

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**EVERLIGHT CHEMICAL INDUSTRIAL
CORPORATION AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Everlight Chemical Industrial Corporation and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to NTD\$314,052 thousand and NTD\$270,311 thousand, constituting 2.32% and 2.09% of consolidated total assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to NTD\$39,700 thousand and NTD\$55,652 thousand, constituting 0.86% and 1.31% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to NTD\$1,017 thousand, NTD\$3,843 thousand, NTD\$1,973 thousand and NTD\$(5,788) thousand, constituting 0.46%, (10.76)%, 0.52% and (5.47)% of consolidated total comprehensive income for the three months and nine months ended September 30, 2024 and 2023, respectively.

Furthermore, as stated in note 6(e), the other equity accounted investments of Everlight Chemical Industrial Corporation and its subsidiaries in its investee companies of NTD\$148,743 thousand and NTD\$137,357 thousand as of September 30, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of NTD\$356 thousand, NTD\$(302) thousand, NTD\$2,358 thousand and NTD\$(2,828) thousand for the three months and nine months ended September 30, 2024 and 2023, thousand for the nine months ended September 30, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Everlight Chemical Industrial Corporation and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors' review report are Ming-Hung Huang and Chia-Chien Tang.

KPMG

Taipei, Taiwan (Republic of China)
November 14, 2024

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
September 30, 2024, December 31 and September 30, 2023
(Expressed in Thousands New Taiwan Dollars)

		<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>				<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
Assets		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets :															
1100	Cash and cash equivalents (note 6(a))	\$ 1,617,397	12	1,409,839	11	1,248,483	10	2100	Short-term borrowings (note 6(l))	\$ 1,877,748	14	1,698,179	13	1,747,926	14
1110	Financial assets at fair value through profit or loss-current (note 6(b))	97,658	1	36,903	-	7,815	-	2322	Long-term borrowings, current portion (note 6(m))	42,500	-	42,500	-	42,500	-
1136	Financial assets at amortized cost-current (note 6(b))	-	-	60,000	1	-	-	2151	Notes payable (note 7)	44,136	1	42,729	-	30,630	-
1150	Notes receivable, net (notes 6(c) and (u))	143,091	1	202,209	2	201,015	2	2170	Accounts payable (note 7)	698,359	5	532,175	5	372,372	3
1170	Accounts receivable, net (notes 6(c), (u) and 7)	1,478,523	11	1,418,164	11	1,583,804	12	2209	Other payables (note 6(t))	364,659	3	409,923	3	406,272	3
130X	Inventories (note 6(d))	3,374,534	25	3,389,731	26	3,499,291	27	2213	Payables on equipment	32,364	-	26,864	-	20,799	-
1476	Other current financial assets	38,226	-	29,809	-	17,535	-	2230	Current tax liabilities	41,579	-	26,769	-	58,512	1
1479	Other current assets (note 6(h))	<u>198,734</u>	<u>1</u>	<u>130,739</u>	<u>1</u>	<u>115,471</u>	<u>1</u>	2280	Lease liabilities-current (note 6(n))	30,692	-	34,574	-	35,354	-
	Total current assets	<u>6,948,163</u>	<u>51</u>	<u>6,677,394</u>	<u>52</u>	<u>6,673,414</u>	<u>52</u>	2399	Other current liabilities (note 6(o))	<u>61,297</u>	<u>1</u>	<u>35,947</u>	<u>-</u>	<u>45,492</u>	<u>-</u>
Non-current assets:									Total current liabilities	<u>3,193,334</u>	<u>24</u>	<u>2,849,660</u>	<u>21</u>	<u>2,759,857</u>	<u>21</u>
1517	Financial assets at fair value through other comprehensive income-non-current (note 6(b))	1,059,346	8	944,447	8	938,308	7	2540	Long-term borrowings (note 6(m))	885,000	6	1,006,250	8	1,027,500	8
1550	Investments accounted for using equity method (note 6(e))	148,743	1	140,589	1	137,357	1	2570	Deferred tax liabilities	80,296	1	80,296	1	95,327	1
1600	Property, plant and equipment (notes 6(g) and 9)	4,506,616	34	4,535,850	35	4,523,318	35	2580	Lease liabilities non-current (note 6(n))	226,553	2	223,657	2	231,497	2
1755	Right-of-use assets (note 6(i))	265,759	2	266,776	2	276,092	2	2640	Net defined benefit liability	17,789	-	18,824	-	50,515	-
1760	Investment property, net (note 6(j))	235,909	2	-	-	-	-	2670	Other non-current liabilities (notes 6(j) and (o))	<u>209,477</u>	<u>1</u>	<u>66,164</u>	<u>1</u>	<u>74,114</u>	<u>1</u>
1780	Intangible assets (note 6(k))	150,007	1	128,362	1	139,182	1		Total non-current liabilities	<u>1,419,115</u>	<u>10</u>	<u>1,395,191</u>	<u>12</u>	<u>1,478,953</u>	<u>12</u>
1840	Deferred tax assets	42,508	-	42,508	-	59,464	1		Total liabilities	<u>4,612,449</u>	<u>34</u>	<u>4,244,851</u>	<u>33</u>	<u>4,238,810</u>	<u>33</u>
1915	Prepayments for equipment	136,086	1	146,818	1	143,139	1	Equity attributable to owners of parent (notes 6(b), (e), (f), (r) and 7) :							
1980	Other non-current financial assets (notes 6(c) and (u))	3,745	-	3,360	-	3,442	-	3100	Common shares	5,477,522	41	5,477,522	43	5,477,522	42
1990	Other non-current assets	<u>15,608</u>	<u>-</u>	<u>14,622</u>	<u>-</u>	<u>13,843</u>	<u>-</u>	3200	Capital surplus	475,236	3	474,558	4	474,558	4
	Total non-current assets	<u>6,564,327</u>	<u>49</u>	<u>6,223,332</u>	<u>48</u>	<u>6,234,145</u>	<u>48</u>	3300	Retained earnings	2,469,120	18	2,351,733	18	2,333,927	18
								3400	Other equity	<u>206,590</u>	<u>2</u>	<u>40,262</u>	<u>-</u>	<u>67,159</u>	<u>1</u>
									Total equity attributable to owners of parent	<u>8,628,468</u>	<u>64</u>	<u>8,344,075</u>	<u>65</u>	<u>8,353,166</u>	<u>65</u>
								36XX	Non-controlling interests (note 6(f))	<u>271,573</u>	<u>2</u>	<u>311,800</u>	<u>2</u>	<u>315,583</u>	<u>2</u>
									Total equity	<u>8,900,041</u>	<u>66</u>	<u>8,655,875</u>	<u>67</u>	<u>8,668,749</u>	<u>67</u>
Total assets		<u>\$ 13,512,490</u>	<u>100</u>	<u>12,900,726</u>	<u>100</u>	<u>12,907,559</u>	<u>100</u>		Total liabilities and equity	<u>\$ 13,512,490</u>	<u>100</u>	<u>12,900,726</u>	<u>100</u>	<u>12,907,559</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share)

