

Evermore Chemical Industry  
Co, Ltd

Parent Company Only  
Financial Statements and  
Independent Auditor's Report  
2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To Evermore Chemical Industry Co., Ltd.

### **Audit Opinion**

We have audited the accompanying financial statements of Evermore Chemical Industry Co., Ltd. (the Company), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements of the year 2024. These matters were addressed in the context of our audit of the 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 for the Company's 2024 parent company only financial statements are 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 the parent company only 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.

**Responsibilities of management and those charged with governance for the parent company only financial statements**

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

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 parent company only 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue

as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the governance unit, we have determined key audit matters of the Company's 2024 parent company only financial statements. 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

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)	\$ 37,457	1	\$ 52,757	2
1136	Financial assets measured at amortized cost - current (Notes IV, VII and XXIII)	17,893	1	16,853	-
1150	Notes receivable (Notes IV, VIII, and XXII)	66,617	2	55,865	2
1170	Accounts receivable due from non-related parties (Notes IV and VIII)	204,651	6	188,347	6
1180	Accounts receivable due from related parties (Notes IV, VIII, and XXII)	86,464	3	117,228	4
1200	Other receivables (Note XXII)	16,748	1	24,055	1
1300	Inventories (Notes IV and IX)	318,542	10	284,077	9
1479	Other current assets	<u>6,754</u>	<u>-</u>	<u>6,754</u>	<u>-</u>
11XX	Total current assets	<u>755,126</u>	<u>24</u>	<u>745,936</u>	<u>24</u>
	NON-CURRENT ASSETS				
1550	Investment accounted for using the equity method (Notes IV and X)	1,181,229	38	1,188,717	38
1600	Property, plant, and equipment (Notes IV, XI, and XXIII)	1,146,524	36	1,087,670	34
1755	Right-of-use assets (Notes IV and XII)	29,270	1	33,307	1
1760	Investment real estate (Note IV)	1,007	-	1,007	-
1780	Intangible assets (Note IV)	4,396	-	5,334	-
1840	Deferred tax assets (Notes IV and XVIII)	20,300	1	24,940	1
1915	Prepayments for equipment	5,221	-	57,811	2
1920	Refundable deposits	<u>1,048</u>	<u>-</u>	<u>852</u>	<u>-</u>
15XX	Total non-current assets	<u>2,388,995</u>	<u>76</u>	<u>2,399,638</u>	<u>76</u>
1XXX	TOTAL	<u>\$ 3,144,121</u>	<u>100</u>	<u>\$ 3,145,574</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	Current liabilities:				
2100	Short-term borrowings (Notes XIII and XXIII)	\$ 734,626	24	\$ 842,683	27
2110	Short-term bills payable (Note XIII)	129,952	4	39,939	1
2150	Notes payable	3,170	-	3,066	-
2170	Accounts payable (Note XXII)	221,445	7	210,062	7
2200	Other payables (Notes XIV and XXII)	88,550	3	72,855	2
2230	Current tax liabilities (Notes IV and XVIII)	8,557	-	17,635	1
2280	Lease liabilities - current (Notes IV and XII)	3,955	-	3,911	-
2322	Long-term borrowings due within one year (Notes XIII and XXIII)	92,617	3	91,500	3
2399	Other current liabilities	<u>10,345</u>	<u>-</u>	<u>8,351</u>	<u>-</u>
21XX	Total current liabilities	<u>1,293,217</u>	<u>41</u>	<u>1,290,002</u>	<u>41</u>
	Non-current liabilities				
2541	Long-term borrowings (Notes XIII and XXIII)	192,500	6	285,117	9
2570	Deferred tax liabilities (Notes IV and XVIII)	59,532	2	43,076	1
2580	Lease liabilities - non-current (Notes IV and XII)	<u>25,769</u>	<u>1</u>	<u>29,725</u>	<u>1</u>
25XX	Total non-current liabilities	<u>277,801</u>	<u>9</u>	<u>357,918</u>	<u>11</u>
2XXX	Total liabilities	<u>1,571,018</u>	<u>50</u>	<u>1,647,920</u>	<u>52</u>
	EQUITY				
3110	Share capital from common stock	993,880	32	993,880	32
3200	Capital surplus	98,017	3	98,017	3
	Retained earnings				
3310	Legal reserves	234,075	8	226,553	7
3320	Special reserve	13,937	-	-	-
3350	Undistributed earnings	218,401	7	193,141	6
3400	Other equity	<u>14,793</u>	<u>-</u>	<u>( 13,937 )</u>	<u>-</u>
3XXX	Total equity	<u>1,573,103</u>	<u>50</u>	<u>1,497,654</u>	<u>48</u>
	TOTAL	<u>\$ 3,144,121</u>	<u>100</u>	<u>\$ 3,145,574</u>	<u>100</u>

The attached notes form part of this parent-company only financial report

Chairman: Ho Wen-Chieh

Managerial Officer: Huang Chang-Tze

Accounting Officer: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO, LTD  
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 XXII)	\$ 1,691,203	100	\$ 1,478,090	100
5000	Operating costs (Notes IX, XVII and XXII)	<u>1,454,115</u>	<u>86</u>	<u>1,258,453</u>	<u>85</u>
5900	Gross operating profit	237,088	14	219,637	15
5920	REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	<u>1,635</u>	<u>-</u>	<u>2,396</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	<u>238,723</u>	<u>14</u>	<u>222,033</u>	<u>15</u>
	Operating expenses (Note XVII)				
6100	Selling and marketing expenses	64,583	4	53,346	3
6200	Management expenses	76,159	4	70,221	5
6300	Research and development expenses	44,221	3	42,557	3
6450	Expected credit impairment loss □ (gain on reversal) (Notes IV and VIII)	( <u>27,541</u> )	( <u>2</u> )	<u>501</u>	<u>-</u>
6000	Total operating expenses	<u>157,422</u>	<u>9</u>	<u>166,625</u>	<u>11</u>
6900	Net operating profit	<u>81,301</u>	<u>5</u>	<u>55,408</u>	<u>4</u>
	Non-operating revenue and expenditure				
7010	Other income (Note XXII)	9,571	-	8,724	1
7020	Other gains and losses	( 508 )	-	( 711 )	-
7100	Interest income (Note XXII)	1,897	-	3,153	-
7230	Gain on foreign exchange, net	12,763	1	2,904	-
7510	Interest expense	( 20,656 )	( 1 )	( 22,376 )	( 2 )
7375	Share of gains from subsidiaries and affiliates using the equity method (Note IV)	<u>35,948</u>	<u>2</u>	<u>45,437</u>	<u>3</u>
7000	Total non-operating income and expenses	<u>39,015</u>	<u>2</u>	<u>37,131</u>	<u>2</u>

