

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

**EVERLIGHT CHEMICAL INDUSTRIAL
CORPORATION AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

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The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Everlight Chemical Industrial Corporation as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Everlight Chemical Industrial Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Everlight Chemical Industrial Corporation
Chairman: Chien-Hsin, Chen
Date: March 13, 2025.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Opinion

We have audited the consolidated financial statements of Everlight Chemical Industrial Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretation developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- Revenue recognition

Please refer to Note 4(o) and Note 6(u) to the consolidated financial statements for the accounting policy of revenue and disclosure of revenue recognition.

Description of key audit matters

The Group is a listed company in related to public interest, and the investors are highly expecting the financial performance, resulting revenue recognition is the key judgmental areas of our audit.

How the matter was addressed in our audit

Our principle audit procedures included understanding the type of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implementation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales within the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

Other Matter

Everlight Chemical Industrial Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance (including the Audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2025

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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit 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
December 31, 2024 and 2023
(Expressed in Thousands New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023				Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%					Amount	%	Amount	%
Current assets :								Current liabilities					
1100	Cash and cash equivalents (note 6(a))	\$ 1,305,622	10	1,409,839	11	2100	Short-term borrowings (note 6(l))	\$ 1,736,412	13	1,698,179	13		
1110	Financial assets at fair value through profit or loss-current (note 6(b))	60,775	1	36,903	-	2322	Long-term borrowings, current portion (note 6(m))	42,500	-	42,500	-		
1136	Financial assets at amortized cost-current (note 6(b))	-	-	60,000	1	2151	Notes payable (note 7)	40,745	-	42,729	-		
1150	Notes receivable, net (notes 6(c) and (u))	161,274	1	202,209	2	2170	Accounts payable (note 7)	670,835	5	532,175	5		
1170	Accounts receivable, net (notes 6(c), (u) and 7)	1,592,143	12	1,418,164	11	2209	Other payables (note 6(t))	424,259	3	409,923	3		
130X	Inventories (note 6(d))	3,423,297	26	3,389,731	26	2213	Payables on equipment	32,761	-	26,864	-		
1476	Other current financial assets	44,189	-	29,809	-	2230	Current tax liabilities	47,854	1	26,769	-		
1479	Other current assets (note 6(h))	185,650	1	130,739	1	2280	Lease liabilities-current (note 6(n))	26,592	-	34,574	-		
	Total current assets	<u>6,772,950</u>	<u>51</u>	<u>6,677,394</u>	<u>52</u>	2399	Other current liabilities (note 6(o))	62,467	1	35,947	-		
							Total current liabilities	<u>3,084,425</u>	<u>23</u>	<u>2,849,660</u>	<u>21</u>		
Non-current assets:							Non-current liabilities :						
1517	Financial assets at fair value through other comprehensive income-non-current (note 6(b))	885,405	7	944,447	8		Long-term borrowings (note 6(m))	863,750	6	1,006,250	8		
1550	Investments accounted for using equity method (note 6(e))	123,527	1	140,589	1	2540	Deferred tax liabilities (note 6(q))	71,452	1	80,296	1		
1600	Property, plant and equipment (notes 6(g) and 9)	4,605,298	35	4,535,850	35	2570	Lease liabilities non-current (note 6(n))	216,114	2	223,657	2		
1755	Right-of-use assets (note 6(i))	251,040	2	266,776	2	2580	Net defined benefit liability (note 6(p))	-	-	18,824	-		
1760	Investment property (note 6(j))	230,913	2	-	-	2640	Other non-current liabilities (notes 6(j) and (o))	198,305	1	66,164	1		
1780	Intangible assets (note 6(k))	154,460	1	128,362	1	2670	Total non-current liabilities	<u>1,349,621</u>	<u>10</u>	<u>1,395,191</u>	<u>12</u>		
1840	Deferred tax assets (note 6(q))	36,495	-	42,508	-		Total liabilities	<u>4,434,046</u>	<u>33</u>	<u>4,244,851</u>	<u>33</u>		
1915	Prepayments for equipment (note 9)	136,610	1	146,818	1		Equity attributable to owners of parent (notes 6(b), (e), (f), (p), (q), (r) and 7) :						
1980	Other non-current financial assets (notes 6(c) and (u))	3,926	-	3,360	-		Common shares	5,477,522	42	5,477,522	43		
1975	Net defined benefit asset, non-current (note 6(p))	25,803	-	-	-	3100	Capital surplus	475,236	4	474,558	4		
