPANY LIMITED (U-BEST)	100	100
	SUCCESS INVESTMENTS LIMITED (SUCCESS)	100	100
	TOPWELL ELASTIC TECHNOLOGY CO., LTD (TOPWELL)	100	100
CHEM-MAT	LEADERSHIP (SHANG HAI) CO., LTD.	100	100
NEOLITE	LIBERTY BELL INVESTMENTS LTD. □ (LIBERTY BELL)	100	100
LIBERTY BELL	POU CHIEN CHEMICAL CO., LTD. □ (POU CHIEN)	100	100
POU CHIEN	TOPCO (SHANGHAI) CO., LTD.	100	100
SUCCESS	VIETNAM SUNYAD TECHNOLOGY LIMITED (SUNYAD)	100	100

Refer to Tables 5 and 6 following the notes to consolidated financial statements for the information on subsidiaries' places of incorporation and principal places of business.

In July 2023, NEOTOP transferred its 100% equity interest in TOPCO to Dongguan Baojian at the price of RMB20,250 thousand and thereby resulted in the income tax, RMB1,303 thousand, which should be directly recognized in equity. Meanwhile, it resolved to liquidate NEOTOP in November 2023, and the liquidation was completed in 2024.

In April 2024, Giant Star Trading Co Ltd. refunded the share payment of NT\$ 81,000 thousand due to cash capital decrease, and the Company's shareholding ratio in it remained unchanged.

XI. PROPERTY, PLANT, AND EQUIPMENT

2024	Land	Building	Machinery and equipment	Transportation equipment	Other equipment	Total
<u>Cost</u>						
Balance at Beginning of Year	\$ 732,859	\$ 839,594	\$ 1,273,515	\$ 28,107	\$ 347,364	\$ 3,221,439
Add	-	7,938	45,482	-	28,484	81,904
Disposal	-	-	(14,003)	-	(2,151)	(16,154)
Reclassified	-	-	55,783	-	7,253	63,036
Effects of Foreign Currency Exchange Differences	1,691	15,551	12,244	430	2,706	32,622
Balance at End of Year	<u>\$ 734,550</u>	<u>\$ 863,083</u>	<u>\$ 1,373,021</u>	<u>\$ 28,537</u>	<u>\$ 383,656</u>	<u>\$ 3,382,847</u>
<u>Accumulated depreciation</u>						
Balance at Beginning of Year	\$ -	\$ 510,762	\$ 1,090,217	\$ 22,985	\$ 261,536	\$ 1,885,500
Add	-	28,553	47,900	1,834	23,010	101,297
Disposal	-	-	(13,797)	-	(2,070)	(15,867)
Effects of Foreign Currency Exchange Differences	-	11,670	11,428	314	2,340	25,752
Balance at End of Year	<u>\$ -</u>	<u>\$ 550,985</u>	<u>\$ 1,135,748</u>	<u>\$ 25,133</u>	<u>\$ 284,816</u>	<u>\$ 1,996,682</u>
Net end-of-year amount	<u>\$ 734,550</u>	<u>\$ 312,098</u>	<u>\$ 237,273</u>	<u>\$ 3,404</u>	<u>\$ 98,840</u>	<u>\$ 1,386,165</u>

2023	Land	Building	Machinery and equipment	Transportation equipment	Other equipment	Total
<u>Cost</u>						
Balance at Beginning of Year	\$ 732,646	\$ 826,019	\$ 1,253,904	\$ 28,423	\$ 347,726	\$ 3,188,718
Add	-	13,328	23,108	-	8,667	45,103
Disposal	-	-	(3,518)	(1,176)	(10,602)	(15,296)
Reclassified	-	6,354	7,061	-	1,656	15,071
Effects of Foreign Currency Exchange Differences	213	(6,107)	(7,040)	860	(83)	(12,157)
Balance at End of Year	<u>\$ 732,859</u>	<u>\$ 839,594</u>	<u>\$ 1,273,515</u>	<u>\$ 28,107</u>	<u>\$ 347,364</u>	<u>\$ 3,221,439</u>
<u>Accumulated depreciation</u>						
Balance at Beginning of Year	\$ -	\$ 487,117	\$ 1,055,434	\$ 21,839	\$ 251,282	\$ 1,815,672
Add	-	28,631	45,042	2,388	22,139	98,200
Disposal	-	-	(3,412)	(1,176)	(10,037)	(14,625)
Effects of Foreign Currency Exchange Differences	-	(4,986)	(6,847)	(66)	(1,848)	(13,747)
Balance at End of Year	<u>\$ -</u>	<u>\$ 510,762</u>	<u>\$ 1,090,217</u>	<u>\$ 22,985</u>	<u>\$ 261,536</u>	<u>\$ 1,885,500</u>
Net end-of-year amount	<u>\$ 732,859</u>	<u>\$ 328,832</u>	<u>\$ 183,298</u>	<u>\$ 5,122</u>	<u>\$ 85,828</u>	<u>\$ 1,335,939</u>

Depreciation expenses are provided on a straight-line basis over useful years shown as follows:

Building	
Main building of the factory premises	25 to 50 years
Additional project	2-50 years
Other	5 years
Machinery and equipment	2-10 years
Transportation equipment	5 years
Other equipment	
Office equipment	2-10 years
Landscape gardening	15 years
Other	2-20 years

For the amounts of pledged collateral used as property, plant and equipment loan guarantees, please refer to Note XXIV.