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Code		2024		2023	
		Amount	%	Amount	%
7900	Net profits before tax	\$ 120,316	7	\$ 92,539	6
7950	INCOME TAX EXPENSE (Notes IV and XVIII)	<u>23,903</u>	<u>1</u>	<u>17,324</u>	<u>1</u>
8200	Net income	<u>96,413</u>	<u>6</u>	<u>75,215</u>	<u>5</u>
	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	2	( 20,787 )	( 1 )
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XVIII)	( <u>7,199</u> )	( <u>1</u> )	<u>3,092</u>	<u>-</u>
8300	Other comprehensive income (loss) for the year, net of tax	<u>28,730</u>	<u>1</u>	( <u>17,695</u> )	( <u>1</u> )
8500	Total comprehensive income	<u>\$ 125,143</u>	<u>7</u>	<u>\$ 57,520</u>	<u>4</u>
	Earnings per share (Note XIX)				
9750	Basic	<u>\$ 0.97</u>		<u>\$ 0.76</u>	
9850	Diluted	<u>\$ 0.97</u>		<u>\$ 0.75</u>	

The attached notes form part of this parent-company only financial report

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



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

Unit: NTD thousand

Code		Share capital from common stock	Capital surplus	Retained earnings (Note XVI)			Exchange differences on translation of foreign financial statements	Total equity
		(Note XVI)	(Note XVI)	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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>17,695</u> )	( <u>17,695</u> )
D5	Total comprehensive income for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,215</u>	( <u>17,695</u> )	<u>57,520</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,730</u>	<u>28,730</u>
D5	Total comprehensive income for 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,413</u>	<u>28,730</u>	<u>125,143</u>
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 attached notes form part of this parent-company only financial report

Chairman: Ho Wen-Chieh

Managerial Officer: Huang Chang-Tze

Accounting Officer: Chen Hsiang-Li

EVERMORE CHEMICAL INDUSTRY CO, LTD  
INDIVIDUAL CASH FLOW STATEMENT  
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	CASH FLOW FROM OPERATING		
	ACTIVITIES		
A10000	Income before tax	\$ 120,316	\$ 92,539
A20000	Adjustments for:		
A20100	Depreciation expense	74,826	71,647
A20200	Amortization expense	1,429	1,514
A20300	Expected credit loss (reversal)	( 27,541 )	501
A20900	Interest expense	20,656	22,376
A21200	Interest income	( 1,897 )	( 3,153 )
A22300	Share of gains of subsidiaries and affiliates using the equity method	( 35,948 )	( 45,437 )
A22500	Loss (gain) on disposal of property, plant, and equipment	( 58 )	5
A23700	Losses on (Gains on reversal of) market price decline and obsolete and slow-moving inventories	291	( 2,037 )
A23900	REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	( 1,635 )	( 2,396 )
A24100	Foreign exchange losses (gains)	( 5,384 )	3,591
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	( 10,752 )	11,986
A31150	Accounts receivable	49,200	( 44,320 )
A31180	Other receivables	6,022	( 5,148 )
A31200	Inventories	( 34,756 )	74,505
A31240	Other current assets	-	750
A32130	Notes payable	104	( 1,272 )
A32150	Accounts payable	9,007	46,484
A32180	Other payables	14,855	6,083
A32230	Other current liabilities	<u>1,994</u>	( <u>2,257</u> )
A33000	Cash generated from operations	180,729	225,961
A33100	Interest received	1,913	3,125
A33300	Interest paid	( 19,236 )	( 21,717 )
A33500	Income tax paid	( <u>19,084</u> )	( <u>657</u> )
AAAA	Net cash flow from operating activities	<u>144,322</u>	<u>206,712</u>

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Code		2024	2023
	CASH FLOW FROM INVESTING ACTIVITIES		
B02400	Refunded share payment from capital decrease by an investee accounted for using the equity method	\$ 81,000	\$ -
B02700	Payments for property, plant, and equipment	( 65,749)	( 33,690)
B02800	Proceeds from disposal of property, plant, and equipment	58	1
B03700	Increase in refundable deposits	( 196)	-
B03800	Decrease in refundable deposits	-	57
B04400	Decrease (increase) in other receivables from related parties	1,743	( 13,143)
B04500	Acquisition of intangible assets	( 491)	( 849)
B07100	Increase in prepayments for equipment	( <u>10,447</u> )	( <u>46,803</u> )
BBBB	Net cash inflow (outflow) from investing activities	<u>5,918</u>	( <u>94,427</u> )
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Proceeds from short-term borrowings	5,782,325	6,165,950
C00200	Repayments of short-term borrowings	( 5,891,222)	( 6,132,776)
C00500	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	( <u>49,694</u> )	( <u>49,694</u> )
CCCC	Net cash flow used in financing activities	( <u>165,540</u> )	( <u>145,068</u> )
EEEE	Decrease in cash and cash equivalents	( 15,300)	( 32,783)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>52,757</u>	<u>85,540</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 37,457</u>	<u>\$ 52,757</u>

The attached notes form part of this parent-company only financial report

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

EVERMORE CHEMICAL INDUSTRY CO, LTD

Notes to parent company only 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 parent company only 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 Company'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 parent company only financial statements were authorized for issue, the Company assessed that there would be no material impact of the initial application of other 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 Company 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 consolidated company engages in public communication outside of financial statements, and when communicating management's perspective on a specific aspect of the consolidated company'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.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company'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 financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The 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.

The subsidiaries and associates are incorporated in the financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the financial statements equal to those attributed to owners of the Company on parent company only financial statements, the effect of the differences between standalone and consolidated basis of consolidation are adjusted in the "investments accounted for using the equity method," the "share of profit of subsidiaries," and related equity.