1990	Other non-current assets	16,774	-	14,622	-	3200	Retained earnings	2,547,678	19	2,351,733	18		
	Total non-current assets	<u>6,470,251</u>	<u>49</u>	<u>6,223,332</u>	<u>48</u>	3400	Other equity	35,704	-	40,262	-		
							Total equity attributable to owners of parent	<u>8,536,140</u>	<u>65</u>	<u>8,344,075</u>	<u>65</u>		
						36XX	Non-controlling interests (notes 6(f) and (r))	<u>273,015</u>	<u>2</u>	<u>311,800</u>	<u>2</u>		
							Total equity	<u>8,809,155</u>	<u>67</u>	<u>8,655,875</u>	<u>67</u>		
							Total liabilities and equity	<u>\$ 13,243,201</u>	<u>100</u>	<u>12,900,726</u>	<u>100</u>		
	Total assets	<u>\$ 13,243,201</u>	<u>100</u>	<u>12,900,726</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 years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(u) and 7)	\$ 8,168,220	100	7,861,424	100
5000 Operating costs (notes 6(d), (g), (i), (k), (n), (p), (t), 7 and 11)	<u>6,380,955</u>	78	<u>6,261,590</u>	80
5950 Gross profit from operations	<u>1,787,265</u>	22	<u>1,599,834</u>	20
6000 Operating expenses (notes 6(c), (g), (i), (k), (n), (p), (t), 7 and 11):				
6100 Selling expenses	839,663	10	782,505	10
6200 Administrative expenses	402,193	5	385,249	5
6300 Research and development expenses	365,825	5	352,401	4
6450 Expected credit loss (gain)	<u>4,224</u>	-	<u>(3,741)</u>	-
Total operating expenses	<u>1,611,905</u>	20	<u>1,516,414</u>	19
6900 Net operating income	<u>175,360</u>	2	<u>83,420</u>	1
7000 Non-operating income and expenses (notes 6(b), (e), (g), (j), (n), (v), 7 and 11) :				
7100 Interest income	28,216	1	13,425	-
7010 Other income	24,338	-	25,539	-
7020 Other gains and losses	142,962	2	84,182	1
7050 Finance costs	(89,737)	(1)	(93,203)	(1)
7060 Share of gains (losses) of associates accounted for using equity method	<u>5,074</u>	-	<u>(4,406)</u>	-
Total non-operating income and expense	<u>110,853</u>	2	<u>25,537</u>	-
7900 Income before income tax	286,213	4	108,957	1
7951 Income tax expenses (note 6(q))	<u>32,951</u>	1	<u>13,880</u>	-
8200 Net income	<u>253,262</u>	3	<u>95,077</u>	1
8300 Other comprehensive income (notes 6(e), (p), (q) and (r)) :				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans	43,054	1	30,827	-
8316 Unrealized gains from financial assets measured at fair value through other comprehensive income	(59,042)	(1)	(11,047)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(8,611)</u>	-	<u>(6,165)</u>	-
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>(24,599)</u>	-	<u>13,615</u>	-
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	64,387	1	(6,695)	-
8370 Share of other comprehensive income of associates accounted for using equity method	(4,988)	-	(9,064)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>59,399</u>	1	<u>(15,759)</u>	-
8300 Other comprehensive income (after tax)	<u>34,800</u>	1	<u>(2,144)</u>	-
8500 Total comprehensive income	<u>\$ 288,062</u>	<u>4</u>	<u>\$ 92,933</u>	<u>1</u>
Profit attributable to:				
8610 Owners of parent	\$ 243,590	3	85,866	1
8620 Non-controlling interests	<u>9,672</u>	-	<u>9,211</u>	-
Total profit attributable to owners of parent and non-controlling interests	<u>\$ 253,262</u>	<u>3</u>	<u>\$ 95,077</u>	<u>1</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 273,550	4	80,716	1
8720 Non-controlling interests	<u>14,512</u>	-	<u>12,217</u>	-
Total comprehensive income attributable to owners of parent and non-controlling interests	<u>\$ 288,062</u>	<u>4</u>	<u>\$ 92,933</u>	<u>1</u>
9750 Basic earnings per share (note 6(s)) (expressed in New Taiwan dollars)		<u>0.44</u>		<u>0.16</u>
9850 Diluted earnings per share (note 6(s)) (expressed in New Taiwan dollars)		<u>\$ 0.44</u>		<u>0.16</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 years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Retained earnings					Other 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	Total equity attributable to owners of parent		
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	-	-	-	-	85,866	85,866	-	-	-	85,866	9,211	95,077
Other comprehensive income	-	-	-	-	24,598	24,598	(16,073)	(13,675)	(29,748)	(5,150)	3,006	(2,144)
Total comprehensive income	-	-	-	-	110,464	110,464	(16,073)	(13,675)	(29,748)	80,716	12,217	92,933
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	45,770	-	(45,770)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)	(24,132)	(215,845)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,910)	(27,910)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	394	394	-	(394)	(394)	-	-	-
Balance on December 31, 2023	<u>5,477,522</u>	<u>474,558</u>	<u>1,189,717</u>	<u>30,438</u>	<u>1,131,578</u>	<u>2,351,733</u>	<u>(93,060)</u>	<u>133,322</u>	<u>40,262</u>	<u>8,344,075</u>	<u>311,800</u>	<u>8,655,875</u>
Net income	-	-	-	-	243,590	243,590	-	-	-	243,590	9,672	253,262