		For the three months ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(u) and 7)	\$ 2,035,816	100	2,070,397	100	6,137,067	100	5,918,473	100
5000	Operating costs (notes 6(d), (g), (i), (n), (p), (t), 7 and 11)	<u>1,587,054</u>	<u>78</u>	<u>1,668,559</u>	<u>81</u>	<u>4,790,543</u>	<u>78</u>	<u>4,735,570</u>	<u>80</u>
5950	Gross profit from operations	<u>448,762</u>	<u>22</u>	<u>401,838</u>	<u>19</u>	<u>1,346,524</u>	<u>22</u>	<u>1,182,903</u>	<u>20</u>
6000	Operating expenses (notes 6(c), (g), (i), (n), (p), (t), 7 and 11):								
6100	Selling expenses	216,809	10	195,988	9	626,976	10	571,971	10
6200	Administrative expenses	99,990	5	100,718	5	293,035	5	288,446	5
6300	Research and development expenses	100,293	5	91,619	4	279,770	5	260,583	4
6450	Expected credit loss (gain)	<u>(3,651)</u>	<u>-</u>	<u>1,638</u>	<u>-</u>	<u>3,369</u>	<u>-</u>	<u>(2,330)</u>	<u>-</u>
	Total operating expenses	<u>413,441</u>	<u>20</u>	<u>389,963</u>	<u>18</u>	<u>1,203,150</u>	<u>20</u>	<u>1,118,670</u>	<u>19</u>
6900	Net operating income (loss)	<u>35,321</u>	<u>2</u>	<u>11,875</u>	<u>1</u>	<u>143,374</u>	<u>2</u>	<u>64,233</u>	<u>1</u>
7000	Non-operating income and expenses (notes 6(e), (g), (j), (n), (v), 7 and 11) :								
7100	Interest income	8,326	-	3,675	-	20,221	-	8,767	-
7010	Other income	1,638	-	13,439	-	24,338	1	25,439	-
7020	Other gains and losses	34,323	2	52,839	3	133,663	2	97,567	2
7050	Finance costs	(23,186)	(1)	(24,853)	(1)	(67,895)	(1)	(70,415)	(1)
7060	Share of gains (losses) of associates accounted for using equity method	<u>356</u>	<u>-</u>	<u>(302)</u>	<u>-</u>	<u>2,358</u>	<u>-</u>	<u>(2,828)</u>	<u>-</u>
	Total non-operating income and expense	<u>21,457</u>	<u>1</u>	<u>44,798</u>	<u>2</u>	<u>112,685</u>	<u>2</u>	<u>58,530</u>	<u>1</u>
7900	Income before income tax	56,778	3	56,673	3	256,059	4	122,763	2
7951	Income tax expenses (note 6(q))	<u>10,227</u>	<u>1</u>	<u>9,024</u>	<u>1</u>	<u>47,727</u>	<u>1</u>	<u>22,493</u>	<u>-</u>
8200	Net income	<u>46,551</u>	<u>2</u>	<u>47,649</u>	<u>2</u>	<u>208,332</u>	<u>3</u>	<u>100,270</u>	<u>2</u>
8300	Other comprehensive income (notes 6(e), (r) and (w)) :								
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316	Unrealized gains from financial assets measured at fair value through other comprehensive income	168,167	8	(124,499)	(6)	114,899	2	(16,636)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>168,167</u>	<u>8</u>	<u>(124,499)</u>	<u>(6)</u>	<u>114,899</u>	<u>2</u>	<u>(16,636)</u>	<u>-</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	8,166	1	42,289	2	62,135	1	26,546	-
8370	Share of other comprehensive income of associates accounted for using equity method	(194)	-	(1,171)	-	(6,418)	-	(4,373)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>7,972</u>	<u>1</u>	<u>41,118</u>	<u>2</u>	<u>55,717</u>	<u>1</u>	<u>22,173</u>	<u>-</u>
8300	Other comprehensive income (after tax)	<u>176,139</u>	<u>9</u>	<u>(83,381)</u>	<u>(4)</u>	<u>170,616</u>	<u>3</u>	<u>5,537</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 222,690</u>	<u>11</u>	<u>(35,732)</u>	<u>(2)</u>	<u>378,948</u>	<u>6</u>	<u>105,807</u>	<u>2</u>
	Profit attributable to:								
8610	Owners of parent	\$ 45,940	2	45,003	2	199,550	3	92,557	2
8620	Non-controlling interests	<u>611</u>	<u>-</u>	<u>2,646</u>	<u>-</u>	<u>8,782</u>	<u>-</u>	<u>7,713</u>	<u>-</u>
		<u>\$ 46,551</u>	<u>2</u>	<u>47,649</u>	<u>2</u>	<u>208,332</u>	<u>3</u>	<u>100,270</u>	<u>2</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 225,438	11	(42,549)	(2)	365,878	6	89,807	2
8720	Non-controlling interests	<u>(2,748)</u>	<u>-</u>	<u>6,817</u>	<u>-</u>	<u>13,070</u>	<u>-</u>	<u>16,000</u>	<u>-</u>
		<u>\$ 222,690</u>	<u>11</u>	<u>(35,732)</u>	<u>(2)</u>	<u>378,948</u>	<u>6</u>	<u>105,807</u>	<u>2</u>
9750	Basic earnings per share (note 6(s)) (expressed in New Taiwan dollars)	<u>\$ 0.08</u>		<u>0.08</u>		<u>0.36</u>		<u>0.17</u>	
9850	Diluted earnings per share (note 6(s)) (expressed in New Taiwan dollars)	<u>\$ 0.08</u>		<u>0.08</u>		<u>0.36</u>		<u>0.17</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total			
Balance on January 1, 2023	\$ 5,477,522	474,558	1,143,947	30,438	1,258,203	2,432,588	(76,987)	147,391	70,404	8,455,072	351,625	8,806,697
Net income	-	-	-	-	92,557	92,557	-	-	-	92,557	7,713	100,270
Other comprehensive income	-	-	-	-	-	-	16,616	(19,366)	(2,750)	(2,750)	8,287	5,537
Total comprehensive income	-	-	-	-	92,557	92,557	16,616	(19,366)	(2,750)	89,807	16,000	105,807
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	45,770	-	(45,770)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)	-	(191,713)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(52,042)	(52,042)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	495	495	-	(495)	(495)	-	-	-
Balance on September 30, 2023	\$ 5,477,522	474,558	1,189,717	30,438	1,113,772	2,333,927	(60,371)	127,530	67,159	8,353,166	315,583	8,668,749
Balance on January 1, 2024	\$ 5,477,522	474,558	1,189,717	30,438	1,131,578	2,351,733	(93,060)	133,322	40,262	8,344,075	311,800	8,655,875
Net income	-	-	-	-	199,550	199,550	-	-	-	199,550	8,782	208,332
Other comprehensive income	-	-	-	-	-	-	52,297	114,031	166,328	166,328	4,288	170,616
Total comprehensive income	-	-	-	-	199,550	199,550	52,297	114,031	166,328	365,878	13,070	378,948
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	11,086	-	(11,086)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(82,163)	(82,163)	-	-	-	(82,163)	-	(82,163)
Changes in non-controlling interests	-	678	-	-	-	-	-	-	-	678	(53,297)	(52,619)
Balance on September 30, 2024	\$ 5,477,522	475,236	1,200,803	30,438	1,237,879	2,469,120	(40,763)	247,353	206,590	8,628,468	271,573	8,900,041

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2024	2023
Cash flows from (used in) operating activities:		
Income before income tax	\$ 256,059	122,763
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	457,419	450,167
Amortization expense	37,250	38,072
Expected credit loss (gain)	3,369	(2,330)
Net gains on financial assets at fair value through profit	(754)	(1,131)
Interest expense	67,895	70,415
Interest income	(20,221)	(8,767)
Dividend income	(24,338)	(25,439)
Share of (gains) losses of associates accounted for using equity method	(2,358)	2,828
Gains on disposal of property, plant and equipment	(114)	(1,162)
Losses on disposal of investment accounted for using equity method	-	4,834
Losses (gains) due to disaster	-	(6,352)
Other	(324)	276
Total adjustments to reconcile profit	517,824	521,411
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	65,567	(17,782)
Accounts receivable and overdue receivable (under other non-current financial assets)	16,526	(235,396)
Inventories	26,347	485,793
Other current financial assets	(10,062)	43,942
Other current assets	(66,188)	(875)
Total changes in operating assets	32,190	275,682
Changes in operating liabilities:		
Notes payable	1,410	(58,500)
Accounts payable	161,538	14,579
Other payables	(70,157)	(111,173)
Other current liabilities	16,834	(23,665)
Net defined benefit liability	(1,036)	(25,437)
Other non-current liabilities	(8,306)	34,000
Total changes in operating liabilities	100,283	(170,196)
Total changes in operating assets and liabilities	132,473	105,486
Total adjustments	650,297	626,897
Cash inflow generated from operations	906,356	749,660
Interest received	20,349	8,641
Dividends received	24,338	25,439
Income taxes paid	(32,923)	(5,060)
Net cash flows from operating activities	918,120	778,680
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(150,000)	(90,000)
Proceeds from disposal of financial assets at amortized cost	210,000	90,000
Acquisition of financial assets at fair value through profit or loss	(60,000)	(92,750)
Proceeds from disposal of financial assets at fair value through profit or loss	-	90,086
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,467
Acquisition of property, plant and equipment	(260,929)	(317,655)
Proceeds from disposal of property, plant and equipment	1,602	1,912
Acquisition of intangible assets	(31,083)	(36,217)
Proceeds from disposal of intangible assets	-	11,037
Acquisition of investment properties	(48,198)	-
Increase in other non-current financial assets	(356)	(39)
Increase in other non-current assets	(451)	(403)
Increase in prepayments for equipment	(161,924)	(160,565)
Net cash outflows from losing control of subsidiary	-	(31,947)
Net cash used in investing activities	(501,339)	(535,074)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	4,478,407	4,250,131
Decrease in short-term borrowings	(4,313,651)	(4,168,057)
Proceeds from long-term borrowings	1,200,000	2,170,000
Repayments of long-term borrowings	(1,321,250)	(2,200,000)
Payments of lease liabilities	(26,942)	(26,071)
Increase in other non-current liabilities	56	-
Cash dividends paid	(82,163)	(191,713)
Interest paid	(57,452)	(64,401)
Subsidiaries distributed cash dividends to non-controlling interests	-	(7,311)
Decrease in non-controlling interests	(52,619)	-
Net cash flows from financing activities	(175,614)	(237,422)
Effect on exchange rate changes on cash and cash equivalents	(33,609)	27,149
Net increase in cash and cash equivalents	207,558	33,333
Cash and cash equivalents at beginning of period	1,409,839	1,215,150
Cash and cash equivalents at end of period	\$ 1,617,397	1,248,483

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
September 30, 2024 and 2023
 (Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Everlight Chemical Industrial Corporation (the “Company”) was incorporated on September 7, 1972 as a Company limited by shares and registered in accordance with the ROC Company Act. Everlight Chemical Industrial Corporation and subsidiaries (“the Group”) engage in manufacturing and selling of dye, UV absorber, specialty chemicals, toners, electronic chemicals, pharmaceutical product and material, chemical intermediary photo resistance, and etc.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on November 14, 2024.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

(4) Summary of material accounting policies

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2023. For the detail information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Preparation and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding percentage			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company (ECIC)	EVERLIGHT USA, INC. (EVUS)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
ECIC	EVERLIGHT (HONG KONG) LIMITED (EVHK)	Selling chemical product and related raw materials	100.00	100.00	100.00	(note 1)
ECIC	EVERLIGHT CHEMICALS (SINGAPORE) PTE LTD. (EVSG)	Investing business	100.00	100.00	100.00	(note 1)
ECIC	EVERLIGHT EUROPE B.V. (EVEU)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
ECIC	TREND TONE IMAGING, INC. (TTI)	Manufacturing and selling toners of laser printer, copier and fax machine	76.15	76.15	76.15	-

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding percentage			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
ECIC	ELITE FOREIGN TRADING INCORPORATION (ELITE)	Selling chemical product and related raw materials	75.00	50.00	50.00	(note 2 and 3)
EVSG	EVERLIGHT (SUZHOU) ADVANCED CHEMICALS LTD. (EVSZ)	Manufacturing and selling color chemicals, toners and electronic high-tech chemical product	100.00	100.00	100.00	-
EVSG	SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Selling electronic high-tech chemical product	56.25	56.25	56.25	(note 1)
EVSG	EVERLIGHT CHEMICALS (VIETNAM) COMPANY LIMITED(EVVN)	Selling chemical product and related raw materials	100.00	100.00	100.00	(note 1)
EVSZ	ETHICAL INTERNATIONAL TRADING & WAREHOUSING (SHANGAI) CO., LTD. (ETSH)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
EVSZ	GUANZHOU ETHICAL TRADING CO., LTD. (ETGZ)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
EVSZ	SHANGHAI EVERLIGHT TRADING CO., LTD. (EVSH)	Selling chemical product and related raw materials	100.00	100.00	100.00	-
ECIC	GREATLIGHT INVESTMENT COPORATION (GLTP)	Investing business	100.00	100.00	100.00	(note 1)

(note 1): The Company is a non-significant subsidiary and its financial statement, have not been reviewed by independent auditor.