(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) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (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 financial statements, the functional currencies of the Company and its entities are translated into the presentation currency, the New Taiwan dollar as follows: 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.

(V) 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.

(VI) Investment accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1. Investments in subsidiaries

Subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the share of equity of subsidiaries.

Changes in the Company's ownership interests in a subsidiaries that do not result in the Company losing of control over the subsidiary are accounted for as equity transaction. Differences between the carrying amounts of the investment and the fair value of consideration paid or received are directly recognized in equity.

When the Company's share of losses to a subsidiary equals or exceeds its equity in the subsidiary, the Company continues to recognize the loss based on its shareholding ratio.

The amount of the acquisition cost exceeding the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries that constitute the business on the acquisition date is classified as goodwill, which is included in the carrying value of the investment and is not amortized.

When the Company assesses impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the book value. If the recoverable amount of the asset increases in the future, the reversal of the impairment loss is recognized as profit. However, the book value of the asset after the impairment loss has been reversed shall not exceed the book value of the asset after deducting the amortization if the impairment loss is not recognized. Impairment losses attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the financial statements. Profits and losses on transactions with subsidiaries other than downstream are recognized in financial statements only to the extent of interests in the subsidiary that are not related to the Company.

## 2. Investment related companies

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

Under the equity method, on initial recognition the investment in the associate is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. 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 Company'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 Company'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 Company entity transacts with its associates, profits and losses on these transactions are recognized in the financial statements only to the extent of interests in the associate that are not related to the Company.

## (VII) 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.

(VIII) 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.

(IX) 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.

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

The Company 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 Company 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.

(XI) Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 are classified into the following categories: financial assets 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 Company 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 Company 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 Company 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.

When a financial asset measured at amortized cost is delisted as a whole, the difference between its book value and the consideration received is recognized in profit or loss.

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.

(XII) Revenue recognition

The Company 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.

The consideration already received from customers before the customers take over the products is stated as contract liability.

(XIII) Leasing

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

1. The Company 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 Company as 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 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.

(XIV) Borrowing cost

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

(XV) Government subsidies

Government subsidies are recognized only when it is reasonably certain that the Company 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 Company.

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

(XVI) 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.

(XVII) Taxation

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

1. Current income tax

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 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 Company 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 Company 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 Company'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 Company 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	\$ 40	\$ 40
Checking accounts and demand deposits	37,417	49,633
Cash equivalent		
Time deposits with original maturities of less than 3 months	-	3,084
	<u>\$ 37,457</u>	<u>\$ 52,757</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	1.58-5.1

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

VIII. Notes receivable and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable</u>		
Notes receivable - operating	\$ 66,617	\$ 55,865
Less: Loss allowance	-	-
	<u>\$ 66,617</u>	<u>\$ 55,865</u>
<u>Trade receivables - unrelated parties</u>		
Measured by cost after amortization		
Total carrying amount	\$ 206,123	\$ 217,360
Less: Loss allowance	( 1,472 )	( 29,013 )
	<u>\$ 204,651</u>	<u>\$ 188,347</u>
<u>Accounts receivables - related parties</u>		
Measured by cost after amortization		
Total carrying amount	\$ 86,464	\$ 117,228
Less: Loss allowance	-	-
	<u>\$ 86,464</u>	<u>\$ 117,228</u>

(I) Notes receivable

The aging of notes receivable was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not past due	\$ 66,617	\$ 55,865
Past due	-	-
Total	<u>\$ 66,617</u>	<u>\$ 55,865</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 Company 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. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company 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 Company'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 Company's different customer base.

The Company 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 Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The allowance for loss on accounts receivable measured by the Company 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 (%)	0.5	2	4-6	10-100	
Total carrying amount	\$ 291,945	\$ 642	\$ -	\$ -	\$ 292,587
Allowance for loss (Expected credit loss during the period)	( <u>1,459</u> )	( <u>13</u> )	<u>-</u>	<u>-</u>	( <u>1,472</u> )
Amortized cost	<u>\$ 290,486</u>	<u>\$ 629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,115</u>
<u>December 31, 2023</u>					
Expected credit loss rate (%)	0.15	2	50	100	
Total carrying amount	\$ 304,344	\$ 1,721	\$ -	\$ 28,523	\$ 334,588
Allowance for loss (Expected credit loss during the period)	( <u>456</u> )	( <u>34</u> )	<u>-</u>	( <u>28,523</u> )	( <u>29,013</u> )
Amortized cost	<u>\$ 303,888</u>	<u>\$ 1,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,575</u>

The movements of the loss allowance of trade receivables were as follows:

	2024	2023
Balance at Beginning of Year	\$ 29,013	\$ 28,512
Impairment losses (reversals) of the current year	( <u>27,541</u> )	<u>501</u>
Balance at End of Year	<u>\$ 1,472</u>	<u>\$ 29,013</u>

IX. Inventories

	December 31, 2024	December 31, 2023
Finished goods	\$ 188,454	\$ 173,098
Raw materials and supplies	129,054	110,798
Merchandise	<u>1,034</u>	<u>181</u>
	<u>\$ 318,542</u>	<u>\$ 284,077</u>

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

	2024	2023
Cost of inventories sold	\$ 1,425,811	\$ 1,228,492
Inventory devaluation (or reversal gains)	291	( 2,037 )
Unallocated production overhead	27,990	31,594
Revenue from sale of scraps	( 1,601 )	( 1,525 )
Other	1,624	1,929
	<u>\$ 1,454,115</u>	<u>\$ 1,258,453</u>

A rebound in net realizable value of inventories was caused by increases in the sales prices of inventory in specific markets.

X. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2024		December 31, 2023	
Investments in subsidiaries	<u>\$ 1,181,229</u>		<u>\$ 1,188,717</u>	
	December 31, 2024		December 31, 2023	
Name of Investee	Amount	Shareholding	Amount	Shareholding
<u>Unlisted Companies</u>				
NEOLITE INVESTMENTS LIMITED (NEOLITE)	\$ 636,58	100%	\$ 594,15	100%
SUCCESS INVESTMENTS LIMITED ( SUCCESS )	156,34	100%	154,12	100%
U-BEST VIETNAM POLYMER INDUSTRY COMPANY LIMITED ( U-BEST )	184,66	100%	155,32	100%
GIANT STAR TRADING CO., LTD				
□ (GIANT STAR)	45,44	100%	126,34	100%
CHEM-MAT TECHNOLOGIES CO., LTD □ (CHEM-MAT)	118,96	100%	117,83	100%
TOPWELL ELASTIC TECHNOLOGY CO., LTD. ( TOPWELL )	39,21	100%	40,94	100%
	<u>\$ 1,181,22</u>		<u>\$ 1,188,71</u>	

Please refer to Attachment 4 and 5 for the nature of business, the principal place of business, and information on the country of registration of the above-mentioned subsidiaries.