Other comprehensive income	-	-	-	-	34,518	34,518	54,204	(58,762)	(4,558)	29,960	4,840	34,800
Total comprehensive income	-	-	-	-	278,108	278,108	54,204	(58,762)	(4,558)	273,550	14,512	288,062
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	11,086	-	(11,086)	-	-	-	-	-	-	-
Special reserve	-	-	-	(12,025)	12,025	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(82,163)	(82,163)	-	-	-	(82,163)	-	(82,163)
Changes in non-controlling interests	-	678	-	-	-	-	-	-	-	678	(53,297)	(52,619)
Balance on December 31, 2024	<u>\$ 5,477,522</u>	<u>475,236</u>	<u>1,200,803</u>	<u>18,413</u>	<u>1,328,462</u>	<u>2,547,678</u>	<u>(38,856)</u>	<u>74,560</u>	<u>35,704</u>	<u>8,536,140</u>	<u>273,015</u>	<u>8,809,155</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 Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Income before income tax	\$ 286,213	108,957
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	613,085	602,798
Amortization expense	52,763	48,939
Expected credit loss (gain)	4,224	(3,741)
Net gains on financial assets at fair value through profit	(1,110)	(220)
Interest expense	89,737	93,203
Interest income	(28,216)	(13,425)
Dividend income	(24,338)	(25,539)
Share of (gains) losses of associates accounted for using equity method	(5,074)	4,406
Losses (gains) on disposal of property, plant and equipment	1,061	(1,323)
Losses on disposal of investment accounted for using equity method	-	4,834
Gains due to disaster	-	(6,352)
Other	(797)	276
Total adjustments to reconcile profit	<u>701,335</u>	<u>703,856</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	46,531	(22,605)
Accounts receivable and overdue receivable (under other non-current financial assets)	(154,127)	(85,383)
Inventories	(2,886)	573,067
Other current financial assets	(13,574)	33,723
Other current assets	(53,451)	(15,618)
Total changes in operating assets	<u>(177,507)</u>	<u>483,184</u>
Changes in operating liabilities:		
Notes payable	(1,984)	(46,469)
Accounts payable	133,479	192,769
Other payables	13,779	(76,841)
Other current liabilities	9,889	(40,846)
Net defined benefit liability	(1,573)	(26,301)
Other non-current liabilities	(3,083)	34,000
Total changes in operating liabilities	<u>150,507</u>	<u>36,312</u>
Total changes in operating assets and liabilities	<u>(27,000)</u>	<u>519,496</u>
Total adjustments	<u>674,335</u>	<u>1,223,352</u>
Cash inflow generated from operations	960,548	1,332,309
Interest received	28,222	13,315
Dividends received	24,338	25,539
Income taxes paid	(33,575)	(34,988)
Net cash flows from operating activities	<u>979,533</u>	<u>1,336,175</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(210,000)	(210,000)
Proceeds from disposal of financial assets at amortized cost	270,000	150,000
Acquisition of financial assets at fair value through profit or loss	(60,000)	(122,749)
Proceeds from disposal of financial assets at fair value through profit or loss	37,238	90,086
Acquisition of financial assets at fair value through other comprehensive income	-	(450)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,366
Acquisition of property, plant and equipment	(407,617)	(424,646)
Proceeds from disposal of property, plant and equipment	2,160	4,639
Acquisition of intangible assets	(34,905)	(26,193)
Acquisition of investment properties	(48,307)	-
Increase (decrease) in other non-current financial assets	(539)	25
Increase in other non-current assets	(1,740)	(1,405)
Increase in prepayments for equipment	(269,974)	(211,823)
Proceeds from capital reduction of investments accounted for using equity method	27,431	-
Net cash outflows from losing control of subsidiary	-	(31,947)
Net cash used in investing activities	<u>(696,253)</u>	<u>(783,097)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	5,585,081	5,449,757
Decrease in short-term borrowings	(5,528,616)	(5,410,914)
Increase in short-term notes and bills payable	230,000	320,000
Decrease in short-term notes and bills payable	(260,000)	(320,000)
Proceeds from long-term borrowings	2,000,000	2,570,000
Repayments of long-term borrowings	(2,142,500)	(2,621,250)
Payments of lease liabilities	(35,818)	(35,074)
Increase in other non-current liabilities	303	-
Cash dividends paid	(82,163)	(191,713)
Interest paid	(107,343)	(102,435)
Subsidiaries distributed cash dividends to non-controlling interests	-	(27,171)
Changes in non-controlling interests	(52,619)	-
Net cash used in financing activities	<u>(393,675)</u>	<u>(368,800)</u>
Effect on exchange rate changes on cash and cash equivalents	<u>6,178</u>	<u>10,411</u>
Net (decrease) increase in cash and cash equivalents	<u>(104,217)</u>	<u>194,689</u>
Cash and cash equivalents at beginning of period	<u>1,409,839</u>	<u>1,215,150</u>
Cash and cash equivalents at end of period	<u>\$ 1,305,622</u>	<u>1,409,839</u>