XII. Lease arrangements

(I) Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of right-of-use assets		
Land	\$ 162,468	\$ 160,908
Building	<u>29,270</u>	<u>33,307</u>
	<u>\$ 191,738</u>	<u>\$ 194,215</u>
	<u>2024</u>	<u>2023</u>
Depreciation expenses of right-of-use assets		
Land	\$ 6,202	\$ 6,114
Buildings	<u>4,037</u>	<u>4,038</u>
	<u>\$ 10,239</u>	<u>\$ 10,152</u>

(II) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 3,955</u>	<u>\$ 3,911</u>
Non-current asset	<u>\$ 25,769</u>	<u>\$ 29,725</u>

The discount rate of lease liabilities (%) is stated as following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Building	1.14	1.14

(III) Major leasing activities and terms

It is the consolidated entity's land use rights in mainland China and in Vietnam respectively recognized as current year expenses in 1957 and as the average from 1959 to 1960. The land use is for the construction of production plants, offices and staff dormitories. The Company's building use right in Nantou City, Taiwan, effective for 10 years. The building is used as factory premises and warehouse.

(IV) Other lease information

	2024	2023
Short-term lease expenses	\$ 5,387	\$ 5,088
Low-value asset lease expenses	\$ 627	\$ 283
Total cash outflow from rent	\$ 10,285	\$ 9,641

XIII. Goodwill

	2024	2023
Balance at Beginning of Year	\$ 41,524	\$ 43,708
Impairment losses recognized in the current year	-	(2,096)
Effects of Foreign Currency Exchange Differences	2,192	(88)
Balance at End of Year	\$ 43,716	\$ 41,524

The consolidated entity acquired U-BEST, SUCCESS and TOPWELL in 2020 respectively. The consideration paid includes the expected merger synergy. Because the transfer consideration exceeds the fair value of the acquired identifiable assets and liabilities, it is recognized as goodwill on the acquisition date.

For the purpose of the impairment testing, the goodwill has been amortized to cash-generating units. The recoverable amount of the cash-generating unit is determined based on the value in use, and the cash flow estimate is based on the financial budget for the next 5 years approved by the management of the consolidated entity. The key assumptions used by the management in formulating the financial budget for the next 5 years are stated as follows:

1. Estimated operating revenue growth rate: Based on past experience, adjusted according to sales and market trends, and operating decisions related to the cash-generating unit.
2. Estimated gross profit on sales: Adjusted upward by the average gross profit on sales achieved before the budget period and subject to the expected improvement in efficiency. It reflects past experience, in addition to the improvement in efficiency.

Upon assessment, the recoverable amount of the U-BEST and TOPWELL cash-generating units was found greater than the carrying amount, so no impairment loss was recognized. The recoverable amount of the SUCCESS cash-generating units as of December 31, 2023 was less than the carrying amount, so the goodwill impairment, NT\$2,096 thousand, was recognized and stated into other gains and losses. The recognition of such impairment loss resulted from the macro-environmental factors affecting SUCCESS. As a result, the actual operating revenue growth was lower than expected upon the consolidation.

XIV. Loans

(I) Short-term bank borrowings

	December 31, 2024	December 31, 2023
Mortgage borrowings	\$ 379,412	\$ 513,429
Credit loans	376,000	359,950
Letter of credit loans	14,626	15,683
	\$ 770,038	\$ 889,062
<u>Rates of interest per annum (%)</u>		
Mortgage borrowings	1.90-5.20	1.80-5.01
Credit loans	2.00-2.28	1.80-1.90
Letter of credit loans	5.14-6.06	7.10-8.80

Mortgage loans are secured by the mortgages of the consolidated company's own land, buildings, and financial assets measured at amortized cost. Please refer to Note XXIV.

(II) Short-term bills payable

	December 31, 2024	December 31, 2023
Commercial paper	\$ 130,000	\$ 40,000
Less: Unamortized discounts on bills payable	(48)	(61)
	<u>\$ 129,952</u>	<u>\$ 39,939</u>
Interest Rates (%)	1.53-1.79	1.5

(III) Long-term bank borrowings

	December 31, 2024	December 31, 2023
Credit loans	\$ 242,500	\$ 280,000
Mortgage borrowings	<u>42,617</u>	<u>96,617</u>
	285,117	376,617
Less: Current portion	(92,617)	(91,500)
Long-term borrowings	<u>\$ 192,500</u>	<u>\$ 285,117</u>
<u>Rates of interest per annum (%)</u>		
Credit loans	1.15	1.15
Mortgage borrowings	2.08-2.35	1.94-2.03

Mortgage loans are secured by the mortgages of the consolidated entity's own land and buildings. Please refer to Note XXIV.

XV. Other payables

	December 31, 2024	December 31, 2023
Payable for salaries and bonuses	\$ 65,516	\$ 49,378
Payable for commissions and professional service fees	12,015	12,035
Payable for employee's compensation and remuneration of directors and supervisors	9,329	8,060
Payable for freight	7,236	5,435
Payable for purchase of equipment	3,365	6,600
Other	<u>45,903</u>	<u>52,844</u>
	<u>\$ 143,364</u>	<u>\$ 120,857</u>

XVI. RETIREMENT BENEFIT PLANS

The Company, CHEM-MAT and GIANT STAR of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Subsidiaries in China participate in social insurance schemes managed and coordinated by local government agencies. The plan is a system of determining the payment, and paying the pension insurance premium to the government in exchange for managing the social insurance plan, which is included in the current expense when the offer is made.