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.

The share of profit or loss and other comprehensive income of investments in associates accounted for using the equity method were based on the associates' audited financial statements for the same years as those of the Company.



# XI. PROPERTY, PLANT, AND EQUIPMENT

2024	Land	Building	Machinery and equipment	Transportation equipment	Other equipment	Total
<u>Cost</u>						
Balance at Beginning of Year	\$ 661,263	\$ 384,048	\$ 875,030	\$ 11,303	\$ 241,745	\$ 2,173,389
Add	-	3,319	36,773	-	26,514	66,606
Disposal	-	-	( 1,465 )	-	( 131 )	( 1,596 )
Reclassified	-	-	55,783	-	7,254	63,037
Balance at End of Year	<u>\$ 661,263</u>	<u>\$ 387,367</u>	<u>\$ 966,121</u>	<u>\$ 11,303</u>	<u>\$ 275,382</u>	<u>\$ 2,301,436</u>
<u>Accumulated depreciation</u>						
Balance at Beginning of Year	\$ -	\$ 181,658	\$ 719,395	\$ 10,971	\$ 173,695	\$ 1,085,719
Add	-	14,200	38,527	332	17,730	70,789
Disposal	-	-	( 1,465 )	-	( 131 )	( 1,596 )
Balance at End of Year	<u>\$ -</u>	<u>\$ 195,858</u>	<u>\$ 756,457</u>	<u>\$ 11,303</u>	<u>\$ 191,294</u>	<u>\$ 1,154,912</u>
Net end-of-year amount	<u>\$ 661,263</u>	<u>\$ 191,509</u>	<u>\$ 209,664</u>	<u>\$ -</u>	<u>\$ 84,088</u>	<u>\$ 1,146,524</u>
<u>2023</u>						
<u>Cost</u>						
Balance at Beginning of Year	\$ 661,263	\$ 364,851	\$ 857,333	\$ 11,303	\$ 237,439	\$ 2,132,189
Add	-	12,843	12,935	-	6,898	32,676
Disposal	-	-	( 2,299 )	-	( 4,248 )	( 6,547 )
Reclassified	-	6,354	7,061	-	1,656	15,071
Balance at End of Year	<u>\$ 661,263</u>	<u>\$ 384,048</u>	<u>\$ 875,030</u>	<u>\$ 11,303</u>	<u>\$ 241,745</u>	<u>\$ 2,173,389</u>
<u>Accumulated depreciation</u>						
Balance at Beginning of Year	\$ -	\$ 166,892	\$ 686,158	\$ 10,400	\$ 161,201	\$ 1,024,651
Add	-	14,766	35,536	571	16,736	67,609
Disposal	-	-	( 2,299 )	-	( 4,242 )	( 6,541 )
Balance at End of Year	<u>\$ -</u>	<u>\$ 181,658</u>	<u>\$ 719,395</u>	<u>\$ 10,971</u>	<u>\$ 173,695</u>	<u>\$ 1,085,719</u>
Net end-of-year amount	<u>\$ 661,263</u>	<u>\$ 202,390</u>	<u>\$ 155,635</u>	<u>\$ 332</u>	<u>\$ 68,050</u>	<u>\$ 1,087,670</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
Machinery and equipment	2-12 years
Transportation equipment	5 years
Other equipment	
Office equipment	2-8 years
Landscape gardening	15 years
Other	2-20 years

Property, plant, and equipment pledged as collateral for bank borrowings is set out in Note XXIII.

## 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		
Building	<u>\$ 29,270</u>	<u>\$ 33,307</u>
	<u>2024</u>	<u>2023</u>
Depreciation expenses of right-of-use assets		
Building	<u>\$ 4,037</u>	<u>\$ 4,038</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

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

	<u>2024</u>	<u>2023</u>
Low-value asset lease expenses	<u>\$ 34</u>	<u>\$ 34</u>
Total cash outflow from rent	<u>\$ 4,305</u>	<u>\$ 4,304</u>

## XIII. BORROWINGS

### (I) Short-term bank borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Credit loans	\$ 376,000	\$ 350,000
Mortgage borrowings	344,000	477,000
Letter of credit loans	<u>14,626</u>	<u>15,683</u>
	<u>\$ 734,626</u>	<u>\$ 842,683</u>
<u>Rates of interest per annum (%)</u>		
Credit loans	2.00-2.28	1.80-1.86
Mortgage borrowings	1.90-1.98	1.80-1.85
Letter of credit loans	5.14-6.06	7.10-8.80

Mortgage loans are secured by the mortgages of the Company's own land, buildings, and other financial assets. Please refer to Note XXIII.

### (II) Short-term bills payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Commercial paper	\$ 130,000	\$ 40,000

Less: Unamortized discounts on bills payable	( <u>48</u> )	( <u>61</u> )
	<u>\$ 129,952</u>	<u>\$ 39,939</u>
Interest Rates (%)	1.53-1.79	1.5
(III) Long-term bank borrowings		
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Credit loans	\$ 242,500	\$ 280,000
Mortgage borrowings	<u>42,617</u>	<u>96,617</u>
	285,117	376,617
Less: Current portion	( <u>92,617</u> )	( <u>91,500</u> )
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 Company's own land and buildings.

Please refer to Note XXIII.

XIV. OTHER PAYABLES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Payable for salaries and bonuses	\$ 48,536	\$ 33,288
Payable for employee's compensation and remuneration of directors and supervisors	9,057	7,458
Payable for commissions and professional service fees	5,224	5,429
Payable for freight	2,915	2,149
Payable for purchase of equipment	2,198	1,341
Other	<u>20,620</u>	<u>23,190</u>
	<u>\$ 88,550</u>	<u>\$ 72,855</u>

XV. RETIREMENT BENEFIT PLANS

The Company 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.