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
For the years ended December 31, 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 March 13, 2025.

(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”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(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” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7.
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, ROC (altogether referred to “IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial assets measured at fair value through profit or loss are measured at fair value;
- 2) Fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in Note 4(q).

(Continued)

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

(ii) Functional and presentation currency

The functional currency is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Group's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. When the Company is exposed to the variable remuneration from investing on other individual or sharing the rights of the remuneration, also, is able to influence the rewards, the Company controls the individual.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholder of parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding percentage		Note
			December 31, 2024	December 31, 2023	
The Company (ECIC)	EVERLIGHT USA, INC. (EVUS)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	EVERLIGHT (HONG KONG) LIMITED (EVHK)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	EVERLIGHT CHEMICALS (SINGAPORE) PTE LTD. (EVSG)	Investing business	100.00	100.00	-
ECIC	EVERLIGHT EUROPE B.V. (EVEU)	Selling chemical product and related raw materials	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	-
ECIC	ELITE FOREIGN TRADING INCORPORATION (ELITE)	Selling chemical product and related raw materials	75.00	50.00	(note 1 and 2)
EVSG	EVERLIGHT (SUZHOU) ADVANCED CHEMICALS LTD. (EVSZ)	Manufacturing and selling color chemicals, toners and electronic high-tech chemical product	100.00	100.00	-
EVSG	SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Selling electronic high-tech chemical product	56.25	56.25	-

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding percentage		Note
			December 31, 2024	December 31, 2023	
EVSG	EVERLIGHT CHEMICALS (VIETNAM) COMPANY LIMITED(EVVN)	Selling chemical product and related raw materials	100.00	100.00	
EVSZ	ETHICAL INTERNATIONAL TRADING & WAREHOUSING (SHANGAI) CO., LTD. (ETSH)	Selling chemical product and related raw materials	100.00	100.00	-
EVSZ	GUANZHOU ETHICAL TRADING CO., LTD. (ETGZ)	Selling chemical product and related raw materials	100.00	100.00	-
EVSZ	SHANGHAI EVERLIGHT TRADING CO., LTD. (EVSH)	Selling chemical product and related raw materials	100.00	100.00	-
ECIC	GREATLIGHT INVESTMENT COPORATION (GLTP)	Investing business	100.00	100.00	-

(note 1): 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 2): In September 30, 2024, the Company acquired an additional interest in ELITE from other related parties Diler Gunasti and Demet Batmanoglu, increasing its ownership from 50% to 75%.

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

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(Continued)

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

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprised of cash on hand and cash in bank. Cash equivalents are those short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits, which meet the above criteria and for the purpose of fulfilling short-term commitments instead of the purpose of investing activities or others, are categorized as cash equivalents.

(g) Financial instruments

Account receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(Continued)

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(Continued)

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivables, other receivable, refundable deposits and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECLs), except for the following which are measured as 12-month ECLs:

- Cash in bank, other receivable, refundable deposits and other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group holds time deposits for domestic financial institutions, it is considered to be low credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 365 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

(Continued)

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

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

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

(ii) Financial liabilities and equity instrument

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

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

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The Group recognizes any changes, proportionately with the shareholding ratio under additional paid in capital, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual controlling power.

Unrealized profits resulting from transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Group's share of losses exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Group has an obligation or has made payments on behalf of the associate.

(Continued)

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

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Land improvements	20 years
2) buildings	3~65 years
3) plant and equipment	3~15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(Continued)

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

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) REACH registration related expense	5 years
2) Software	5 years
3) Customer relationship	5 years
4) Others	3~5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognized when the land is contaminated.

(m) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability as a lessee at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(Continued)

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- (i) fixed payments, including in-substance fixed payments;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (iii) amounts expected to be payable under a residual value guarantee; and
- (iv) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- (i) there is a change in future lease payments arising from the change in an index or rate; or
- (ii) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- (iii) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or
- (iv) there is a change of its assessment on whether it will exercise a extension or termination option; or
- (v) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment and leases of transportation equipment that have a lease term of 12 months or less and leases of low-value asset.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. For other assets, except for goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over use the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

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

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) 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.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Group discloses the Group's basic and diluted earnings per share attributable to common shareholders of the Group. Basic earnings per share are calculated as the profit attributable to common shareholders of the Group divided by the weighted-average number of common shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employ compensation.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment of whether the Group has substantive control over its investees

The Group holds 40% of the outstanding voting shares of 3E Chemical Co. (Suzhou) Ltd. and is the single largest shareholder of the investee. Although the remaining 60% of 3E Chemical Co. (Suzhou) Ltd.'s shares are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of 3E Chemical Co. (Suzhou) Ltd.'s directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence but not control over 3E Chemical Co. (Suzhou) Ltd..

The Group holds 22.35% of the outstanding voting shares of Good TV Broadcasting Corp. and is the single largest shareholder of the investee. Although the remaining 77.65% of Good TV Broadcasting Corp.'s shares are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of Good TV Broadcasting Corp.'s directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence but not control over Good TV Broadcasting Corp.