The employees of the consolidated entity's subsidiaries in Vietnam and Thailand should be identified as the members of the retirement benefit plans operated by the governments of said countries respectively. Each of the subsidiaries shall allocate a specific percentage of the wage costs, in order to raise the fund for the retirement benefit plan. The obligation to be borne by the consolidated entity under the retirement benefit plan operated by the government is limited to allocation of the specific fund.

Other subsidiaries and sub-subsidiaries that are not registered in accordance with the laws of the Republic of China are not required to establish pension regulations, nor provide pensions in accordance with local laws and regulations.

XVII. EQUITY

(I) Share capital from common shares

	December 31, 2024	December 31, 2023
Authorized shares (thousand shares)	<u>120,000</u>	<u>120,000</u>
Authorized capital stock	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Shares issued and received in full		
□		
(thousand shares)	<u>99,388</u>	<u>99,388</u>
Issued share capital	<u>\$ 993,880</u>	<u>\$ 993,880</u>

(II) Capital surplus

	December 31, 2024	December 31, 2023
Issuance of common shares	\$ 70,860	\$ 70,860
Treasury share transactions	<u>27,157</u>	<u>27,157</u>
	<u>\$ 98,017</u>	<u>\$ 98,017</u>

The capital surplus arising from shares issued in excess of par (including share premium from issuance of ordinary shares and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year). However, capitalization of this reserve is capped at a certain percentage of the Company's paid-up capital each year.

(III) Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a Statutory reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The dividend policy considers the future operating expansion and capital expenditures meet the best capital budget and diluted earnings per share, and the annual allocated surplus accounts for at least 50% of the available surplus. Distribution of profits may also be made by way of cash dividend provided; however, the ratio of share dividend shall exceed 25% of total distribution.

An appropriation of earnings to a Statutory reserve shall be made until the Statutory reserve equals the Company's paid-in capital. The Statutory reserve may be used to offset deficit. If the Company has no deficit and the Statutory reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company conducted the annual general meetings in June 2024 and 2023, and passed the following earnings distribution for 2023 and 2022:

	Appropriation of Earnings		Dividend per share (NTD)	
	2023	2022	2023	2022
Legal reserves	\$ 7,522	\$ 3,521		
Appropriation (reversal) of special reserve	13,937	(24,313)		
Cash dividend	49,694	49,694	\$ 0.5	\$ 0.5

In March 2025, the Company's Board of Directors proposed the 2024 earnings distribution plan as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserves	\$ 9,641	
Reversal special reserve	(13,937)	
Cash dividend	79,510	\$ 0.8

The earnings distribution plan for 2024 has yet to be resolved at the Annual General Meeting that is expected to be held in June 2025.

XVIII. NET PROFIT

(I) Depreciation and amortization

	2024	2023
Summarization of depreciation expenses by function		
Operating costs	\$ 76,209	\$ 71,526
Operating expenses	35,327	36,826
	<u>\$ 111,536</u>	<u>\$ 108,352</u>
Summarization of amortization expenses by function		
Operating costs	\$ 261	\$ 368
Operating expenses	1,639	1,602
	<u>\$ 1,900</u>	<u>\$ 1,970</u>

(II) Employee benefit expenses

	2024	2023
Short-term employee benefits	\$ 286,276	\$ 255,695
Retirement benefits		
Defined contribution plans	13,269	12,726
Other employee benefits	26,801	22,913
Total employee benefit expenses	<u>\$ 326,346</u>	<u>\$ 291,334</u>
Summarization by function		
Operating costs	\$ 154,817	\$ 133,584
Operating expenses	171,529	157,750
	<u>\$ 326,346</u>	<u>\$ 291,334</u>

(III) Employees' compensation and remuneration of directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors and supervisors at rates of 3% to 5% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The remuneration to employees and directors/supervisors estimated for 2024 and 2023 was resolved by the Board of Directors in March 2025 and 2024 as follows:

	2024	2023
Employees' compensation (5%)	\$ 6,469	\$ 4,975
Remuneration of directors and supervisors (2%)	2,587	1,990

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

There are no differences between the actual allotment amounts of employee remuneration and directors and supervisors' remuneration for 2023 and 2022 and the amounts recognized in the consolidated financial statements for 2023 and 2022.

For information about the remuneration of employees and the remuneration of directors and supervisors as decided by the Board of Directors of the company, please go to the Market Observation Post System of the Taiwan Stock Exchange for inquiries.