XVI. Equity

(I) Share capital from common shares		
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
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.

## XVII. NET PROFIT

### (I) Depreciation and amortization

	2024	2023
Summarization of depreciation expenses by function		
Operating costs	\$ 60,446	\$ 55,628
Operating expenses	<u>14,380</u>	<u>16,019</u>
	<u>\$ 74,826</u>	<u>\$ 71,647</u>
Summarization of amortization expenses by function		
Operating costs	\$ 249	\$ 361
Operating expenses	<u>1,180</u>	<u>1,153</u>
	<u>\$ 1,429</u>	<u>\$ 1,514</u>

### (II) Employee benefit expenses

	2024	2023
Short-term employee benefits		
Salary expenses	\$ 186,639	\$ 160,310
Health and labor insurance	15,600	14,934
Retirement benefits		
Defined contribution plans	7,119	6,879
Remuneration to directors	5,548	5,020
Other employee benefits	<u>9,069</u>	<u>7,299</u>
Total employee benefit expenses	<u>\$ 223,975</u>	<u>\$ 194,442</u>
Summarization by function		
Operating costs	\$ 128,701	\$ 109,064
Operating expenses	<u>95,274</u>	<u>85,378</u>
	<u>\$ 223,975</u>	<u>\$ 194,442</u>

The number of employees of the Company in 2024 and 2023 was 210 and 201 respectively. Among them, the number of directors who were not concurrent employees was both 7, and their calculation basis is the same as that of employee benefits.

The Company's average employee benefits for 2024 and 2023 were NTD 1,087 thousand and NTD 987 thousand, respectively, and average employee salary costs were NTD 929 thousand and NTD 835 thousand, respectively. The average employee salary cost adjustment change witnessed an increase of 11%.

The Company has established the Audit Committee to exercise the powers in replace of the supervisors.

#### Remuneration policy

##### 1. Remuneration policy for directors and supervisors

The remuneration of directors and supervisors is handled in accordance with the Company's Remuneration and Performance Evaluation Measures for Directors, Supervisors, and Functional Committees. Monthly fixed remunerations and remunerations provided in accordance with the Articles of Incorporation are allocated according to the degree of contribution and calculated based on the ratio of the number of board meetings to the total number of attendances, and with reference to the value of business participation and contribution. After the remuneration is reviewed by the Remuneration Committee, it is submitted to the Board of Directors for approval.

2. Policies for employees and managerial officers

- (1) Employee salary compensation includes fixed salary, year-end bonus, employee remuneration and quarterly bonus. The Company calculates the total bonus based on operating results, and issues individual bonuses based on the individual contribution of employees.
- (2) Authorization of manager salaries is handled in accordance with the Company's salary management measures, including fixed and variable components. After review by the Remuneration Committee regarding changes in operating performance and future risk considerations, it is submitted to the Board of Directors for approval.

(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 financial statements are authorized for issue, the differences are 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 parent company only 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.

XVIII. 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	\$ 10,006	\$ 14,953
Tax refund on repatriation of overseas funds	-	( 2,210 )
Adjustments for prior years	-	( 39 )
	10,006	12,704
Deferred tax		
In respect of the current year	13,897	4,620
Income tax expense recognized in profit and loss	<u>\$ 23,903</u>	<u>\$ 17,324</u>

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

	2024	2023
Income tax expense calculated at the statutory rate	\$ 24,063	\$ 18,507
Nondeductible expenses in determining taxable income	( 160 )	1,066
Adjustments for prior years' tax	-	( 39 )
Tax refund on repatriation of overseas funds	-	( 2,210 )
Income tax expense recognized in profit and loss	<u>\$ 23,903</u>	<u>\$ 17,324</u>

(II) Deferred tax assets and liabilities

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

2024	Balance at Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at End of Year
<u>Deferred income tax assets</u>				
Temporary differences				
Inventory write-downs	\$ 3,869	( \$ 389 )	\$ -	\$ 3,480
Investment accounted for using the equity method	13,677	2,405	-	16,082
Allowance for losses	5,022	( 5,022 )	-	-
Exchange differences on translating the financial statements of foreign operations	1,019	-	( 880 )	139
Other	1,353	( 754 )	-	599
	<u>\$ 24,940</u>	<u>( \$ 3,760 )</u>	<u>( \$ 880 )</u>	<u>\$ 20,300</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Investment accounted for using the equity method	\$ 40,185	\$ 9,338	\$ -	\$ 49,523
Exchange differences on translating the financial statements of foreign operations	2,891	-	6,319	9,210
Other	-	799	-	799
	<u>\$ 43,076</u>	<u>\$ 10,137</u>	<u>\$ 6,319</u>	<u>\$ 59,532</u>
2023				
<u>Deferred income tax assets</u>				
Temporary differences				
Inventory write-downs	\$ 1,927	\$ 1,942	\$ -	\$ 3,869
Investment accounted for using the equity method	8,807	4,870	-	13,677
Allowance for losses	4,976	46	-	5,022
Exchange differences on translating the financial statements of foreign operations	635	-	384	1,019
Other	1,630	( 277 )	-	1,353
	<u>\$ 17,975</u>	<u>\$ 6,581</u>	<u>\$ 384</u>	<u>\$ 24,940</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Investment accounted for using the equity method	\$ 27,731	\$ 12,454	\$ -	\$ 40,185
Exchange differences on translating the financial statements of foreign operations	5,599	-	( 2,708 )	2,891
Other	1,253	( 1,253 )	-	-
	<u>\$ 34,583</u>	<u>\$ 11,201</u>	<u>( \$ 2,708 )</u>	<u>\$ 43,076</u>



(III) Income tax assessments

The tax collection authority approved the Profit-seeking Enterprise Income Tax Return case for the Company through 2022

XIX. 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.

XX CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

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

Key management personnel of the Company 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 Company 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.

## XXI. 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

- (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, notes and accounts receivable, other receivables, other financial assets, refundable deposits-time 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)	\$ 430,878	\$ 455,957
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
(Note 2)	\$ 1,462,860	\$ 1,545,222

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 Company's major financial instruments include trade receivables, trade payables, and borrowings. The Company'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 Company 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 Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company'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 Company has foreign currency sales and purchases, which exposes the Company to foreign currency risk.