Due to the Group holding more than half of the seats of ANDA's Board in 2022, it was able to have control over ANDA. However, in 2023, the Group's shareholding in ANDA had decreased to 29.08%, with the remaining shares concentrated in a specific group of shareholders, which led the Group to obtain 2 of the 5 seats in ANDA's Board, resulting in the Group to have significant influence, but not control, over ANDA.

(b) Judgment regarding significant influence of investees

The Group holds 16.78% of the outstanding voting shares of TAK Technology Co., Ltd. and is the single largest shareholder of the investee. Although the remaining 83.22% of TAK Technology Co., Ltd.'s shares are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of TAK Technology Co., Ltd.'s directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence but not control over TAK Technology Co., Ltd.

The accounting policy and disclosure of the Group include measuring the financial assets and financial liabilities at fair value. The accounting department of the Group uses information of external information to make the evaluation result agreeable to the market status and to ensure that the data resources are independent, reliable and consistent with the other resources. The accounting department of the Group regularly revises the input parameters, makes retrospective review and makes essential adjustments of evaluation models to ensure that the evaluation results is reasonable.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(6) Explanation of significant accounts

- (a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	\$ 5,834	2,031
Cash in bank	1,140,025	1,334,070
Time deposits	159,763	73,738
Cash and cash equivalents	\$ 1,305,622	1,409,839

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

- (b) Financial assets and liabilities

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

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:		
Monetary market fund	\$ 60,775	36,903

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

	December 31, 2024	December 31, 2023
Stocks listed on domestic markets	\$ 772,539	769,963
Stocks unlisted on domestic markets	112,866	174,484
	\$ 885,405	944,447

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.

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

For the years ended December 31, 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 \$1,366 and the Group recognized a gain of \$394, which is already included in other comprehensive income. The gain has been transferred to retained earnings. There was no such transaction for the year ended December 31, 2024.

- (iii) Financial assets at amortized cost-current:

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

The Group purchased government bond with a face value of \$60,000 during December 2023. The due date of government bond was January 15, 2024 and its effective interest rate was 0.93%~0.95%. There were no such transaction for the years ended December 31, 2024.

- (iv) For credit risk and other price risk, please refer to note 6(w).
(v) The aforementioned financial assets were not pledged.
(vi) Derivative financial instruments—non hedge

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. However, the derivative financial instruments can't meet the criteria for hedge accounting. The Group recognized gain on forward exchange contracts and foreign currency options amounted to \$12,354 and \$12,543 in 2024 and 2023, respectively.

- (c) Receivables

	December 31, 2024	December 31, 2023
Notes receivable	\$ 161,633	202,662
Accounts receivable	1,617,316	1,441,277
Overdue receivable (under other non-current financial assets)	37,425	38,054
Less: loss allowance	<u>(62,957)</u>	<u>(61,620)</u>
	<u>\$ 1,753,417</u>	<u>1,620,373</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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 allowances provisions were determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,615,849	0.01%~0.19%	1,672
1 to 90 days past due	144,146	1.43%~10.54%	14,446
91 to 365 days past due	18,954	16.63%~38.99%	9,414
More than 365 days past due	37,425	100%	37,425
	\$ 1,816,374		62,957

	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

The details of loss allowance were as follows:

	December 31, 2024	December 31, 2023
Notes receivable	\$ 359	453
Accounts receivable	25,173	23,113
Overdue receivable	37,425	38,054
	\$ 62,957	61,620

The movements in the allowance for receivables were as follows:

	2024	2023
Balance on January 1, 2024	\$ 61,620	66,670
Impairment losses recognized (reversed)	4,224	(3,741)
Amounts written off	(1,389)	(638)
Effect on movements in exchange rates	(1,498)	(671)
Balance on December 31, 2024	\$ 62,957	61,620

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

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

(d) Inventories

	December 31, 2024	December 31, 2023
Raw materials	\$ 890,332	838,533
Supplies	24,500	21,911
Work in progress	621,236	655,636
Finished goods	1,883,321	1,870,331
Materials in transit	3,908	3,320
	<u>\$ 3,423,297</u>	<u>3,389,731</u>

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

	2024	2023
Losses on valuation of inventories	\$ 12,541	900
Losses (gains) on inventory count	(458)	1,479
Unallocated production overheads	321,651	336,366
Losses on obsolescence	5,137	1,531
Scrap income	(2,120)	(1,735)
	<u>\$ 336,751</u>	<u>338,541</u>

As of December 31, 2024 and 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:

	December 31, 2024	December 31, 2023
Associates	<u>\$ 123,527</u>	<u>140,589</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.

	December 31, 2024	December 31, 2023
Carrying amount of individually insignificant associates	<u>\$ 123,527</u>	<u>140,589</u>

(Continued)

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

	2024	2023
Attributable to the Group:		
Profit (loss) from continuing operations	\$ 5,074	(4,406)
Other comprehensive income	(4,988)	(9,064)
Total comprehensive income	\$ 86	(13,470)

(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	\$	41,208

(iv) Pledge

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

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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	
		December 31, 2024	December 31, 2023
TTI	Taiwan	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.