XIX Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2024	2023
Current income tax		
In respect of the current year	\$ 17,536	\$ 24,961
Tax refund on repatriation of overseas funds	-	(2,210)
Adjustments for prior years	<u>-</u>	<u>(39)</u>
	17,536	22,712
Deferred tax		
In respect of the current year	<u>14,185</u>	<u>(5,824)</u>
Income tax expense recognized in profit and loss	<u>\$ 31,721</u>	<u>\$ 16,888</u>

The accounting income and income tax expenses are adjusted as follows:

	2024	2023
Income tax expense calculated at the statutory rate	\$ 25,627	\$ 18,419
Nondeductible expenses in determining taxable income	18,042	24,532
Not recognized income in determining taxable income	(10,985)	(22,549)
Unrecognized carry forward	(2,006)	(3,390)
Effect of different tax rate of group entities operating in other jurisdictions	1,043	2,125
Tax refund on repatriation of overseas funds	-	(2,210)
Adjustments for prior years' tax	<u>-</u>	<u>(39)</u>
Income tax expense recognized in profit and loss	<u>\$ 31,721</u>	<u>\$ 16,888</u>

(II) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

	Balance at Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at End of Year
<u>2024</u>				
<u>Deferred income tax assets</u>				
Temporary differences				
Inventory write-downs	\$ 4,638	(\$ 441)	\$ -	\$ 4,197
Exchange differences on translating the financial statements of foreign operations	1,017	-	(880)	137
Investment accounted for using the equity method	15,272	2,137	-	17,409
Allowance for losses	5,048	(5,027)	-	21
Other	<u>3,503</u>	(<u>703</u>)	<u>-</u>	<u>2,800</u>
	<u>\$ 29,478</u>	(<u>\$ 4,034</u>)	(<u>\$ 880</u>)	<u>\$ 24,564</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Investment accounted for using the equity method	\$ 40,184	\$ 9,338	\$ -	\$ 49,522
Exchange differences on translating the financial statements of foreign operations	2,916	-	6,303	9,219
Other	<u>-</u>	<u>813</u>	<u>-</u>	<u>813</u>
	<u>\$ 43,100</u>	<u>\$ 10,151</u>	<u>\$ 6,303</u>	<u>\$ 59,554</u>
<u>2023</u>				
<u>Deferred income tax assets</u>				
Temporary differences				
Inventory write-downs	\$ 3,165	\$ 1,473	\$ -	\$ 4,638
Exchange differences on translating the financial statements of foreign operations	3,531	-	(2,514)	1,017
Investment accounted for using the equity method	9,241	6,031	-	15,272
Allowance for losses	4,999	49	-	5,048
Other	<u>3,567</u>	(<u>64</u>)	<u>-</u>	<u>3,503</u>
	<u>\$ 24,503</u>	<u>\$ 7,489</u>	(<u>\$ 2,514</u>)	<u>\$ 29,478</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Investment accounted for using the equity method	\$ 37,238	\$ 2,946	\$ -	\$ 40,184
Exchange differences on translating the financial statements of foreign operations	5,629	-	(2,713)	2,916
Other	<u>1,281</u>	(<u>1,281</u>)	<u>-</u>	<u>-</u>
	<u>\$ 44,148</u>	<u>\$ 1,665</u>	(<u>\$ 2,713</u>)	<u>\$ 43,100</u>

(III) Income tax assessments

The tax collection authority approved the Profit-seeking Enterprise Income Tax Return cases for the Company, CHEM-MAT and Giant Star Trading Co. through 2022.

XX. EARNINGS PER SHARE

	2024	Unit: NT\$ per share 2023
Basic earnings per share	<u>\$ 0.97</u>	<u>\$ 0.76</u>
Diluted earnings per share	<u>\$ 0.97</u>	<u>\$ 0.75</u>

The net profit and weighted average number of common stocks used to calculate the Earnings per Share are stated as following:

Net income

	2024	2023
The net profit used to calculate the Earnings per Share	<u>\$ 96,413</u>	<u>\$ 75,215</u>
The net profit used to calculate the diluted Earnings per Share	<u>\$ 96,413</u>	<u>\$ 75,215</u>

Number of shares

	2024	Unit: Thousand Shares 2023
The weighted average number of common stocks used to calculate the Earnings per Share	99,388	99,388
Effect of potentially dilutive ordinary shares:		
Remuneration to employees	<u>365</u>	<u>317</u>
The weighted average number of common stocks used to calculate the diluted Earnings per Share	<u>99,753</u>	<u>99,705</u>

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares should be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

XXI. CAPITAL RISK MANAGEMENT

The Group manages their capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Group (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group regularly review the capital structure. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

XXII. FINANCIAL INSTRUMENTS

(I) Fair value of financial instruments

1. Financial instruments carried at fair value

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition. The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable as follows:

- (1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (3) Level 3 fair value measurement refers to the evaluation technology that is based on the input value of the asset or liability that is not based on observable market data (unobservable input value) to derive the fair value.

In 2024 and 2023, there will be no transfer of fair value measurement between Level 1 and Level 2.

2. Financial instruments not carried at fair value

The fair value of financial assets and financial liabilities is determined in the following:

- (1) The fair value of short-term financial instruments is estimated by their carrying amount on the balance sheet for the carrying amount at the end of reporting period because the maturity date is close to the reporting date or the payment price is similar to the carrying amount. The carrying amount should be a reasonable basis for the estimated fair value. This method is applied to cash and cash equivalents, financial assets measured at amortized cost-current, notes and accounts receivable, other receivables/payables, refundable deposits, short-term bank loans, short-term notes and bills payable and refundable deposits.
- (2) The fair value of long-term borrowings (including current portion) is determined using the discounted value of future cash flow. If the Company's long-term borrowings rate is a floating rate, the carrying amount is equal to the fair value.