For the carrying value of monetary assets and monetary liabilities denominated in non-functional currencies of the Company at the balance sheet date, please refer to Note XXV.

Sensitivity analysis

The Company'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 post-tax profit and the balances below would be negative.

Currency	2024	2023
USD	\$ 1,259	\$ 2,052

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

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial assets	\$ 17,893	\$ 19,937
Financial liabilities	599,176	553,575
Cash flow interest rate risk		
Financial assets	37,417	49,622
Financial liabilities	580,243	739,300

### Sensitivity analysis

For the financial assets and liabilities with floating interest rates, assuming that other conditions remain unchanged, a change in 0.25% interest rate has led to 2024 and 2023 net profit before tax to change by NT\$1,357 thousand and NT\$1,724 thousand, respectively.

### 2. Credit risk

The Company'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 Company will not suffer significant loss.

The Company is required to go through the credit confirmation procedure only after it has dealt with the approved third party, and the policy of the Company 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 Company doesn't expect the possibility of major losses.

### 3. Liquidity risk

The Company has built an appropriate liquidity risk management framework for the Company'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 Company's unused bank financing lines were NT\$556,755 thousand and NT\$436,970 thousand respectively.

### Schedule of liquidity and interest rate risk

The following table details the Company'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 Company 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	\$ 313,165	\$ -	\$ -
Lease liabilities	4,270	17,078	9,607
Variable interest rate liabilities	580,243	-	-
Fixed interest rate liabilities	<u>376,952</u>	<u>192,500</u>	<u>-</u>
	<u>\$ 1,274,630</u>	<u>\$ 209,578</u>	<u>\$ 9,607</u>
<u>December 31, 2023</u>			
Non-interest bearing liabilities	\$ 285,983	\$ -	\$ -
Lease liabilities	4,270	17,078	13,876
Variable interest rate liabilities	696,683	42,617	-
Fixed interest rate liabilities	<u>277,439</u>	<u>242,500</u>	<u>-</u>
	<u>\$ 1,264,375</u>	<u>\$ 302,195</u>	<u>\$ 13,876</u>

## XXII. Related party transactions

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and 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
Shenyang AICA-HOPE Kogyo Co., Ltd.	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)
TOPWELL	Subsidiary
NEOLITE	Subsidiary
CHEM-MAT	Subsidiary
Giant Star Trading Co.	Subsidiary
POU CHIEN CHEMICAL CO., LTD. □ (POU CHIEN)	Subsidiary
LEADERSHIP (SHANG HAI) CO., LTD. (LEADERSHIP SHANGHAI)	Subsidiary
TOPCO (TOPCO)	Subsidiary
U-BEST	Subsidiary

### (II) Sales of goods

<u>Accounts</u>	<u>Related Party Category</u>	<u>2024</u>	<u>2023</u>
Sales	Subsidiary	\$ 308,778	\$ 288,467
	Parent company	154,838	149,045
	Fellow subsidiary	12,792	279
	Other related parties	<u>1,951</u>	<u>1,752</u>
		<u>\$ 478,359</u>	<u>\$ 439,543</u>
Purchases of goods	Parent company	\$ 10,079	\$ 3,342
	Subsidiary	6,357	3,257
	Fellow subsidiary	<u>1,565</u>	<u>-</u>
		<u>\$ 18,001</u>	<u>\$ 6,599</u>
Other revenue	Subsidiary	\$ 723	\$ 414
	Parent company	-	974
	Fellow subsidiary	<u>-</u>	<u>209</u>
		<u>\$ 723</u>	<u>\$ 1,597</u>

The sales transactions of the Company 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. The purchase price and payment term have no significant difference with unrelated 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
Notes receivable	Subsidiary	<u>\$ 2,131</u>	<u>\$ 989</u>
Accounts receivable	Subsidiary		
	U-BEST	\$ 16,005	\$ 42,935
	TOPWELL	23,240	30,567
	POU CHIEN	20,378	20,713
	Other	6,778	2,890
	Parent company	16,738	19,524
	Fellow subsidiary	3,020	306
	Other related parties	<u>305</u>	<u>293</u>
		<u>\$ 86,464</u>	<u>\$ 117,228</u>
Other receivables	Subsidiary		
	TOPWELL	\$ 14,031	\$ 15,630
	Other	42	211
	Fellow subsidiary	<u>-</u>	<u>251</u>
		<u>\$ 14,073</u>	<u>\$ 16,092</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	December 31, 2024	December 31, 2023
Accounts payable	Subsidiary	\$ 2,973	\$ 989
	Parent company	<u>292</u>	<u>682</u>
		<u>\$ 3,265</u>	<u>\$ 1,671</u>
Other payables	Subsidiary	\$ 1,052	\$ 999
	Fellow subsidiary	126	-
	Parent company	<u>53</u>	<u>-</u>
		<u>\$ 1,231</u>	<u>\$ 999</u>

(III) Loans to related parties (stated as other receivables)

Related Party Category/Name	December 31, 2024	December 31, 2023
Subsidiary		
TOP	<u>\$ 11,104</u>	<u>\$ 12,856</u>
Related Party Category/Name	2024	2023
<u>Interest income</u>		
Subsidiary		
TOP	<u>\$ 300</u>	<u>\$ 294</u>

The Company provided the unsecured loans to related parties at the lending interest rates, both 2.5%, in 2024 and 2023. The interests receivable on December 31, 2024 and 2023 were NT\$297 thousand and NT\$287 thousand, respectively.

(IV) Compensation 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	<u>244</u>	<u>244</u>
	<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.