(note 2): The Company has the right to appoint more than half of members of board of directors and has control over the board of directors. The subsidiary is deemed to be consolidated.

(note 3): The Company repurchased ELITE's shares form its non-controlling interests in 3rd quarter of 2024,resulting in an increase in the shareholding percentage from 50% to 75%..

(ii) List of subsidiaries which are not included in the consolidated financial statement: None.

(c) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost both on initial recognition and at subsequent period. Depreciation expense is provided at the depreciable amount after initial recognition, and the depreciation method, useful life and residual value are determined in accordance with the regulations for property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The costs of self-constructed investment properties include raw materials, direct labor, any other costs and borrowing capitalized which directly attributable to bring the investment properties to a useable condition.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34 "Interim Financial Reporting".

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations IAS 34 "Interim Financial Reporting" requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of the consolidated financial statements for the December 31, 2023.

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 2,443	2,031	2,821
Cash in bank	1,498,638	1,334,070	1,096,750
Time deposits	116,316	73,738	148,912
Cash and cash equivalents	<u><u>\$ 1,617,397</u></u>	<u><u>1,409,839</u></u>	<u><u>1,248,483</u></u>

Please refer to note 6(w) for the foreign currency risk analysis of the financial assets and liabilities of the Group.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets and liabilities

(i) Financial assets at fair value through profit or loss:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Monetary market fund	\$ 97,648	36,903	6,815
Option contracts	<u>10</u>	<u>-</u>	<u>1,000</u>
Total	<u><u>\$ 97,658</u></u>	<u><u>36,903</u></u>	<u><u>7,815</u></u>

The Group holds derivative financial instruments to hedge its foreign exchange risk that the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments not applied hedge accounting were classified as financial assets mandatorily measured at fair value through profit on September 30, 2024 and 2023:

<u>September 30, 2024</u>			
	<u>Contract amount (in thousand)</u>	<u>Currency</u>	<u>Period</u>
Option contracts	<u>\$ 1,900</u>	EUR	2024/10/7~2024/12/31
Option contracts	<u>\$ 3,000</u>	USD	2024/12/30
<u>September 30, 2023</u>			
	<u>Contract amount (in thousand)</u>	<u>Currency</u>	<u>Period</u>
Option contracts	<u>\$ 1,300</u>	EUR	2023/10/18~2023/12/29

For the fair value recognized in profit and loss, please refer to note 6(v). There was no such transaction for the year ended December 31, 2023.

(ii) Financial assets at fair value through other comprehensive income:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Stocks listed on domestic markets	\$ 948,739	769,963	744,930
Stocks unlisted on domestic markets	<u>110,607</u>	<u>174,484</u>	<u>193,378</u>
	<u><u>\$ 1,059,346</u></u>	<u><u>944,447</u></u>	<u><u>938,308</u></u>

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2023, the Group had sold partial of its financial assets at fair value through other comprehensive income for strategic purposes. The shares sold had a fair value of \$1,467 and the Group recognized a gain of \$495, which is already included in other comprehensive income. The gain has been transferred to retained earnings. There was no such transaction for the nine months ended September 30, 2024.

(iii) Financial assets at amortized cost-current:

	September 30, 2024	December 31, 2023	September 30, 2023
Government bonds	<u>\$ -</u>	<u>60,000</u>	<u>-</u>

The Group purchased government bond with a face value of \$60,000 thousand during December 2023. The due date of government bond, January 15, 2024 and its effective interest rate was 0.93%~0.95%. There were no such transaction for the nine months ended September 30, 2024 and 2023.

(iv) For credit risk and other price risk, please refer to note 6(w).

(v) The aforementioned financial assets were not pledged.

(c) Receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 143,427	202,662	201,515
Accounts receivable	1,502,793	1,441,277	1,609,122
Overdue receivable (under other non-current financial assets)	40,853	38,054	37,921
Less: loss allowance	<u>(65,459)</u>	<u>(61,620)</u>	<u>(63,739)</u>
	<u>\$ 1,621,614</u>	<u>1,620,373</u>	<u>1,784,819</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information. The loss allowance provisions were determined as follows:

	September 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,458,546	0.01%~0.09%	874
1 to 90 days past due	168,932	1.51%~14.03%	17,941
91 to 365 days past due	18,742	16.88%~38.75%	5,791
More than 365 days past due	<u>40,853</u>	100%	<u>40,853</u>
	<u>\$ 1,687,073</u>		<u>65,459</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,521,636	0.01%~0.27%	3,347
1 to 90 days past due	111,333	1.21%~13.7%	16,817
91 to 365 days past due	10,970	17.21%~41.2%	3,402
More than 365 days past due	38,054	100%	38,054
	\$ 1,681,993		61,620

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,678,494	0.01%~0.14%	8,654
1 to 90 days past due	125,071	1.16%~15.57%	11,530
91 to 365 days past due	7,072	16.03%~45.08%	5,634
More than 365 days past due	37,921	100%	37,921
	\$ 1,848,558		63,739

The detail of loss allowance were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 336	453	500
Accounts receivable	24,270	23,113	25,318
Overdue receivable	40,853	38,054	37,921
	\$ 65,459	61,620	63,739

The movement in the allowance for receivables was as follows:

	For the nine months ended September 30	
	2024	2023
Balance on January 1, 2024	\$ 61,620	66,670
Impairment losses recognized (reversed)	3,369	(2,330)
Amounts written off	(801)	(638)
Effect on movements in exchange rates	1,271	37
Balance on September 30, 2024	\$ 65,459	63,739

As of September 30, 2024, December 31 and September 30, 2023, the aforementioned financial assets of the Group were not pledged.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 888,740	838,533	882,484
Supplies	27,700	21,911	22,929
Work in progress	576,054	655,636	691,900
Finished goods	1,877,826	1,870,331	1,850,651
Materials in transit	4,214	3,320	51,327
	<u>\$ 3,374,534</u>	<u>3,389,731</u>	<u>3,499,291</u>

Except cost of goods sold and inventories recognized as expenses, the remaining gain or losses which were recognized as operating cost or deduction of operating cost were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Losses (gains) on valuation of inventories	\$ 11,447	(2,293)	9,204	485
Losses on inventory count	-	5	425	1,353
Unallocated production overheads	71,994	95,696	237,644	251,614
Losses on obsolescence	1,877	-	1,913	764
Scrap income	(522)	(386)	(1,577)	(1,246)
	<u>\$ 84,796</u>	<u>93,022</u>	<u>247,609</u>	<u>252,970</u>

As of September 30, 2024, December 31 and September 30, 2023, the inventories were not pledged.

(e) Investments accounted for using equity method

- (i) The components of investments accounted for using the equity method at the reporting date were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	<u>\$ 148,743</u>	<u>140,589</u>	<u>137,357</u>

(ii) Associates

Summary of financial information for by the individually insignificant investments in associates accounted for using the equity method was as follows. The aforementioned financial information was included in the consolidated financial statements of the Group.

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of individually insignificant associates	<u>\$ 148,743</u>	<u>140,589</u>	<u>137,357</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Attributable to the Group:				
Profit (loss) from continuing operations	\$ 356	(302)	2,358	(2,828)
Other comprehensive income	(194)	(1,171)	(6,418)	(4,373)
Total comprehensive income	<u>\$ 162</u>	<u>(1,473)</u>	<u>(4,060)</u>	<u>(7,201)</u>

(iii) Loss of control over a subsidiary

After ANDA has re-elected its new directors on January 5, 2023, the directors' seats representing the Group in ANDA were reduced from 3 to 2 out of the original 5 seats, resulting in a loss of control of the Group over ANDA. According to the International Financial Reporting Standards, the original shareholdings of the Group were deemed as disposal and reacquisition of equity, and the fair value on the date of loss of control is reclassified from subsidiary to reacquisition cost of the associate.

The Group delisted the ANDA's assets, liabilities and related equity components, resulting in a disposal loss of \$4,834 to be recognized as other gains and losses in 2023.

The carrying amounts of assets and liabilities of ANDA on January 5, 2023 were as follow:

Cash and cash equivalents	\$ 31,947
Notes and accounts receivable	16,289
Inventories	315
Other current assets	889
Property, plant and equipment	980
Right-of-use assets	3,397
Accounts payable	(846)
Accounts payable-related parties	(7,610)
Other current liabilities	(430)
Lease liabilities	(3,723)
Carrying amounts of net assets	<u>\$ 41,208</u>

(iv) Pledge

As of September 30, 2024, December 31 and September 30, 2023, the aforementioned investment accounted for using equity method were not pledged.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Material non-controlling interest of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests		
		September 30, 2024	December 31, 2023	September 30, 2023
TTI	Taiwan	23.85 %	23.85 %	23.85 %

The following information of the aforementioned subsidiaries has been prepared in accordance with IFRS Accounting Standards endorsed by the FSC. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 723,353	726,271	744,100
Non-current assets	861,083	847,568	838,098
Current liabilities	(450,257)	(436,090)	(417,153)
Non-current liabilities	(258,506)	(281,447)	(304,282)
Net assets	<u>\$ 875,673</u>	<u>856,302</u>	<u>860,763</u>
Non-controlling interest	<u>\$ 208,814</u>	<u>204,195</u>	<u>205,259</u>

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating revenues	\$ 196,343	173,036	603,397	634,645
Net income (loss)	(3,247)	(1,037)	15,732	24,493
Other comprehensive income	(3,424)	(321)	3,638	11,449
Total comprehensive income	<u>\$ (6,671)</u>	<u>(1,358)</u>	<u>19,370</u>	<u>35,942</u>
Profit attributable to non-controlling interests	<u>\$ (775)</u>	<u>(247)</u>	<u>3,751</u>	<u>5,841</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ (1,591)</u>	<u>(324)</u>	<u>4,619</u>	<u>8,571</u>