(II) Categories of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
(Note 1)	\$ 995,073	\$ 998,195
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
(Note 2)	1,596,785	1,691,614

Note 1: Balances include financial assets measured at amortized cost including cash and cash equivalents, financial assets measured at amortized cost-current, notes and accounts receivable, other receivables, and refundable deposit, etc.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables, other payables, and long-term borrowings (including current portion).

(III) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk.

1. Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured. The major financial risks are as follows:

(1) Foreign currency risk

The Group has foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the consolidated company's non-functional foreign currency denominated monetary assets and monetary liabilities (including non-functional foreign currency denominated monetary items written-off on the consolidated financial statements) at the end of the reporting period are set out in Note XXIX.

Sensitivity analysis

The Group's sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period. A positive number below indicates an increase in post-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on the net profit after tax and the balances below would be negative.

Currency	2024	2023
NTD:USD	\$ 1,273	\$ 2,066
CNY:USD	2,436	1,338
NTD:CNY	232	1,132

The sensitivity rate used by the Company when reporting foreign currency risk internally to key management personnel is 1%, which represents management's assessment of the reasonably possible change in foreign exchange rates.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

(2) Interest rate risk

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value interest rate risk		
Financial assets	\$ 20,892	\$ 109,044
Financial liabilities	599,176	553,575
Cash flow interest rate risk		
Financial assets	337,101	278,253
Financial liabilities	615,655	785,679

Sensitivity analysis

For financial assets and liabilities of the Group with floating interest rates, when interest rates change by 0.25%, and other conditions remain unchanged, the Group's net profit before tax for 2024 and 2023 would change by NT\$696 thousand and NT\$1,269 thousand, respectively.

2. Credit risk

The Group's transactions are targeted at reputable financial and securities institutions, and it also transacts with a number of financial institutions to spread the risks, so the probability of default from contractual counterparty is very low; even if the other party defaults, the Group will not suffer significant loss.

The Group is required to go through the credit confirmation procedure only after it has dealt with the approved third party, and the policy of the Group is to conduct credit transactions with the customer, and to regularly assess the possibility of recovering the receivables while providing appropriate allowances for doubtful debts, so the Group doesn't expect the possibility of major losses.

3. Liquidity risk

The Group has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The consolidated entity manages liquidity risk by maintaining sufficient reserve or banking facilities, obtaining the loan commitment, collecting debts proactively, and continuously monitoring forecast and actual cash flow as well as the maturity profiles of financial assets and liabilities. As of December 31, 2024 and 2023, the Group's unused bank financing lines were NT\$629,646 thousand and NT\$496,168 thousand respectively.

Schedule of liquidity and interest rate risk

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flow of financial liabilities from the earliest date on which the Group can be required to pay.

To the extent that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

Non-derivative financial liabilities	Less Than 1 Year	1~5 years	5~10 years
<u>December 31, 2024</u>			
Non-interest bearing liabilities	\$ 411,230	\$ 448	\$ -
Lease liabilities	4,270	17,078	9,607
Variable interest rate liabilities	615,655	-	-
Fixed interest rate liabilities	<u>376,952</u>	<u>192,500</u>	<u>-</u>
	<u>\$ 1,408,107</u>	<u>\$ 210,026</u>	<u>\$ 9,607</u>
<u>December 31, 2023</u>			
Non-interest bearing liabilities	\$ 385,563	\$ 433	\$ -
Lease liabilities	4,270	17,078	13,876
Variable interest rate liabilities	743,062	42,617	-
Fixed interest rate liabilities	<u>277,439</u>	<u>242,500</u>	<u>-</u>
	<u>\$ 1,410,334</u>	<u>\$ 302,628</u>	<u>\$ 13,876</u>

XXIII. TRANSACTIONS WITH RELATED PARTIES

Transactions, account balances, income and expense between consolidated entities have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, relationship and transactions of the Group with other related parties are disclosed below:

(I) Related party name and relationship

<u>Name of related party</u>	<u>Related Party Category</u>
AICA	The Company's parent
PT. AICA INDRIA (PT. AICA)	Fellow subsidiary
AICA Adtek Sdn. Bhd	Fellow subsidiary
Exeter New Materials (Nanjing) Co., Ltd. (Exeter)	Fellow subsidiary
Exeter New Materials (Guangdong) Co., Ltd. (Exeter)	Fellow subsidiary
AICA Bangkok Co., Ltd.□ (AICA Thailand)	Fellow subsidiary
AICA Dongnai Co., Ltd.□ (AICA Dongnai)	Fellow subsidiary
TAIWAN AICA KOGYO CO., LTD.	Fellow subsidiary
Pou Chen Corporation and its subsidiaries	Other related parties □ (affiliated companies of the company's corporate directors)
Yue Yuen Industrial (Holdings) Limited and its subsidiaries	Other related parties □ (affiliated companies of the company's corporate directors)

(II)	Sales of goods			
	Accounts	Related Party Category/Name	2024	2023
	Sales	Other related parties	\$ 217,756	\$ 208,741
		Parent company	155,148	149,045
		Fellow subsidiary	<u>24,223</u>	<u>16,543</u>
			<u>\$ 397,127</u>	<u>\$ 374,329</u>
	Other revenue	Parent company	\$ -	\$ 974
		Fellow subsidiary	<u>-</u>	<u>209</u>
			<u>\$ -</u>	<u>\$ 1,183</u>

The sales transactions of the Group to related parties are quoted based on the differences between the products and the acceptance of the market, and the credit period is from 60 days to 180 days.