XXIII. Pledged assets

The following assets were provided as collateral for bank borrowings:

	December 31, 2024	December 31, 2023
Property, plant, and equipment	\$ 438,162	\$ 442,890
Financial assets measured at amortized cost - current	<u>17,893</u>	<u>16,853</u>
	<u>\$ 456,055</u>	<u>\$ 459,743</u>

XXIV. Significant contingent liabilities and unrecognized contract commitments

The 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 Company'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>

XXV. The significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the currencies other than the Company's functional currencies, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant assets and liabilities denominated in foreign currencies:

	December 31, 2024		Carrying Amount
Financial assets	Foreign currency	Exchange Rate	
<u>Monetary items</u>			
USD	\$ 5,537	32.785 (USD:NTD)	\$ 181,531
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,698	32.785 (USD:NTD)	55,669

December 31, 2023			
Financial assets	Foreign currency	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 8,762	30.705 (USD:NTD)	\$ 269,037
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	2,079	30.705 (USD:NTD)	63,836

XXVI. 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. Status of securities held at the end of the year: 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. Information on investees: Table 4
- (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 yearend book value, investment income and loss inward, and investment limits in Mainland China: Table 5.
  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) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
    - (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 6.



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

Table 1Unit: In thousands of NTD or foreign currencies

Number	Lender(s)	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Balance at End of Year (Note 1)	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 Company	TOPWELL	Other receivables	Yes	\$ 18,954 (USD 600)	\$ 13,114 (USD 400)	\$ 11,104 (USD 339)	(Note 2)	Necessary for short-term financing	\$ -	Operating capital	\$ -	—	\$ -	\$ 157,310 (Note 3)	\$ 629,241 (Note 3)	

Note 1: The ending balance amount has been approved by the board of directors.  
Note 2: Interest rate according to bank loan contract.  
Note 3: 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	Subsidiary	\$ 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	Subsidiary	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	—	\$ 16,005	4	
The Company	AICA	Parent company	(Sales)	( 154,838 )	( 9 )	T/T 90 days	Note	—	16,738	5	

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

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

Table 4

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 INVESTMENTS LTD.	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)	(Note)
									(USD 93)	

Note: Not applicable.

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

Table 5Unit: 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, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (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, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					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
\$ 412,005 ( 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.  
Note3: 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 6

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.

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EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF CASH AND CASH EQUIVALENTS  
December 31, 2024

Table 1 Unit: In NTD Thousand, Unless Otherwise Specified

Item	Amount
Cash on hand and petty cash	<u>\$ 40</u>
Cash in banks	
Foreign deposits (Note)	30,447
Demand deposits	<u>6,970</u>
	<u>37,417</u>
	<u><u>\$ 37,457</u></u>

Note: Including US\$929 thousand (US\$1=NT\$32.785).



EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF NOTES RECEIVABLE  
December 31, 2024

Statement 2

Unit: NTD thousand

Client Name	Amount
Unrelated parties	
HEYO ENTERPRISES CO., LTD.	\$ 8,327
SUMMITEX ENTERPRISE CO., LTD.	5,388
FENG TAY ENTERPRISES CO., LTD.	3,426
YINGSHUN TECHNOLOGY CO., LTD.	3,313
Others (Note)	<u>44,032</u>
	64,486
Related party	
GIANT STAR TRADING CO.	<u>2,131</u>
	<u><u>\$ 66,617</u></u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF TRADE RECEIVABLES  
December 31, 2024

Statement 3

Unit: NTD thousand

Client Name	Amount
Unrelated parties	
COVESTRO (TAIWAN) LTD.	\$ 17,958
SHAN HUA PLASTIC INDUSTRIAL CO., LTD	14,286
JPT CORPORATION	12,256
Others (Note)	<u>161,623</u>
	206,123
Less: Loss allowance	( <u>1,472</u> )
	<u><u>\$ 204,651</u></u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF INVENTORIES  
December 31, 2024

Statement 4

Unit: NTD thousand

Item	Cost	Market Price
Finished goods	\$ 211,000	\$ 260,731
Merchandise	1,034	1,034
Raw materials and supplies	<u>129,660</u>	<u>130,737</u>
	341,694	<u>\$ 392,502</u>
Less: Allowance for inventory value decline loss	( <u>23,152</u> )	
	<u>\$ 318,542</u>	

Note: The inventories are stated at the lower cost or net realizable value, and they were compared item by item.

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
January 1 to December 31, 2024

Statement 5

Unit: In NTD Thousand, Unless Otherwise Specified

Investee	Amount at Beginning of Year			Capital decrease	Share of Profit (Loss) of Subsidiaries and Associates in Using the Equity Method	Exchange differences on translation of foreign financial statements	Unrealized profit or loss	Balance at End of Year			Net Assets Value	Collateral
	Number of Shares	Ownership (%)	Amount					Number of Shares	Ownership (%)	Amount		
NEOLITE	13,059	100	\$ 594,151	\$ -	\$ 19,850	\$ 20,962	\$ 1,622	13,059	100	\$ 636,585	\$ 637,243	None.
SUCCESS	5,000	100	154,123	-	( 8,047 )	10,272	-	5,000	100	156,348	51,772	None.
U-BEST	-	100	155,320	-	26,840	2,508	-	-	100	184,668	118,534	None.
GIANT STAR TRADING CO.	12,600	100	126,346	( 81,000 )	102	-	-	4,500	100	45,448	45,448	None.
CHEM-MAT	7,199	100	117,833	-	1,183	( 66 )	13	7,199	100	118,963	120,326	None.
TOPWELL	8,000	100	<u>40,944</u>	<u>-</u>	( <u>3,980</u> )	<u>2,253</u>	<u>-</u>	8,000	100	<u>39,217</u>	<u>11,203</u>	None.
			<u>\$ 1,188,717</u>	( <u>\$ 81,000</u> )	<u>\$ 35,948</u>	<u>\$ 35,929</u>	<u>\$ 1,635</u>			<u>\$ 1,181,229</u>	<u>\$ 984,526</u>	

EVERMORE CHEMICAL INDUSTRY CO, LTD  
Statement of changes in right-of-use assets  
January 1 to December 31, 2024

Statement 6

Unit: NTD thousand

	<u>Balance at Beginning of Year</u>	<u>Additions for the year</u>	<u>Balance at End of Year</u>
Cost			
Building	\$ 40,373	<u><u>\$ -</u></u>	\$ 40,373
Accumulated depreciation			
Building	<u>7,066</u>	<u><u>\$ 4,037</u></u>	<u>11,103</u>
	<u><u>\$ 33,307</u></u>		<u><u>\$ 29,270</u></u>

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF SHORT-TERM BANK BORROWINGS  
December 31, 2024