	December 31, 2024	December 31, 2023
Current assets	\$ 696,529	726,271
Non-current assets	852,038	847,568
Current liabilities	(431,376)	(436,090)
Non-current liabilities	(236,979)	(281,447)
Net assets	<u>\$ 880,212</u>	<u>856,302</u>
Non-controlling interest	<u>\$ 209,897</u>	<u>204,195</u>
	2024	2023
Operating revenues	<u>\$ 821,667</u>	<u>834,929</u>
Net income	\$ 25,402	20,193
Other comprehensive income	(1,492)	11,289
Total comprehensive income	<u>\$ 23,910</u>	<u>31,482</u>
Profit attributable to non-controlling interests	<u>\$ 6,057</u>	<u>4,815</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 5,777</u>	<u>7,507</u>
	2024	2023
Net cash flows from operating activities	\$ 103,083	50,512
Net cash used in investing activities	(61,111)	(70,411)
Net cash flows from (used in) financing activities	(79,865)	62,272
Net increase (decrease) in cash and cash equivalents	<u>\$ (37,893)</u>	<u>42,373</u>
Cash dividend distributed to non-controlling interests	<u>\$ -</u>	<u>(4,218)</u>

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

(g) Property, plant and equipment

The details of movements 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	-	-	24,958	150,275	255,430	430,663
Disposals	-	-	(8,425)	(58,479)	-	(66,904)
Reclassification (note)	-	-	21,952	242,043	(60,720)	203,275
Effect on movements in exchange rates	256	-	13,243	29,028	89	42,616
Balance on December 31, 2024	<u>\$ 894,408</u>	<u>195,701</u>	<u>4,507,965</u>	<u>10,325,829</u>	<u>490,714</u>	<u>16,414,617</u>
Balance on January 1, 2023	\$ 894,152	159,000	4,494,950	9,854,921	126,296	15,529,319
Additions	-	34,700	15,634	144,354	230,739	425,427
Disposals	-	-	(70,456)	(209,715)	-	(280,171)
Reclassification (note)	-	2,001	22,108	191,814	(61,061)	154,862
Effects on loss of control of subsidiaries	-	-	-	(4,382)	-	(4,382)
Effect on movements in exchange rates	-	-	(5,999)	(14,030)	(59)	(20,088)
Balance on December 31, 2023	<u>\$ 894,152</u>	<u>195,701</u>	<u>4,456,237</u>	<u>9,962,962</u>	<u>295,915</u>	<u>15,804,967</u>
Accumulated depreciation and impairment:						
Balance on January 1, 2024	\$ -	30,078	2,982,580	8,256,459	-	11,269,117
Depreciation	-	9,995	158,422	403,767	-	572,184
Disposals	-	-	(8,425)	(55,258)	-	(63,683)
Effect on movements in exchange rates	-	-	8,491	23,210	-	31,701
Balance on December 31, 2024	<u>\$ -</u>	<u>40,073</u>	<u>3,141,068</u>	<u>8,628,178</u>	<u>-</u>	<u>11,809,319</u>
Balance on January 1, 2023	\$ -	20,537	2,887,767	8,079,918	-	10,988,222
Depreciation	-	9,541	158,776	397,624	-	565,941
Disposals	-	-	(60,296)	(206,442)	-	(266,738)
Effects on loss of control of subsidiaries	-	-	-	(3,402)	-	(3,402)
Effect on movements in exchange rates	-	-	(3,667)	(11,239)	-	(14,906)
Balance on December 31, 2023	<u>\$ -</u>	<u>30,078</u>	<u>2,982,580</u>	<u>8,256,459</u>	<u>-</u>	<u>11,269,117</u>
Carrying amounts:						
Balance on December 31, 2024	<u>\$ 894,408</u>	<u>155,628</u>	<u>1,366,897</u>	<u>1,697,651</u>	<u>490,714</u>	<u>4,605,298</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 December 31, 2023	<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>

(note): Prepayments for business facilities were reclassified as property, plant and equipment and transferred to investment property.

- (i) For the years ended December 31, 2024 and 2023, the Group capitalized the interest expenses on construction in progress amounted to \$17,149 and \$10,251 respectively, and the monthly interest rate used for capitalization calculation were 0.17%~0.31% and 0.14%~0.28%, respectively.
- (ii) As of December 31, 2024 and 2023, the property, plant and equipment of the Group were not pledged.