	For the nine months ended September 30	
	2024	2023
Net cash flows from (used in) operating activities	\$ 92,754	6,198
Net cash used in investing activities	(45,600)	(46,225)
Net cash flows from (used in) financing activities	(76,298)	68,514
Net decrease in cash and cash equivalents	<u>\$ (29,144)</u>	<u>28,487</u>
Cash dividend distributed to non-controlling interests	<u>\$ -</u>	<u>(4,218)</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Property, plant and equipment

The detail of movement of the property, plant and equipment for the Group were as follows:

	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and construction</u>	<u>Equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
Cost:						
Balance on January 1, 2024	\$ 894,152	195,701	4,456,237	9,962,962	295,915	15,804,967
Additions	-	-	19,064	68,045	190,432	277,541
Disposals	-	-	-	(41,946)	-	(41,946)
Reclassification (note)	-	-	14,997	230,388	(134,909)	110,476
Effect on movements in exchange rates	116	-	15,389	35,605	152	51,262
Balance on September 30, 2024	<u>\$ 894,268</u>	<u>195,701</u>	<u>4,505,687</u>	<u>10,255,054</u>	<u>351,590</u>	<u>16,202,300</u>
Balance on January 1, 2023	\$ 894,152	159,000	4,494,950	9,854,921	126,296	15,529,319
Additions	-	34,700	12,144	97,204	158,072	302,120
Disposals	-	-	(56,786)	(60,847)	-	(117,633)
Reclassification (note)	-	-	15,076	117,867	(19,575)	113,368
Effects on loss of control of subsidiaries	-	-	-	(4,382)	-	(4,382)
Effect on movements in exchange rates	192	-	1,997	2,985	8	5,182
Balance on September 30, 2023	<u>\$ 894,344</u>	<u>193,700</u>	<u>4,467,381</u>	<u>10,007,748</u>	<u>264,801</u>	<u>15,827,974</u>
Accumulated depreciation and impairment:						
Balance on January 1, 2024	\$ -	30,078	2,982,580	8,256,459	-	11,269,117
Depreciation	-	7,497	118,733	302,300	-	428,530
Disposals	-	-	-	(40,458)	-	(40,458)
Effect on movements in exchange rates	-	-	9,773	28,722	-	38,495
Balance on September 30, 2024	<u>\$ -</u>	<u>37,575</u>	<u>3,111,086</u>	<u>8,547,023</u>	<u>-</u>	<u>11,695,684</u>
Balance on January 1, 2023	\$ -	20,537	2,887,767	8,079,918	-	10,988,222
Depreciation	-	7,071	118,595	297,011	-	422,677
Disposals	-	-	(46,624)	(60,142)	-	(106,766)
Effects on loss of control of subsidiaries	-	-	-	(3,402)	-	(3,402)
Effect on movements in exchange rates	-	-	1,400	2,525	-	3,925
Balance on September 30, 2023	<u>\$ -</u>	<u>27,608</u>	<u>2,961,138</u>	<u>8,315,910</u>	<u>-</u>	<u>11,304,656</u>
Carrying amounts:						
Balance on January 1, 2024	<u>\$ 894,152</u>	<u>165,623</u>	<u>1,473,657</u>	<u>1,706,503</u>	<u>295,915</u>	<u>4,535,850</u>
Balance on September 30, 2024	<u>\$ 894,268</u>	<u>158,126</u>	<u>1,394,601</u>	<u>1,708,031</u>	<u>351,590</u>	<u>4,506,616</u>
Balance on January 1, 2023	<u>\$ 894,152</u>	<u>138,463</u>	<u>1,607,183</u>	<u>1,775,003</u>	<u>126,296</u>	<u>4,541,097</u>
Balance on September 30, 2023	<u>\$ 894,344</u>	<u>166,092</u>	<u>1,506,243</u>	<u>1,691,838</u>	<u>264,801</u>	<u>4,523,318</u>

(note): Prepayments for business facilities were reclassified as investment property.

- (i) For the nine months ended September 30, 2024 and 2023, the Group capitalized the interest expenses on construction in progress amounted to \$11,112 and \$7,625 respectively, and the monthly interest rate used for capitalization calculation were 0.17%~0.31% and 0.14%~0.3%, respectively.
- (ii) As of September 30, 2024, December 31 and September 30, 2023, the property, plant and equipment of the Group were not pledged.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Other current assets

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments	\$ 150,183	81,557	84,749
Offset against business tax payable and input taxes	45,436	42,984	25,719
Temporary payments	3,115	6,198	5,003
	<u>\$ 198,734</u>	<u>130,739</u>	<u>115,471</u>

(i) Right-of-use assets

The information about leases of land, buildings and construction, and equipment for which the Group has been a lessee is presented below:

	Land	Buildings and construction	Equipment	Total
Cost:				
Balance on January 1, 2024	\$ 217,971	160,145	22,188	400,304
Acquisitions	-	23,627	2,877	26,504
Disposals	-	(29,137)	(1,740)	(30,877)
Effect on movements in exchange rates	987	4,996	233	6,216
Balance on September 30, 2024	<u>\$ 218,958</u>	<u>159,631</u>	<u>23,558</u>	<u>402,147</u>
Balance on January 1, 2023	\$ 218,381	162,300	18,513	399,194
Acquisitions	-	24,336	3,756	28,092
Disposals	-	(16,597)	(1,513)	(18,110)
Effect on loss of control of subsidiaries	-	(8,445)	-	(8,445)
Effect on movements in exchange rates	27	677	109	813
Balance on September 30, 2023	<u>\$ 218,408</u>	<u>162,271</u>	<u>20,865</u>	<u>401,544</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 28,623	93,989	10,916	133,528
Depreciation	4,316	20,938	2,763	28,017
Disposals	-	(26,309)	(1,740)	(28,049)
Effect on movements in exchange rates	140	2,629	123	2,892
Balance on September 30, 2024	<u>\$ 33,079</u>	<u>91,247</u>	<u>12,062</u>	<u>136,388</u>
Balance on January 1, 2023	\$ 22,928	87,542	8,878	119,348
Depreciation	3,869	21,041	2,580	27,490
Disposals	-	(15,185)	(1,513)	(16,698)
Effect on loss of control of subsidiaries	-	(5,048)	-	(5,048)
Effect on movements in exchange rates	3	277	80	360
Balance on September 30, 2023	<u>\$ 26,800</u>	<u>88,627</u>	<u>10,025</u>	<u>125,452</u>
Carrying amount:				
Balance on January 1, 2024	<u>\$ 189,348</u>	<u>66,156</u>	<u>11,272</u>	<u>266,776</u>
Balance on September 30, 2024	<u>\$ 185,879</u>	<u>68,384</u>	<u>11,496</u>	<u>265,759</u>
Balance on January 1, 2023	<u>\$ 195,453</u>	<u>74,758</u>	<u>9,635</u>	<u>279,846</u>
Balance on September 30, 2023	<u>\$ 191,608</u>	<u>73,644</u>	<u>10,840</u>	<u>276,092</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Investment property

The movements in investment property were as follows:

	<u>Buildings and structures</u>
Cost:	
Balance on January 1, 2024	\$ -
Additions	48,198
Reclassification (note)	184,410
Effect on movements in exchange rates	4,189
Balance on September 30, 2024 (same as the balance on January 1, 2023)	<u><u>\$ 236,797</u></u>
Balance on September 30, 2023	<u><u>\$ -</u></u>
Accumulated depreciation:	
Balance on January 1, 2024	\$ -
Depreciation	872
Effect on movements in exchange rates	16
Balance on September 30, 2024 (same as the balance on January 1, 2023)	<u><u>\$ 888</u></u>
Balance on September 30, 2023	<u><u>\$ -</u></u>
Carrying amount:	
Balance on September 30, 2024	<u><u>\$ 235,909</u></u>
Balance on September 30, 2023 (same as the balance on January 1, 2023)	<u><u>\$ -</u></u>

(note): Property, plant and equipment and prepayments for business facilities were reclassified as investment property.

The Company's investment properties are held at cost which are comparable to the fair value because the construction is just completed. The Company and Wujiang Longhui Building Decoration Engineering Co., Ltd. (abbreviated as Wujiang Longhui, not a related party) signed a cooperative development and operation contract for the investment property. The payment during the construction period of the investment property and the operation for 20 years after completion shall be paid and responsible by Wujiang Longhui. On September 30, 2024, the company still has long-term payables of \$173,307 thousands to Wujiang Longhui, which are included in other non-current liabilities. The company will use the rental income to offset the long-term payables in the following 20 years in accordance with the contract. For the nine months ended September 30, 2024, the company has not yet obtained the relevant rental income.

As of September 30, 2024 the investment property of the Group were not pledged.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Intangible assets

	REACH registration related expenses	Software	Others	Total
Carrying amounts:				
Balance on January 1, 2024	\$ <u>75,474</u>	<u>51,800</u>	<u>1,088</u>	<u>128,362</u>
Balance on September 30, 2024	\$ <u>61,279</u>	<u>88,131</u>	<u>597</u>	<u>150,007</u>
Balance on January 1, 2023	\$ <u>89,837</u>	<u>58,275</u>	<u>3,222</u>	<u>151,334</u>
Balance on September 30, 2023	\$ <u>82,488</u>	<u>55,038</u>	<u>1,656</u>	<u>139,182</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2024 and 2023. Information on amortization for the period is discussed in note 12. Please refer to note 6(j) of consolidated financial statements for the year end December 31, 2023 for the other related information.

(l) Short-term borrowings

	Borrowing currency	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	NTD	\$ 655,000	765,000	795,000
Unsecured bank loans	RMB	212,146	199,741	211,704
Unsecured bank loans	USD	960,836	653,814	661,608
Short-term notes and bills payable	NTD	49,766	79,624	79,614
Total		\$ <u>1,877,748</u>	<u>1,698,179</u>	<u>1,747,926</u>
Unused credit lines		\$ <u>3,769,875</u>	<u>4,103,468</u>	<u>4,168,391</u>
Range of interest rate		<u>1.87%~7.22%</u>	<u>1.69%~7.32%</u>	<u>1.28%~7.26%</u>

As of September 30, 2024, December 31 and September 30, 2023, the Group issued short-term notes and bills payable through Dah-Chung Bills Finance Corp. to obtain funds from the currency market, with rates of 1.94%, 1.81% and 1.81%, respectively.