	Accounts	Related Party Category/Name	2024	2023
	Purchases of goods	Parent company	\$ 12,892	\$ 9,388
		Fellow subsidiary	<u>1,566</u>	<u>-</u>
			<u>\$ 14,458</u>	<u>\$ 9,388</u>

The purchase price and payment term between the Group and related parties were similar to those for third parties.

The following balances of trade receivables from related parties were outstanding at the end of the reporting period:

	Accounts	Related Party Category/Name	December 31, 2024	December 31, 2023
	Accounts receivable	Parent company	\$ 16,738	\$ 19,524
		Fellow subsidiary	4,787	2,968
		Other related parties	<u>34,315</u>	<u>21,724</u>
			<u>\$ 55,840</u>	<u>\$ 44,216</u>
	Other receivables	Fellow subsidiary	\$ 126	\$ -
		Other related parties	117	251
		Parent company	<u>53</u>	<u>-</u>
			<u>\$ 296</u>	<u>\$ 251</u>

The outstanding trade receivables from related parties are unsecured.

The following balances of trade payables from related parties were outstanding at the end of the reporting period:

	Accounts	Related Party Category/Name	December 31, 2024	December 31, 2023
	Accounts payable	Parent company	<u>\$ 650</u>	<u>\$ 2,197</u>
	Other payables	Other related parties	<u>\$ 296</u>	<u>\$ 165</u>

(III) Remunerations of key management personnel

The following balances of trade payables from related parties were outstanding at the end of the reporting period.

	2024	2023
Short-term employee benefits	\$ 14,297	\$ 12,683
Retirement benefits	244	244
	<u>\$ 14,541</u>	<u>\$ 12,927</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

XXIV. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2024	December 31, 2023
Property, plant, and equipment	\$ 494,066	\$ 497,429
Financial assets measured at amortized cost - current	17,893	16,853
	<u>\$ 511,959</u>	<u>\$ 514,282</u>

XXV. Significant contingent liabilities and unrecognized contract commitments

The consolidated company has the following major commitments on the balance sheet date:

- (I) As of December 31, 2024 and 2023, the outstanding balances of letters of credit that had been opened were approximately US\$99 thousand and US\$97 thousand, respectively.
- (II) The Group's unrecognized contractual commitments are stated as following:

	December 31, 2024	December 31, 2023
Payments for property, plant, and equipment	<u>\$ 2,100</u>	<u>\$ 22,771</u>

XXVI. The significant assets and liabilities denominated in foreign currencies

The significant assets and liabilities denominated in foreign currencies were as follows:

Financial assets	December 31, 2024		
	Foreign currency	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 5,617	32.785 (USD:NTD)	\$ 184,153
USD	8,733	7.321 (USD:CNY)	286,311
RMB	5,190	4.478 (CNY:NTD)	23,241

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December 31, 2024				
Financial liabilities	Foreign currency		Exchange Rate	Carrying Amount
<u>Monetary items</u>				
USD	\$	1,734	32.785 (USD:NTD)	\$ 56,849
USD		1,303	7.321 (USD:CNY)	42,719
USD		795	25,490 (USD:VND)	26,064
USD		987	34.0694 (USD:THB)	32,359
December 31, 2023				
Financial assets	Foreign currency		Exchange Rate	Carrying Amount
<u>Monetary items</u>				
USD	\$	8,801	30.705 (USD:NTD)	\$ 270,235
USD		5,900	7.096 (USD:CNY)	181,160
RMB		26,171	4.327 (CNY:NTD)	113,242
Financial liabilities	Foreign currency		Exchange Rate	Carrying Amount
<u>Monetary items</u>				
USD		2,071	30.705 (USD:NTD)	63,590
USD		1,541	7.096 (USD:CNY)	47,316
USD		1,653	24,245 (USD:VND)	50,755
USD		1,343	34.0523 (USD:THB)	41,237

The significant realized and unrealized foreign exchange gain and losses were as follows:

The Group's realized and unrealized foreign currency exchange gains (losses) for the year ended December 31, 2024 and 2023, were NTD 22,699 thousand and NTD12,042 thousand, NTD7,799 thousand, respectively. Due to the wide variety of functional currencies of foreign currency transactions and the entities of the Group, it is impossible to disclose the foreign exchange gains and losses by each currency with significant impact.

XXVII. SEPARATELY DISCLOSED ITEMS

- (I) Information about significant transactions and investees and (II) Transfer investment information:
1. Financing provided to others: Table 1.
 2. Endorsements/guarantees provided: Table 2.
 3. Marketable securities held at the end of the period: None.
 4. Marketable securities acquired and disposed of at costs or prices at least \$300 million or 20% of the paid-in capital: None.
 5. Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital. (None)
 6. Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
 7. Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 3)
 8. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: None.
 9. Trading in derivative instruments: None.
 10. Intercompany relationships and significant intercompany transactions. (Table 4)

11. Information on investees: Table 5.
- (III) Investments in Mainland China
1. Invested company's name, business operations, paid-in capital, investment method, capital inward or outward, shareholding ratio, investment gains and losses, investment year end carrying amount, investment income and loss inward, and investment limits in Mainland China: Table 7.
 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:
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
 - (2) Sale amount and percentage and the related receivables ending balance and percentage. (Table 3 and 4)
 - (3) The amount of property transactions and the amount of the resultant gains or losses: None.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.
 - (5) 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.
 - (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.
- (IV) Information on principal shareholders: The names, amounts, and proportions of shares of shareholders with a shareholding ratio of 5% or more: Table 7.