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(h) Other current assets

	December 31, 2024	December 31, 2023
Prepayments	\$ 114,480	81,557
Offset against business tax payable and input taxes	62,521	42,984
Temporary payments	8,649	6,198
	<u>\$ 185,650</u>	<u>130,739</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	-	33,838	2,877	36,715
Disposals	-	(92,827)	(1,740)	(94,567)
Effect on movements in exchange rates	759	3,566	27	4,352
Balance on December 31, 2024	<u>\$ 218,730</u>	<u>104,722</u>	<u>23,352</u>	<u>346,804</u>
Balance on January 1, 2023	\$ 218,381	162,300	18,513	399,194
Acquisitions	-	24,345	5,070	29,415
Disposals	-	(16,612)	(1,513)	(18,125)
Effect on loss of control of subsidiaries	-	(8,445)	-	(8,445)
Effect on movements in exchange rates	(410)	(1,443)	118	(1,735)
Balance on December 31, 2023	<u>\$ 217,971</u>	<u>160,145</u>	<u>22,188</u>	<u>400,304</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 28,623	93,989	10,916	133,528
Depreciation	5,757	27,924	3,723	37,404
Disposals	-	(75,531)	(1,740)	(77,271)
Effect on movements in exchange rates	104	1,999	-	2,103
Balance on December 31, 2024	<u>\$ 34,484</u>	<u>48,381</u>	<u>12,899</u>	<u>95,764</u>
Balance on January 1, 2023	\$ 22,928	87,542	8,878	119,348
Depreciation	5,748	27,643	3,466	36,857
Disposals	-	(15,200)	(1,513)	(16,713)
Effect on loss of control of subsidiaries	-	(5,048)	-	(5,048)
Effect on movements in exchange rates	(53)	(948)	85	(916)
Balance on December 31, 2023	<u>\$ 28,623</u>	<u>93,989</u>	<u>10,916</u>	<u>133,528</u>
Carrying amount:				
Balance on December 31, 2024	<u>\$ 184,246</u>	<u>56,341</u>	<u>10,453</u>	<u>251,040</u>
Balance on January 1, 2023	<u>\$ 195,453</u>	<u>74,758</u>	<u>9,635</u>	<u>279,846</u>
Balance on December 31, 2023	<u>\$ 189,348</u>	<u>66,156</u>	<u>11,272</u>	<u>266,776</u>

(Continued)

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

(j) Investment property

The movements in investment property were as follows:

	Buildings and structures
Cost:	
Balance on January 1, 2024	\$ -
Additions	48,307
Reclassification (note)	184,825
Effect on movements in exchange rates	1,297
Balance on December 31, 2024	\$ 234,429
Balance on December 31, 2023 (same as the balance on January 1, 2023)	\$ -
Accumulated depreciation:	
Balance on January 1, 2024	\$ -
Depreciation	3,497
Effect on movements in exchange rates	19
Balance on December 31, 2024	\$ 3,516
Balance on December 31, 2023 (same as the balance on January 1, 2023)	\$ -
Carrying amount:	
Balance on December 31, 2024	\$ 230,913
Balance on December 31, 2023 (same as the balance on January 1, 2023)	\$ -

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

The fair value of investment property is based on the valuation of an independent appraiser. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3. Listed as follow:

	December 31,
	2024
Buildings and structures	\$ 248,264

The Group 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, with Wujiang Longhui as the responsible party. As of December 31, 2024, the Group still has long-term payable of \$163,745, included in other non-current liabilities, to Wujiang Longhui. The Group will use the rental income to offset the long-term payable in the following 20 years in accordance with the contract. For the year ended December 31, 2024, the Group has not yet obtained the relevant rental income.

As of December 31, 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	Customer relationship	Others	Total
Cost:					
Balance on January 1, 2024	\$ 248,530	64,750	-	13,819	327,099
Additions	4,796	10,231	19,366	512	34,905
Reclassification (note)	-	42,613	-	-	42,613
Effect on movements in exchange rate	1,300	25	405	187	1,917
Balance on December 31, 2024	<u>\$ 254,626</u>	<u>117,619</u>	<u>19,771</u>	<u>14,518</u>	<u>406,534</u>
Balance on January 1, 2023	\$ 229,145	58,275	-	14,709	302,129
Additions	19,664	6,475	-	54	26,193
Effect on movements in exchange rate	(279)	-	-	(944)	(1,223)
Balance on December 31, 2023	<u>\$ 248,530</u>	<u>64,750</u>	<u>-</u>	<u>13,819</u>	<u>327,099</u>
Accumulated amortization:					
Balance on January 1, 2024	\$ 173,056	12,950	-	12,731	198,737
Amortization	24,626	23,600	3,873	664	52,763
Effect on movements in exchange rate	343	6	81	144	574
Balance on December 31, 2024	<u>\$ 198,025</u>	<u>36,556</u>	<u>3,954</u>	<u>13,539</u>	<u>252,074</u>
Balance on January 1, 2023	\$ 139,308	-	-	11,487	150,795
Amortization	33,804	12,950	-	2,185	48,939
Effect on movements in exchange rate	(56)	-	-	(941)	(997)
Balance on December 31, 2023	<u>\$ 173,056</u>	<u>12,950</u>	<u>-</u>	<u>12,731</u>	<u>198,737</u>
Carrying amounts:					
Balance on December 31, 2024	<u>\$ 56,601</u>	<u>81,063</u>	<u>15,817</u>	<u>979</u>	<u>154,460</u>
Balance on January 1, 2023	<u>\$ 89,837</u>	<u>58,275</u>	<u>-</u>	<u>3,222</u>	<u>151,334</u>
Balance on December 31, 2023	<u>\$ 75,474</u>	<u>51,800</u>	<u>-</u>	<u>1,088</u>	<u>128,362</u>

(note): Prepayment for equipment were reclassified as intangible assets.