(m) Long-term borrowings

	September 30, 2024			
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	2.01%~2.63%	2026.1~2027.6	\$ 927,500
Less: long-term borrowings, current portion				(42,500)
Total				\$ <u>885,000</u>
Unused credit lines				\$ <u>522,500</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2023			
Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.88%~2.49%	2025.1~2027.6 \$ 1,048,750
Less: long-term borrowings, current portion			(42,500)
Total			<u><u>\$ 1,006,250</u></u>
Unused credit lines			<u><u>\$ 401,250</u></u>

September 30, 2023			
Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	1.88%~2.48%	2025.1~2027.6 \$ 1,070,000
Less: long-term borrowings, current portion			(42,500)
Total			<u><u>\$ 1,027,500</u></u>
Unused credit lines			<u><u>\$ 380,000</u></u>

Please refer note 6(v) for the interest expense. The Group had not pledged the assets as collateral for long-term bank loans.

(n) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	<u><u>\$ 30,692</u></u>	<u><u>34,574</u></u>	<u><u>35,354</u></u>
Non-current	<u><u>\$ 226,553</u></u>	<u><u>223,657</u></u>	<u><u>231,497</u></u>

For the maturity analysis, please refer to note 6(w).

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	<u><u>\$ 1,413</u></u>	<u><u>1,428</u></u>	<u><u>4,131</u></u>	<u><u>4,309</u></u>
Expenses relating to short-term leases	<u><u>\$ 983</u></u>	<u><u>576</u></u>	<u><u>2,600</u></u>	<u><u>2,932</u></u>

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the nine months ended September 30	
	2024	2023
Total cash outflow for leases	<u><u>\$ 33,673</u></u>	<u><u>33,312</u></u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Land, buildings and constructions, and equipment lease

The Group leases land, buildings and constructions, and equipment for its warehouses and office space. The leases of warehouses and office typically run for a period from 3 to 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) The Group leases office equipment and vehicles, with lease periods ranging from 1 to 3 years, which are recognized as short-term or lower-price lease. The Group elected to apply the practical expedients by not recognizing its relative right-of-use assets and lease liabilities.

(o) Provisions

The movements of the provisions were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Balance on January 1	\$ 81,700	87,450	87,450
Additions	-	34,000	34,000
Decreases	(30,050)	(39,750)	(31,800)
Balance on September 30	<u><u>\$ 51,650</u></u>	<u><u>81,700</u></u>	<u><u>89,650</u></u>

A provision was made in respect of the Group's obligation to rectify environmental damage which was recognized in other current liabilities and other non-current liabilities.

(p) Employee benefits

(i) Defined benefit plans

At the end of the prior fiscal year, there was no material volatility of the market, as well as reimbursement and settlement, or other significant one-time events. As a result, the pension cost in the consolidated interim financial statements was measured and disclosed on a year-to-date basis by using the actuarially determined pension cost rate of December 31, 2023 and 2022.

The expense recognized in profit or loss for the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating costs	\$ 754	1,073	2,503	3,483
Operating expenses	605	846	1,943	2,668
	<u><u>\$ 1,359</u></u>	<u><u>1,919</u></u>	<u><u>4,446</u></u>	<u><u>6,151</u></u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contribution plans

The expense recognized in profit or loss for the Group were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating costs	\$ 9,448	9,209	28,017	28,087
Operating expenses	8,415	7,687	24,664	22,816
	<u>\$ 17,863</u>	<u>16,896</u>	<u>52,681</u>	<u>50,903</u>

(q) Income taxes

(i) The components of income tax were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current tax expense	\$ <u>10,227</u>	<u>9,024</u>	<u>47,727</u>	<u>22,493</u>

(ii) The Company's income tax returns for all years through 2022 were assessed by the tax authorities.

(r) Capital and other equity

There was no significant change for capital and other equity for the periods from January 1 to September 30, 2024 and 2023. For the related information, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2023.

(i) Retained earnings

In accordance with amendment to Company's article of incorporation, it stipulates that the Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance is to be appropriated as follows:

- 1) Legal reserve should be at 10%.
- 2) Special reserve should be appropriated (reversed) in accordance with related rules.
- 3) Remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company's dividend policy is as follows:

In order for the requirement of future investment and shareholders' interest, the dividend payment is not lower than 50% of net profit or current year deduct legal reserve and the payment of cash dividend should exceed 25% of total dividends.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Distribution of earnings

The amounts of cash dividends for 2023 and 2022 had been approved during the board meeting held on March 14, 2024 and March 16, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Amount per share (NTD)	Amount	Amount per share (NTD)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.15	<u>\$ 82,163</u>	0.35	<u>191,713</u>

The aforementioned relevant information would be available at the Market Observation Post System website.

(iii) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non- controlling interest	Total
Balance on January 1, 2024	\$ (93,060)	133,322	18,431	58,693
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	114,031	868	114,899
Exchange differences on translation of foreign financial statements	58,715	-	3,420	62,135
Exchange differences on associates accounted for using equity method	(6,418)	-	-	(6,418)
Balance on September 30, 2024	<u>\$ (40,763)</u>	<u>247,353</u>	<u>22,719</u>	<u>229,309</u>
Balance on January 1, 2023	\$ (76,987)	147,391	15,489	85,893
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(19,366)	2,730	(16,636)
Exchange differences on translation of foreign financial statements	20,989	-	5,557	26,546
Exchange differences on associates accounted for using equity method	(4,373)	-	-	(4,373)
Disposal of equity instruments designated at fair value through other comprehensive income	-	(495)	-	(495)
Balance on September 30, 2023	<u>\$ (60,371)</u>	<u>127,530</u>	<u>23,776</u>	<u>90,935</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Earning per share

The Group's earnings per share were calculated as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Basic earning per share				
Profit attributable to common shareholders of the Company	\$ <u>45,940</u>	<u>45,003</u>	<u>199,550</u>	<u>92,557</u>
Weighted-average number of common shares outstanding(thousand share)	<u>547,752</u>	<u>547,752</u>	<u>547,752</u>	<u>547,752</u>
Basic earnings per share (expressed in New Taiwan Dollar)	\$ <u>0.08</u>	<u>0.08</u>	<u>0.36</u>	<u>0.17</u>
	<u>For the three months ended September 30</u>	<u>For the nine months ended September 30</u>	<u>For the three months ended September 30</u>	<u>For the nine months ended September 30</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Diluted earning per share				
Profit attributable to common shareholders of the Company	\$ <u>45,940</u>	<u>45,003</u>	<u>199,550</u>	<u>92,557</u>
Weighted-average number of common shares outstanding (basic) (thousand share)	547,752	547,752	547,752	547,752
Effect of employee compensation(thousand share)	487	303	558	662
Weighted-average number of common shares outstanding (diluted)(thousand share)	<u>548,239</u>	<u>548,055</u>	<u>548,310</u>	<u>548,414</u>
Diluted earnings per share (expressed in New Taiwan Dollar)	\$ <u>0.08</u>	<u>0.08</u>	<u>0.36</u>	<u>0.17</u>

(t) Employees compensation and directors' remuneration

In accordance with the articles of incorporation, the Company should contribute 5% of the profit as employees' compensation and a maximum of 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients may include the employees of the Company's affiliated companies who meet certain conditions.

The estimated amounts of remuneration for the Company's employees and directors were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Employees' compensation	\$ 3,306	2,376	12,898	5,867
Directors' remuneration	1,322	951	5,159	2,347
	<u>\$ 4,628</u>	<u>3,327</u>	<u>18,057</u>	<u>8,214</u>

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses for each period. Related information would be available at the Market Observation Post System website. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022, the employee compensation amounted to \$5,276 and \$24,194, and directors' remuneration amounting to \$2,110 and \$9,678, respectively. There were no any difference between the actual disturbed amount and those recognized in the financial statements. The related information would be available at the Market Observation Post System Website.

(u) Revenue from contract with customers

(i) Disaggregation of revenue

For the three months ended September 30, 2024						
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:						
Taiwan	\$ 110,141	70,904	252,731	11,794	3,592	449,162
Americas	41,373	124,984	-	48,270	5,388	220,015
Asia	500,050	230,685	154,290	164,720	24,639	1,074,384
Europe	92,661	94,954	-	59,313	25,283	272,211
Other	18,003	1,468	-	-	573	20,044
	<u>\$ 762,228</u>	<u>522,995</u>	<u>407,021</u>	<u>284,097</u>	<u>59,475</u>	<u>2,035,816</u>
Major products:						
Chemicals	\$ 762,228	522,995	407,021	-	-	1,692,244
Toners	-	-	-	284,097	-	284,097
Other	-	-	-	-	59,475	59,475
	<u>\$ 762,228</u>	<u>522,995</u>	<u>407,021</u>	<u>284,097</u>	<u>59,475</u>	<u>2,035,816</u>
For the three months ended September 30, 2023						
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:						
Taiwan	\$ 93,554	58,114	205,099	8,474	4,129	369,370
Americas	43,118	111,547	-	68,990	8,605	232,260
Asia	604,463	229,634	156,316	177,258	12,337	1,180,008
Europe	104,890	88,779	-	30,225	23,124	247,018
Other	21,307	16,117	-	746	3,571	41,741
	<u>\$ 867,332</u>	<u>504,191</u>	<u>361,415</u>	<u>285,693</u>	<u>51,766</u>	<u>2,070,397</u>
Major products:						
Chemicals	\$ 867,332	504,191	361,415	-	-	1,732,938
Toners	-	-	-	285,693	-	285,693
Other	-	-	-	-	51,766	51,766
	<u>\$ 867,332</u>	<u>504,191</u>	<u>361,415</u>	<u>285,693</u>	<u>51,766</u>	<u>2,070,397</u>
For the nine months ended September 30, 2024						
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:						
Taiwan	\$ 310,899	202,666	779,810	28,697	9,635	1,331,707
Americas	137,236	394,052	-	151,508	21,813	704,609
Asia	1,459,547	704,037	399,973	509,012	71,630	3,144,199
Europe	335,854	337,939	-	131,200	77,683	882,676
Other	57,573	3,557	-	11,631	1,115	73,876
	<u>\$ 2,301,109</u>	<u>1,642,251</u>	<u>1,179,783</u>	<u>832,048</u>	<u>181,876</u>	<u>6,137,067</u>