XXVIII. Department 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 goods or services delivered or provided. The Group's segment information is disclosed as follows:

- (I) Segment revenues and results
1. Domestic operations - manufacturing and sales in Taiwan.
 2. Asia operations - manufacturing and sales in Asian countries except Taiwan.

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Segment Revenue		Segment Profit	
	2024	2023	2024	2023
Domestic operations	\$ 1,441,546	\$ 1,241,087	\$ 69,650	\$ 52,126
Asia operations	<u>1,204,545</u>	<u>1,126,425</u>	<u>37,118</u>	<u>39,409</u>
Total for continuing operations	<u>\$ 2,646,091</u>	<u>\$ 2,367,512</u>	106,768	91,535
Interest income			8,510	7,033
Gain on foreign exchange, net			22,699	7,799
Interest expense			(22,445)	(24,955)
Gains (Losses) from disposal of property, plant, and equipment			(149)	189
General income and benefits			14,401	14,992
General expenses and losses			(<u>1,650</u>)	(<u>4,490</u>)
Net profits before tax			<u>\$ 128,134</u>	<u>\$ 92,103</u>

Segment gains refers to the profits made by each department, excluding interest revenue, gains (losses) from disposal of property, plant and equipment, foreign exchange gains and losses, interest expenses, and income tax expenses recognized under the equity method. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(II) Segment total assets and liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Segment assets		
Domestic operations	\$ 2,190,942	\$ 2,228,827
Asia operations	1,045,854	1,016,142
Unallocated assets	<u>43,175</u>	<u>52,700</u>
Consolidated total assets	<u>\$ 3,279,971</u>	<u>\$ 3,297,669</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Segment liabilities		
Domestic operations	\$ 1,499,836	\$ 1,625,758
Asia operations	147,478	131,157
Unallocated liabilities	<u>59,554</u>	<u>43,100</u>
Consolidated total liabilities	<u>\$ 1,706,868</u>	<u>\$ 1,800,015</u>

For the purpose of monitoring segment performance and allocating resources between segments:

1. All assets were allocated to reportable segments other than financial assets measured at amortized cost-current and deferred income tax assets. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments; and
2. All liabilities were allocated to reportable segments other than deferred tax liabilities. Liabilities for which reportable segments are jointly liable were allocated in proportion to segment assets.

(III) Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products.

	<u>2024</u>	<u>2023</u>
PU synthetic resin	\$ 2,095,335	\$ 1,840,147
PE resin	103,488	107,841
Other	<u>447,268</u>	<u>419,524</u>
	<u>\$ 2,646,091</u>	<u>\$ 2,367,512</u>

(IV) Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	<u>2024</u>	<u>2023</u>
China (including Hong Kong)	\$ 594,531	\$ 651,003
Taiwan	1,041,826	869,047
Other	<u>1,009,734</u>	<u>847,462</u>
	<u>\$ 2,646,091</u>	<u>\$ 2,367,512</u>

(V) Information about major customers

In 2024 and 2023, no revenue from a single customer exceeded 10% of the Group's total revenue.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
January 1 to December 31, 2024

Table I Unit: In thousands of NTD or foreign currencies

Number	Lender(s)	Loan and counterparty (Note 1)	Financial Statement Account	Related Party	Highest Balance for the Period	Balance at End of Year (Note 2)	Actual amount drawn	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for bad debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Remark
													Name	Value			
0	The Compa ny	TOPWELL	Other receivables	Yes	\$ 18,954 (USD 600)	\$ 13,114 (USD 400)	\$ 11,104 (USD 339)	(Note 3)	Necessary for short-term financing	\$ -	Operating capital	\$ -	—	\$ -	\$ 157,310 (Note 4)	\$ 629,241 (Note 4)	

Note 1: Eliminated.
Note 2: The limit approved by the board of directors.
Note 3: Interest rate according to bank loan contract.
Note 4: The loan and limit and total limit of individual funds are limited to the sum of 10% of the Company’s net worth and the monthly average transaction value over the previous year, or 40% of the Company's net worth.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
January 1 to December 31, 2024

Table 2 Unit: In thousands of

NTD or foreign currencies

Number	Endorser/ Guarantor	Endorsee & guaranteed company		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual amount drawn	Amount Endorsed/ Guaranteed by Collateral	The ratio of the accumulated endorsement guarantee amount to the net value of the financial report for the year	Endorsement guarantee maximum limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remark
		Company name	Relationship											
0	The Company	TOPWELL	Refer to Note X of consolidated financial statements	\$ 786,552	\$ 16,418 (USD 500)	\$ 16,393 (USD 500)	\$ 16,393 (USD 500)	\$ 16,393 (USD 500)	1.04%	\$ 1,101,172	Y	—	—	
1	The Company	POU CHIEN	Refer to Note X of consolidated financial statements	786,552	268,515 (USD 8,500)	32,785 (USD 1,000)	-	-	2.08%	1,101,172	Y	—	—	

Note: The guarantee limit and maximum limit for individual entity are 50% and 70% of the net worth of the Company, respectively.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
January 1 to December 31, 2024