Statement 7

Unit: NTD thousand

Borrowing Types and Banks	Maturity Date	Interest Rates (%)	Total
Credit loans			
MUFG Bank - Taipei Branch	2025.01.02-2025.01.10	2.21-2.28	\$ 197,000
Taipei Fubon Bank Commercial Finance Division	2025.01.02	2.02	149,000
CHANG HWA BANK - Nantou Branch	2025.05.29	2	<u>30,000</u>
			<u>376,000</u>
Mortgage borrowings			
Bank of Taiwan - Nantou Branch	2025.02.08-2025.02.27	1.91	180,000
Mega International Commercial Bank - Nantou Branch	2025.01.17	1.90	54,000
CHANG HWA BANK - Nantou Branch	2025.11.29	1.98	<u>110,000</u>
			<u>344,000</u>
Letter of credit loans			
Bank of Taiwan - Nantou Branch (Note I)	2025.04.20-2025.06.09	5.14	12,017
CHB Nantou Branch (Note II)	2025.05.31	6.06	<u>2,609</u>
			<u>14,626</u>
			<u>\$ 734,626</u>

Note I: Including US\$367 thousand (US\$1=NT\$32.785).

Note II: Including US\$80 thousand (US\$1=NT\$32.785).

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF NOTES PAYABLE  
December 31, 2024

Statement 8

Unit: NTD thousand

Vendor Name	Amount
Unrelated parties	
DOW CHEMICAL TAIWAN LIMITED	\$ 968
YONG SHUN CHEMICAL CO., LTD.	774
DELOITTE TAIWAN	575
CHINGTIDE CORPORATION	311
SHANG JIANG ENVIRONMENTAL CO., LTD.	161
OTHERS (NOTE)	<u>381</u>
	<u>\$ 3,170</u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF ACCOUNTS PAYABLES  
December 31, 2024

Statement 9

Unit: NTD thousand

Vendor Name	Amount
Unrelated parties	
ESTCHEM CO., LTD.	\$ 24,009
CHI MEI TRADING CO., LTD., Taichung Branch	20,622
CHEMFRONT INTERNATIONAL CORP.	12,081
Others (Note)	<u>161,468</u>
	<u>218,180</u>
Related party	
POU CHIEN	1,828
GIANT STAR TRADING CO.	1,083
AICA	292
CHEM-MAT	<u>62</u>
	<u>3,265</u>
	<u>\$ 221,445</u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.



EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF LONG-TERM BANK BORROWINGS  
December 31, 2024

Statement 10

Unit: NTD thousand

<u>Borrowing Types and Banks</u>	<u>Maturity Date</u>	<u>Interest Rates (%)</u>	<u>Current Portion of Long-term Borrowings</u>	<u>Long-term borrowings</u>	<u>Total</u>	<u>Mortgage or collateral</u>
Mortgage borrowings						
Bank of Taiwan - Nantou Branch	Maturity in October 2025, starting in November 2020, monthly repayment in 60 installments	2.35	\$ 16,667	\$ -	\$ 16,667	Land and building
CHANG HWA BANK - Nantou Branch	Maturity in September 2025, starting in October 2020, monthly repayment in 60 installments	2.14	4,500	-	4,500	Land and building
	Maturity in December 2025, starting in January 2021, monthly repayment in 60 installments	2.14	13,800	-	13,800	Land and building
	Maturity in September 2025, starting in October 2020, monthly repayment in 60 installments	2.14	3,900	-	3,900	Land and building
Mega International Commercial Bank - Nantou Branch	Maturity in May 2025, starting in June 2020, monthly repayment in 60 installments	2.08	3,750	-	3,750	Land and building
Credit loans						
MUFG Bank - Taipei Branch	Maturity in June 2026, starting in July 2021, monthly repayment in 60 installments	1.15	<u>50,000</u>	<u>192,500</u>	<u>242,500</u>	—
			<u>\$ 92,617</u>	<u>\$ 192,500</u>	<u>\$ 285,117</u>	

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF NET REVENUE  
January 1 to December 31, 2024

Statement 11

Unit: NTD thousand

Item	Quantity (Ton)	Amount
PU synthetic resin	approx. 15,271	\$ 1,510,465
PE resin	approx. 1,496	91,453
Other	approx. 947	<u>97,718</u>
		1,699,636
Less: Sales return		( 2,263 )
Sales discount		( <u>6,170</u> )
Net revenue		<u>\$ 1,691,203</u>

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF COST OF REVENUE  
January 1 to December 31, 2024

Statement 12

Unit: NTD thousand

Item	Amount	
Raw material at beginning of year	\$ 108,013	
Raw material purchased	1,106,026	
Raw material at end of year	( 125,530 )	
Sale of raw material	( 70,034 )	
Other	( <u>10,621</u> )	
Raw material used		\$ 1,007,854
Material, beginning of year	3,507	
Raw material purchased	68,848	
Material, end of year	( 4,131 )	
Other	( <u>67,872</u> )	
Material used		352
Direct labor		114,844
Manufacturing expenses		<u>239,482</u>
Manufacturing cost		1,362,532
Finished goods at beginning of year		195,238
Raw material purchased		1,673
Finished goods at end of year		( 211,000 )
Other		( <u>654</u> )
Cost of finished goods		1,347,789
Merchandise at beginning of year	181	
Merchandise purchased	10,398	
Merchandise at end of year	( 1,034 )	
Other	( <u>1,557</u> )	
Cost of merchandise		7,988
Cost of goods sold of raw material		70,034
Inventory write-downs		291
Revenue from sale of scraps		( 1,601 )
Unallocated production overhead		27,990
Other costs		<u>1,624</u>
Operating costs		<u><u>\$ 1,454,115</u></u>

EVERMORE CHEMICAL INDUSTRY CO, LTD  
STATEMENT OF OPERATING EXPENSES  
January 1 to December 31, 2024

Statement 13

Unit: NTD thousand

	Selling and marketing expenses	Management expenses	Research and development expenses
Payroll	\$ 12,636	\$ 42,997	\$ 26,483
Freight	23,356	3	1
Depreciation expense	950	7,934	5,496
Professional service fees	13,853	4,086	827
Other	<u>13,788</u>	<u>21,139</u>	<u>11,414</u>
	<u>\$ 64,583</u>	<u>\$ 76,159</u>	<u>\$ 44,221</u>