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For the nine months ended September 30, 2024						
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Major products:						
Chemicals	\$ 2,301,109	1,642,251	1,179,783	-	-	5,123,143
Toners	-	-	-	832,048	-	832,048
Other	-	-	-	-	181,876	181,876
	<u>\$ 2,301,109</u>	<u>1,642,251</u>	<u>1,179,783</u>	<u>832,048</u>	<u>181,876</u>	<u>6,137,067</u>
For the nine months ended September 30, 2023						
	Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:						
Taiwan	\$ 260,652	185,707	509,994	22,645	8,973	987,971
Americas	122,628	314,301	-	191,082	39,920	667,931
Asia	1,623,548	674,617	384,825	506,607	43,512	3,233,109
Europe	332,475	319,917	-	137,378	81,570	871,340
Other	66,415	66,683	-	15,878	9,146	158,122
	<u>\$ 2,405,718</u>	<u>1,561,225</u>	<u>894,819</u>	<u>873,590</u>	<u>183,121</u>	<u>5,918,473</u>
Major products:						
Chemicals	\$ 2,405,718	1,561,225	894,819	-	-	4,861,762
Toners	-	-	-	873,590	-	873,590
Other	-	-	-	-	183,121	183,121
	<u>\$ 2,405,718</u>	<u>1,561,225</u>	<u>894,819</u>	<u>873,590</u>	<u>183,121</u>	<u>5,918,473</u>

(ii) Contract balance

	September 30, 2024	December 31, 2023	September 30, 2023
Receivables	\$ 1,687,073	1,681,993	1,848,558
Less: loss allowance	(65,459)	(61,620)	(63,739)
Total	<u>\$ 1,621,614</u>	<u>1,620,373</u>	<u>1,784,819</u>

For the detail on receivables and loss allowance, please refer to note 6(c).

(v) Non-operating income and expenses

(i) Interest income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 8,326	3,675	20,221	8,767

(ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Dividend income	\$ 1,638	13,439	24,338	25,439

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(iii) Other gains and losses

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Foreign exchange gains net	\$ 6,900	37,579	71,590	50,592
Net gains on financial assets and liabilities at fair value through profit	(3,974)	831	754	1,131
Depreciation of investment property	(872)	-	(872)	-
Gains on disposal of property, plant and equipment	66	462	114	1,162
Losses on disposal of investment accounted for using equity method	-	-	-	(4,834)
Subsidy revenue	1,967	1,750	4,368	8,357
Gains on disaster	-	-	-	6,352
Others	30,236	12,217	57,709	34,807
	<u>\$ 34,323</u>	<u>52,839</u>	<u>133,663</u>	<u>97,567</u>

(iv) Finance costs

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest expense	\$ 23,186	24,853	67,895	70,415

(w) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(v) of the consolidated financial statements for the December 31, 2023.

(i) Credit risk

1) Credit risk exposure

There was on concentration of credit risk.

2) Receivables securities

For credit risk exposure of receivables, please refer note 6(c).

Other financial assets at amortized cost includes other receivables and refundable deposits. There were no loss allowance provision for the nine months ended September 30, 2024 and 2023. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payable and excluding the impact on netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 1 year</u>	<u>1~2 years</u>	<u>2~5 years</u>	<u>Over 5 years</u>
September 30, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,877,748	1,885,096	1,885,096	-	-	-
Notes payable	44,136	44,136	44,136	-	-	-
Accounts payable	698,359	698,359	698,359	-	-	-
Lease liabilities	257,245	319,067	35,984	30,842	50,636	201,605
Other payables	364,659	364,659	364,659	-	-	-
Payables on equipment	32,364	32,364	32,364	-	-	-
Long-term borrowings (including current portion)	<u>927,500</u>	<u>961,522</u>	<u>61,620</u>	<u>655,135</u>	<u>244,767</u>	<u>-</u>
	<u>\$ 4,202,011</u>	<u>4,305,203</u>	<u>3,122,218</u>	<u>685,977</u>	<u>295,403</u>	<u>201,605</u>
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,698,179	1,705,082	1,705,082	-	-	-
Notes payable	42,729	42,729	42,729	-	-	-
Accounts payable	532,175	532,175	532,175	-	-	-
Lease liabilities	258,231	320,586	39,597	31,999	47,191	201,799
Other payables	409,923	409,923	409,923	-	-	-
Payables on equipment	26,864	26,864	26,864	-	-	-
Long-term borrowings (including current portion)	<u>1,048,750</u>	<u>1,086,975</u>	<u>63,145</u>	<u>454,517</u>	<u>569,313</u>	<u>-</u>
	<u>\$ 4,016,851</u>	<u>4,124,334</u>	<u>2,819,515</u>	<u>486,516</u>	<u>616,504</u>	<u>201,799</u>
September 30, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,747,926	1,753,402	1,753,402	-	-	-
Notes payable	30,630	30,630	30,630	-	-	-
Accounts payable	372,372	372,372	372,372	-	-	-
Lease liabilities	266,851	330,534	40,569	35,119	50,860	203,986
Other payables	406,272	406,272	406,272	-	-	-
Payables on equipment	20,799	20,799	20,799	-	-	-
Long-term borrowings (including current portion)	<u>1,070,000</u>	<u>1,113,967</u>	<u>46,103</u>	<u>474,237</u>	<u>593,627</u>	<u>-</u>
	<u>\$ 3,914,850</u>	<u>4,027,976</u>	<u>2,670,147</u>	<u>509,356</u>	<u>644,487</u>	<u>203,986</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 45,227	31.65	1,431,426	46,974	30.71	1,442,556	43,628	32.27	1,407,865
JPY	292,417	0.22	64,332	72,342	0.22	15,915	91,994	0.22	20,239
RMB	88,582	4.52	400,390	74,429	4.33	322,277	76,269	4.41	336,347
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	38,121	31.65	1,206,525	29,185	30.71	896,266	28,325	32.27	914,033
JPY	356,962	0.22	78,532	148,611	0.22	32,695	90,944	0.22	20,008
RMB	9,786	4.52	44,232	8,659	4.33	37,494	3,518	4.41	15,515

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, loans and borrowings, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of the NTD against the USD, JPY and RMB for the nine months ended September 30, 2024 and 2023, would have changed the profit by \$4,535 and \$6,519, respectively. The analysis is performed on the same basis for 2024 and 2023.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gains on monetary items is disclosed by total amount. For the three months and nine months ended September 30, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to \$6,900, \$37,579, \$71,590 and \$50,592, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increase or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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If the interest rate had increased (decreased) by 1%, the Group's profit would have changed by \$16,831 and \$16,907, respectively, for the nine months ended September 30, 2024 and 2023, with all other variable factors that remain constant. This is mainly due to the Group's borrowing at floating rates.

(v) Other price risk

For the nine months ended September 30, 2024 and 2023, the sensitivity analyses for changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at reporting day	For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
1% increase	\$ 10,593	976	9,383	68
1% decrease	\$ (10,593)	(976)	(9,383)	(68)

(vi) Fair value of financial instruments

1) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows, however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	Carrying amount	September 30, 2024 Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	\$ 97,648	97,648	-	-	97,648
Derivative financial assets	10	-	10	-	10
Subtotal	97,658	97,648	10	-	97,658
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	948,739	948,739	-	-	948,739
Stocks unlisted on domestic markets	110,607	-	110,607	-	110,607
Subtotal	1,059,346	948,739	110,607	-	1,059,346
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,617,397	-	-	-	-
Notes and accounts receivable	1,621,614	-	-	-	-
Other financial assets	41,971	-	-	-	-
Subtotal	3,280,982	-	-	-	-
Total	\$ 4,437,986	1,046,387	110,617	-	1,157,004

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		September 30, 2024			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	\$ 2,805,248	-	-	-	-
Notes and accounts payable	742,495	-	-	-	-
Lease liabilities	257,245	-	-	-	-
Other payables	364,659	-	-	-	-
Payables on equipment	32,364	-	-	-	-
Total	<u>\$ 4,202,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		December 31, 2023			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	\$ 36,903	36,903	-	-	36,903
Subtotal	<u>36,903</u>	<u>36,903</u>	<u>-</u>	<u>-</u>	<u>36,903</u>
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	769,963	769,963	-	-	769,963
Stocks unlisted on domestic markets	174,484	-	174,484	-	174,484
Subtotal	<u>944,447</u>	<u>769,963</u>	<u>174,484</u>	<u>-</u>	<u>944,447</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	1,409,839	-	-	-	-
Financial assets at amortized cost	60,000	-	-	-	-
Notes and accounts receivable	1,620,373	-	-	-	-
Other financial assets	33,169	-	-	-	-
Subtotal	<u>3,123,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,104,731</u>	<u>806,866</u>	<u>174,484</u>	<u>-</u>	<u>981,350</u>
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	\$ 2,746,929	-	-	-	-
Notes and accounts payable	574,904	-	-	-	-
Lease liabilities	258,231	-	-	-	-
Other payables	409,923	-	-	-	-
Payables on equipment	26,864	-	-	-	-
Total	<u>\$ 4,016,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	September 30, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	\$ 6,815	6,815	-	-	6,815
Derivative financial assets	1,000	-	1,000	-	1,000
Subtotal	7,815	6,815	1,000	-	7,815
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	744,930	744,930	-	-	744,930
Stocks unlisted on domestic markets	193,378	-	193,378	-	193,378
Subtotal	938,308	744,930	193,378	-	938,308
Financial assets measured at amortized cost					
Cash and cash equivalents	1,248,483	-	-	-	-
Notes and accounts receivable	1,784,819	-	-	-	-
Other financial assets	20,977	-	-	-	-
Subtotal	3,054,279	-	-	-	-
Total	\$ 4,000,402	751,745	194,378	-	946,123
Financial liabilities measured at amortized cost					
Bank loans (including current portion)	\$ 2,817,926	-	-	-	-
Notes and accounts payable	403,002	-	-	-	-
Lease liabilities	266,851	-	-	-	-
Others payables	406,272	-	-	-	-
Payables on equipment	20,799	-	-	-	-
Total	\$ 3,914,850	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

The fair value of financial instruments traded in an active market is based on the quoted market prices. The quotations, which is published by the main exchange center, is included in the fair value of the listed securities instruments in an active market with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive as follows:

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- i) the bid-ask spread is increasing; or
- ii) the bid-ask spread varies significantly; or
- iii) there has been a significant decline in trading volume.