Table 3 Unit: NTD thousand

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	U-BEST	Subsidiary	(Sales)	(\$ 133,502)	(8)	T/T 90 days	Note 1	—	\$ 16,005	4	
The Company	AICA	Parent company	(Sales)	(154,838)	(9)	T/T 90 days	Note 1	—	16,738	5	

Note 1: The price of sales transactions with related parties is quoted based on product differentiation and market condition.
Note 2: Eliminated.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
January 1 to December 31, 2024

Table 4Unit: In thousands of NTD or foreign currencies

Number	Trader	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	The Company	POU CHIEN	1	Sales	\$ 62,087	T/T 90 days	2
		U-BEST	1	Sales	133,502	T/T 90 days	5
		TOPWELL	1	Sales	89,910	T/T 90 days	3
1	U-BEST	SUN YAD	2	Sales	55,259	T/T 90 days	2
2	POU CHIEN	U-BEST	2	Sales	63,513	T/T 90 days	2

Note 1: Eliminated.
Note 2: Relationship of counterparty: (1) parent entity to subsidiary; (2) subsidiary to subsidiary; (3) subsidiary to parent entity.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTEEES
January 1 to December 31, 2024

Table 5

Unit: In thousands of NTD or foreign currencies/Thousands Shares

Name of investor	Name of Investee	Location	Main business items	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee	Share of Profit (Loss)
				End of this year	End of last year	Number of Shares	%	Carrying Amount		
The Company	NEOLITE	British Virgin Islands	Financial investment and international trade	\$ 413,902	\$ 413,902	13,059	100	\$ 636,585	\$ 19,346	\$ 19,850
	Giant Star Trading Co.	Taichung City	Trading of chemical raw materials	16,367	97,367	4,500	100	45,448	102	102
	CHEM-MAT	Nantou County	Wholesale of coating, pigments, and industrial catalyst	111,484	111,484	7,199	100	118,963	1,042	1,183
	U-BEST	Vietnam	Production and sales of PU resin and adhesives	132,314	132,314	-	100	184,668	29,143	26,840
	TOPWELL	Thailand	Synthetic resin trading business	76,201	76,201	8,000	100	39,217	(4,205)	(3,980)
	SUCCESS	Samoa	Financial investment and international trade	185,064	185,064	5,000	100	156,348	(2,993)	(8,047)
NEOLITE	LIBERTY BELL	British Virgin Islands	Financial investment and international trade	563,243	563,243	21,000	100	638,579	19,528	(Note)
SUCCESS	SUNYAD	Vietnam	Manufacturing and sales of PU synthetic leather products	185,064	185,064	-	100	51,772	(2,993) (USD 93)	(Note)

Note: Not applicable.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES
Investments in Mainland China
January 1 to December 31, 2024

Table 6

Unit: In thousands of NTD or foreign currencies

Information On Investments in Mainland China	Main business items	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019(Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
POU CHIEN	Production and sales of PU resin	\$ 512,818 CNY 120,789	(Note 1)	\$ 244,425 USD 7,576	\$ -	\$ -	\$ 244,425 USD 7,576	\$ 19,528 CNY 4,389	100%	\$ 19,528 CNY 4,389	\$ 637,475 CNY 142,357	\$ -
TOPCO	Wholesale of chemical products	38,922 CNY 8,053	(Note 1)	26,450 USD 820	-	-	26,450 USD 820	(16,049) (CNY 3,598)	100%	(16,049) (CNY 3,598)	65,050 CNY 14,527	162,194 CNY 35,789
LEADERSHIP SHANGHAI	Wholesale of chemical products	15,400 CNY 3,474	(Note 1)	15,400 USD 500	-	-	15,400 USD 500	1,339 CNY 289	100%	1,339 CNY 289	161 CNY 36	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 412,055 (USD 12,796)	\$ 921,115 (USD 29,126) (Note 4)	(Note 5)

Note1: Investments in mainland China were through companies established in the third region.

Note2: Including investment in equipment and expertise, but not including the surplus of investment in China's investment business, and reinvestment of investment in the third region.

Note 3: The financial statements of the investee were audited by the ROC parent company's CPA during the same period.

Note 4: Investment of US\$29,126 thousand was authorized by the Investment Commission, MOEA, not including the surplus of investment in China's investment business, and reinvestment of investment in the third region (NEOLITE) of US\$ 5,591 thousand.

Note 5: In accordance with "Principle of Examination on Investment or Technical Cooperation in Mainland China" stipulated by the Investment Commission, MOEA on August 29, 2008, the Company obtained the scope certificate for the headquarters issued by the Industrial Development Bureau, MOEA, with no upper limit for the investment amount in mainland China.

EVERMORE CHEMICAL INDUSTRY CO, LTD

Information on principal shareholders

December 31, 2024

Table 7

Name of Major Shareholder	Shares	
	Number of shares held (shares)	Shareholding
AICA	49,793,388	50.10%
Ho Wen-Chieh	7,003,532	7.04%

Note: Principal shareholder information in this schedule is prepared by the depository corporation based on the last business day at the end of the quarter, calculating the information that shareholders held more than 5% of the Company's common stock and preferred stock that have been delivered without physical registration (including treasury shares). The share capital recorded in the Company's consolidated financial statements and the actual number of shares delivered without physical registration may be different due to different calculation bases or other differences.