When the financial instrument of the Group is traded in an active market, its fair value is illustrated by the category and nature as follows:

- The fair value of stocks and monetary fund listed on domestic and foreign markets, which are based on the market closing prices.

Except the aforementioned financial instruments, with active market the others' fair value is based on valuation techniques. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting data.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Transfers between Level 1 and Level 2

The Group didn't have any fair value transfer between levels for the nine months ended September 30, 2024 and 2023.

(x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(w) of the consolidated financial statements for the year ended December 31, 2023.

(y) Capital management

The Group's objectives, policies and processes of capital management were the same as those described in the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 6(x) of the consolidated financial statements for the year ended December 31, 2023.

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(z) Investing and financing activities not affecting current cash flow

Reconciliations of liabilities arising from financing activities were as follows:

			Non-cash changes		
			Foreign exchange movement	Others	
	January 1, 2024	Cash flows			September 30, 2024
Short-term borrowings	\$ 1,698,179	164,756	14,671	142	1,877,748
Long-term borrowings	1,048,750	(121,250)	-	-	927,500
Lease liabilities	258,231	(26,942)	2,604	23,352	257,245
Total liabilities from financing activities	<u>\$ 3,005,160</u>	<u>16,564</u>	<u>17,275</u>	<u>23,494</u>	<u>3,062,493</u>

			Non-cash changes		
			Foreign exchange movement	Others	
	January 1, 2023	Cash flows			September 30, 2023
Short-term borrowings	\$ 1,665,417	82,074	426	9	1,747,926
Long-term borrowings	1,100,000	(30,000)	-	-	1,070,000
Lease liabilities	269,235	(26,071)	454	23,233	266,851
Total liabilities from financing activities	<u>\$ 3,034,652</u>	<u>26,003</u>	<u>880</u>	<u>23,242</u>	<u>3,084,777</u>

(7) Related-party transactions

(a) Names and relationship with related parties

The following is the entity that has had transactions with related party during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Chung Hwa Chemical Industrial Works, Ltd. (CHCIW)	The entity's chairman is the director of the Company
Ethical Investment Corporation, Ltd. (EIC)	The entity is the corporate director of the Company
Chen, Ding-Chuan	An individual is the second degree relationship of the chairman of the Company
Anda Semiconductor Technology (Suzhou) Co., Ttd. (AST)	The Group's associate
Suzhou Antech Microelectronics Co., Ltd (SAM)	The Group's other related party
Diler Gunasti	An individual is other related party of the Group
Demet Batmanoglu	An individual is other related party of the Group

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(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group from related parties were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
AST	\$ 5,083	5,475	15,007	15,523
SAM	12,483	-	12,483	-
	<u>\$ 17,566</u>	<u>5,475</u>	<u>27,490</u>	<u>15,523</u>

The selling price, payment terms and other conditions of sale transactions with related parties were not materially different from those of the third-party customers.

(ii) Purchase

The amounts of significant purchases by the Group from related parties were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
CHCIW	\$ 11,302	6,956	29,268	20,584
AST	4	-	4	-
	<u>\$ 11,306</u>	<u>6,956</u>	<u>29,272</u>	<u>20,584</u>

The prices, payment terms and other conditions of purchase transactions with related parties were not materially different from those of the third-party vendors.

(iii) Receivables from related parties

<u>Account</u>	<u>Relationship</u>	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Accounts receivables	AST	\$ 10,616	11,369	10,410
Accounts receivables	SAM	12,505	-	-
		<u>\$ 23,121</u>	<u>11,369</u>	<u>10,410</u>

(iv) Payables to related parties

<u>Account</u>	<u>Name of related party</u>	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Notes and accounts payable	CHCIW	\$ 14,332	10,692	9,763
Accounts payable	AST	5	-	-
		<u>\$ 14,337</u>	<u>10,692</u>	<u>9,763</u>

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(v) Dividend

The amount of dividends paid by the Group to related parties were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EIC	\$ 8,400	17,150	8,400	17,150
Chen, Ding-Chuan	7,950	20,300	7,950	20,300
	<u>\$ 16,350</u>	<u>37,450</u>	<u>16,350</u>	<u>37,450</u>

(vi) Rental income

The amounts of rental income by the Group from related parties were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EIC	\$ 6	6	18	18

- (vii) The Company repurchased ELITE's shares from its non-controlling interest in 3rd quarter of 2024, resulting in an increase in the percentage of shares held by the Group in ELITE from 50% to 75%. The Company had no such transactions with the non-controlling interests for the nine months ended September 30, 2023.

The changes in the percentage of shares held by the Group in Elite, which impact on the equity attributable to owners of parent were as follow:

Carrying amount of non-controlling interests	\$ 53,297
Payment to non-controlling interests	(52,619)
Capital surplus - difference between the actual acquisition price and the carrying amount	<u>\$ 678</u>

(c) Key management personnel compensation

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 9,125	6,904	23,049	21,760
Post-employment benefits	205	122	490	366
	<u>\$ 9,330</u>	<u>7,026</u>	<u>23,539</u>	<u>22,126</u>

(8) Assets pledged as security: None.

(9) Commitments and contingencies

- (a) The Group's unrecognized contractual commitment are as follows:

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Acquisition of property, plant and equipment	<u>\$ 284,832</u>	<u>461,266</u>	<u>393,082</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(b) The Group's outstanding standby letter of credit are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Outstanding standby letter of credit	\$ -	19,708	19,668

(10) Subsequent Events: None.

(11) Other

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		180,553	149,150	329,703	176,522	149,500	326,022
Labor and health insurance		17,776	16,225	34,001	18,041	16,044	34,085
Pension		10,202	9,020	19,222	10,282	8,533	18,815
Remuneration of directors		-	1,322	1,322	-	951	951
Others		7,315	5,980	13,295	7,132	5,122	12,254
Depreciation		124,856	27,740	152,596	121,597	29,079	150,676
Amortization		1,813	9,908	11,721	1,264	10,515	11,779

By item	By function	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		541,988	440,811	982,799	531,712	440,337	972,049
Labor and health insurance		54,647	48,647	103,294	55,202	48,107	103,309
Pension		30,520	26,607	57,127	31,570	25,484	57,054
Remuneration of directors		-	5,159	5,159	-	2,347	2,347
Others		19,466	19,512	38,978	20,121	17,578	37,699
Depreciation		372,490	84,057	456,547	362,911	87,256	450,167
Amortization		5,790	31,460	37,250	3,843	34,229	38,072

(note): For the three months and nine months ended September 30, 2024 and 2023, the amount of depreciation expense of investment properties included in other losses amounting to NTD\$872 thousand, NTD\$0 thousand, NTD\$872 thousand and NTD\$0 thousand.

(b) Seasonality of operations:

The Group's operations over not affected by seasonality or cyclicity factors.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(12) Other disclosure

(a) Information on significant transactions

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2024:

1. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related Party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing (Note 1)
													Item	Value		
21	EVSZ	Wujiang Longhui	Other receivable	No	19,383	-	-	4%	1	164,664	-	-	NA	-	74,609	298,436

Note1 : According to EVSZ’s Operating Procedures of Fund Lending and Guarantee, the amount of loaned fund shall be limited to 40% of the lending company’s net worth. The individual lending amount shall not exceed 10% of the lending company’s net worth.

Note2 : The nature of financing as follow:

1. Business transaction calls for a loan arrangement.
2. The need for short-term financing.

2. Guarantees and endorsements for other parties:

Number	Name of guarantor	Counter -party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements Amount	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to the companies in mainland China
		Name	Relationship with the Company (Note 2)										
0	ECIC	EVUS	Subsidiary	862,846	65,670	63,300	-	-	0.73%	2,157,117	Yes	No	No

Note1 : According to the Company’s Operating Procedures of Fund Lending and Guarantee, the amount of guarantees shall be limited to 25% of the Company’s net worth. The individual guarantee amount shall not exceed 10% of the Company’s net worth.

Note2 : The relationship of guarantee and endorsement with the Company and counter-party:

1. The Company that has a business relationship with endorsement/guarantee provider.
2. A subsidiary in which endorser/guarantor provider holds directly over 50% of equity interest.
3. An investee in which endorsement/guarantee provider and its subsidiaries hold over 50% of equity interest.
4. An investor which holds directly or indirectly over 50% of equity interest of endorser/guarantor provider.
5. The Company that has provided guarantees to endorsement/guarantee provider, and vice versa, due to contractual requirements.
6. An investee in which endorsement/guarantee provider conjunctly invests with other stockholders, and for which endorsement/guarantee provider has provided endorsement/guarantee provider in proportion to its shareholding percentage.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

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3. Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of Shares/Units)

Name of holder	Category and name of security	Relationship with company	Account	Ending balance				Note
				Shares/Units	Carrying value	Percentage of Ownership	Fair value	
ECIC	JIH SUN MONEY MARKET FUND	-	Financial assets at fair value through profit or loss-current	1,971	30,380	-	30,380	
"	Yuanta De-Bao Money Market Fund	-	"	2,420	30,192	-	30,192	
"	FUBON CHI-HSIANG MONEY MARKET FUND	-	"	1,854	30,168	-	30,168	
GLTP	UPAMC James Bond Money Market Fund	-	"	399	6,908	-	6,908	
					97,648		97,648	
ECIC	Polytronics Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	561,600	
"	Chemical Industrial Works, LTD	The entity's chairman is the director of the Company	"	5,500	92,217	4%	229,900	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	77,682	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	11%	91,126	
GLTP	QISDA Corp.	-	"	50	1,745	-	1,875	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	5,016	
"	Taiwan Bio Therapeutics Co., Ltd.	-	"	414	11,400	1%	14,465	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	77,682	
			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		248,017		-	
	Total				1,059,346		1,059,346	

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

5. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

6. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

7. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Purchase/Sale	Transaction details			Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
				Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
ECIC	EVUS	Subsidiary	Sale	335,989	5.47%	OA 100	Non material differences from those of third-parties	Non material differences from those of third-parties	157,862	9.73%	Note
"	EVEU	"	"	281,650	4.59%	OA 90	"	"	86,566	5.34%	"
"	ELITE	"	"	202,464	3.30%	OA 100	"	"	49,254	3.04%	"
"	ADSH	"	"	181,775	2.96%	OA 120	"	"	138,478	8.54%	"
"	EVSZ	"	"	166,242	2.71%	OA 90	"	"	72,289	4.46%	"
"	EVSH	"	"	134,326	2.19%	OA 90	"	"	36,420	2.25%	"

Note : The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance (note)	Turnover rate	Overdue		Amounts received in subsequent period (As of October 31, 2024)	Loss allowance
					Amount	Action taken		
ECIC	EVUS	Subsidiary	157,862	3.42	-	-	64,155	-
"	ADSH	"	138,478	1.73	37,141	Strengthen collection	22,192	-

Note : The amount of the transactions and the ending balance had been eliminated in the consolidated financial statements.

9. Trading in derivative instruments: Please refer to note 6(b).

10. Significant transactions and business relationships between the parent company and its subsidiaries:

Number (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentages of the consolidated net revenue or total assets
0	ECIC	EVUS	1	Operating revenue	335,989	No material differences from those of third parties	5.47%
0	"	EVEU	1	"	281,650	"	4.59%
0	"	ELITE	1	"	202,464	"	3.30%
0	"	ADSH	1	"	181,775	"	2.96%
0	"	EVSZ	1	"	166,242	"	2.71%
0	"	EVSH	1	"	134,326	"	2.19%
0	"	ETHK	1	"	98,759	"	1.61%
0	"	ETSH	1	"	92,487	"	1.51%
0	"	EVUS	1	Accounts receivable - related parties	157,862	"	1.17%
0	"	ADSH	1	"	138,478	"	1.02%
1	TTI	EVSZ	2	Operating revenue	78,837	"	1.28%

Note 1: Company numbering as follows:

Parent company - 0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:

Parent company to subsidiary - 1

Subsidiary to subsidiary - 2

Note 3: These accounts are disclosed based on the amounts represented to 1% of consolidated net sales or 1% of consolidated net assets.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(b) Information on investments (excluding investment in mainland China):

The following are the information on investees for the nine months ended September 30, 2024:

Units in Thousands											
Reports by Securities Issuers	Name of investee	Location	Main businesses and products	Original investment amount		Balance of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
ECIC	EVUS	America	Selling chemical product and related raw materials	88,868	88,868	300,000	100.00%	153,515	(260)	(260)	(Note)
"	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000,000	100.00%	41,718	1,502	1,502	(Note)
"	EVSG	Singapore	Investing business	820,034	794,290	25,600,000	100.00%	889,845	(61,045)	(61,045)	(Note)
"	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	500	100.00%	57,255	807	807	(Note)
"	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906,400	76.15%	666,091	15,731	12,200	(Note)
"	ELITE	Turkey	Selling chemical product and related raw materials	97,635	45,016	32,850	75.00%	159,891	5,732	2,866	(Note)
"	GOODTV	Taipei City	Cable TV channels	19,000	19,000	1,900,000	22.35%	21,842	6,361	1,413	
"	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithium ion battery	58,600	58,600	4,856,000	16.78%	31,728	(33,869)	(5,148)	
"	GLTP	Taipei City	Investing business	100,000	100,000	10,000,000	100.00%	28,540	108	108	(Note)
	Unrealized gross profit on sales			-	-			(84,265)		-	
				1,468,798	1,390,435			1,966,160		(47,557)	
EVSG	EVVN	Vietnam	Selling chemical product and related raw materials	12,140	12,140	-	100.00%	5,329	(2,578)	(2,578)	(Note)

Note: The company of the transactions and the ending balance had been eliminated in the consolidated financial statements

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES

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(c) Information on investment in mainland China:

(i) The names of investees in mainland China, the main businesses and products, and other information:

Units in Thousands

Reports by Securities Issuers	Main businesses and products	Total amount of paid-in capital			Method of investment	Accumulated outflow of investment from Taiwan as of December 31, 2023		Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024		Net income (losses) of the investee	Highest balance during the year	Investment income (losses)(Note 2)	Book value	Accumulated remittance of earnings in current period	
		USD/RMB		NTD		USD	NTD	Outflow	Inflow	USD	NTD					USD	TWD
ETSH (Note 8)	Selling chemical product and related raw materials	USD	1,700	53,805	(Note 1)	700	22,155			700	22,155	(3,936)	100.00%	(3,936)	159,230	2,961	93,716
ETGZ (Note 8)	Selling chemical product and related raw materials	USD	700	22,155	(Note 1)	200	6,330			200	6,330	(8,207)	100.00%	(8,207)	93,894	1,523	48,203
EVSH (Note 8)	Selling chemical product and related raw materials	USD	1,250	39,563	(Note 1)	1,100	34,815			1,100	34,815	(6,857)	100.00%	(6,857)	144,341	950	30,068
EVSZ (Note 8)	Manufacturing and selling color chemical, toners and electronic high tech chemical product	USD	23,650	748,523	(Note 1)	18,600	588,690			18,600	588,690	(67,342)	100.00%	(67,342)	746,091	-	-
ANDA	Selling electronic high tech chemical product	RMB	20,000	90,460	(Note 1)	650	20,573			650	20,573	(5,861)	29.80%	(1,746)	10,395	-	-
ADSH (Note 8)	Selling electronic high tech chemical product	RMB	1,000	4,523	(Note 5)	-	-			-	-	4,950	56.25%	2,785	12,164	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	USD	6,600	208,890	(Note 4)	2,490	78,809			2,490	78,809	19,597	40.00%	7,839	84,778	-	-

Note 1: Reinvest in mainland China through third place (EVSG).

Note 2: Except for ANDA, ADSH and 3ESZ, these financial statements are reviewed by the same auditor of the Taiwan parent company and accounted for equity method. The financial statement of ANDA, ADSH and 3ESZ is not reviewed by independent auditors.

Note 3: Exchange rate: NTD vs USD (1:31.65), NTD vs RMB (1:4.523) . Expressed in thousands of New Taiwan Dollars unless otherwise specified.

Note 4: EVSG invested in EVSZ USD 5,050, ANDA USD 25 and 3ESZ USD 150 by owned funds. In addition, ANDA increased its capital to RMB 20,000 after changing the original registered capital from USD 1,200 to RMB 8,445 due to operation needs.

Note 5: ANDA invested in ADSH amounted to RMB 1,000 (USD 157) by owned funds. And due to the reorganized structure, ADSH is reinvested directly by EVSG.

Note 6: EVSZ invested in ETSH 1,700 USD, ETGZ 700 USD and EVSH 1,250 USD by issuing shares.

Note 7: Included the capital increasing amounted to USD 1,000 from earning.

Note 8: The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

(ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
805,081 (USD 25,437)	739,091 (USD 23,352)	5,340,024

As of September 30, 2024, the difference between accumulated investment in mainland China and investment amounts authorized by Investment Commission, MOEA was amounted to USD (2,085) thousand, including the follows:

(i) ETSH: capital increasing amounted to USD 1,000 thousand from earning.

(ii) EVSG: investment amounted to USD 2,631 thousand by owned funds.

(iii) EVSG: remittance of earnings amounted to USD (5,716) thousand.

(iii) Significant transactions:

For the nine months ended September 30, 2024, the information on direct or indirect significant transactions with investees in mainland China, which had been eliminated in the consolidated financial statements, is disclosed in note 12(a) Information on significant transactions.

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(d) Major shareholders :

(In Shares)

Shareholding Shareholder's Name	Shares	Percentage
ETHICAL INVESTMENT CORPORATION	61,000,000	11.13%
CHEN,DING-CHUAN	48,000,000	8.76%

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(13) Segment information

The Group's operating segment information and reconciliation are as follow:

For the three months ended September 30, 2024								
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	\$ 762,228	522,995	407,021	284,097	59,475	-	-	2,035,816
Intersegment revenue	-	-	-	-	-	-	-	-
Interest expense	\$ 762,228	522,995	407,021	284,097	59,475	-	-	2,035,816
Reportable segment profit (loss)	\$ 17,383	50,859	58,088	(19,799)	(51,813)	2,060	-	56,778

For the three months ended September 30, 2023								
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	\$ 867,332	504,191	361,415	285,693	51,766	-	-	2,070,397
Intersegment revenue	-	-	-	-	-	-	-	-
Total revenue	\$ 867,332	504,191	361,415	285,693	51,766	-	-	2,070,397
Reportable segment profit (loss)	\$ 31,744	27,666	37,043	(16,318)	(37,652)	14,190	-	56,673

For the nine months ended September 30, 2024								
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	\$ 2,301,109	1,642,251	1,179,783	832,048	181,876	-	-	6,137,067
Intersegment revenue	-	-	-	-	-	-	-	-
Total revenue	\$ 2,301,109	1,642,251	1,179,783	832,048	181,876	-	-	6,137,067
Reportable segment profit (loss)	\$ 95,313	195,801	102,990	(26,412)	(135,394)	23,761	-	256,059

For the nine months ended September 30, 2023								
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	\$ 2,405,718	1,561,225	894,819	873,590	183,121	-	-	5,918,473
Intersegment revenue	-	-	-	-	-	-	-	-
Total revenue	\$ 2,405,718	1,561,225	894,819	873,590	183,121	-	-	5,918,473
Reportable segment profit (loss)	\$ 20,990	112,865	75,783	(14,219)	(93,430)	20,774	-	122,763