(i) Amortization expense

For the years ended December 31, 2024 and 2023, the amortization of intangible assets are included in the statement of comprehensive income as follows:

	2024	2023
Operating costs	\$ 7,601	5,107
Operating expense	45,162	43,832
	<u>\$ 52,763</u>	<u>48,939</u>

(ii) Pledge

As of December 31, 2024 and 2023, the intangible assets of the Group were not pledged as collateral.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(l) Short-term borrowings

	Borrowing currency	December 31, 2024	December 31, 2023
Unsecured bank loans	NTD	\$ 675,000	765,000
Unsecured bank loans	RMB	232,694	199,728
Unsecured bank loans	USD	778,920	653,827
Short-term notes and bills payable	NTD	49,798	79,624
Total		<u>\$ 1,736,412</u>	<u>1,698,179</u>
Unused credit lines		<u>\$ 4,208,538</u>	<u>4,103,468</u>
Range of interest rate		<u>1.87%~6.34%</u>	<u>1.69%~7.32%</u>

As of December 31, 2024 and 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 1.71% and 1.81%, respectively.

The Group had not pledged the assets as collateral for short-term borrowing on December 31, 2024 and December 31, 2023.

(m) Long-term borrowings

December 31, 2024			
Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	2026.1~2027.6	\$ 906,250
Less: long-term borrowings, current portion			(42,500)
Total			<u>\$ 863,750</u>
Unused credit lines			<u>\$ 480,000</u>
December 31, 2023			
Currency	Rate	Maturity year	Amount
Unsecured bank loans	NTD	2025.1~2027.6	\$ 1,048,750
Less: long-term borrowings, current portion			(42,500)
Total			<u>\$ 1,006,250</u>
Unused credit lines			<u>\$ 401,250</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:

	December 31, 2024	December 31, 2023
Current	<u>\$ 26,592</u>	<u>34,574</u>
Non-current	<u>\$ 216,114</u>	<u>223,657</u>

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

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

The amounts recognized in profit or loss were as follows:

	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ <u>5,681</u>	<u>5,738</u>
Expenses relating to short-term leases	\$ <u>3,648</u>	<u>3,599</u>

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

	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	\$ <u>45,147</u>	<u>44,411</u>

(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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Balance on January 1	\$ 81,700	87,450
Additions	-	34,000
Decreases	<u>(38,000)</u>	<u>(39,750)</u>
Balance on December 31	\$ <u>43,700</u>	<u>81,700</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

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of the defined benefit obligations	\$ 694,221	733,672
Fair value of plan assets	<u>(720,024)</u>	<u>(714,848)</u>
Net defined benefit (assets) liabilities	\$ <u>(25,803)</u>	<u>18,824</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan and insurance account with Nan Shan Life Insurance Company that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employees to received retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance and insurance account with Nan Shan Life Insurance Company amounted to \$720,024 as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2024 and 2023, the movements in present value of the defined benefit obligations for the Group were as follows:

	<u>2024</u>	<u>2023</u>
Defined benefit obligations as of January 1	\$ 733,672	812,021
Current service costs and interest cost	15,365	20,488
Net remeasurements of defined benefit liabilities:		
— Actuarial loss (gains) arising from changes in financial assumptions	20,274	(28,111)
Benefits paid by the plan	<u>(75,090)</u>	<u>(70,726)</u>
Defined benefit obligations as of December 31	<u><u>\$ 694,221</u></u>	<u><u>733,672</u></u>

3) Movements of defined benefit plan assets

For the years ended December 31, 2024 and 2023, the movements in the fair value of the plan assets were as follows:

	<u>2024</u>	<u>2023</u>
Fair value of plan assets as of January 1	\$ 714,848	736,069
Return on plan assets	9,752	12,817
Net remeasurements of the defined benefit liabilities:		
— Actuarial gains arising from changes in financial assumptions	63,328	2,716
Contributions paid by employer	7,186	11,643
Benefits paid	<u>(75,090)</u>	<u>(48,397)</u>
Fair value of plan assets as of December 31	<u><u>\$ 720,024</u></u>	<u><u>714,848</u></u>

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

4) Expenses recognized in profit or loss

For the years ended December 31, 2024 and 2023, the expenses recognized in profit or losses for the Group were as follows:

	<u>2024</u>	<u>2023</u>
Current service costs	\$ 5,409	6,532
Net interest expense of net defined benefit liabilities	<u>204</u>	<u>1,139</u>
	<u>\$ 5,613</u>	<u>7,671</u>
	<u>2024</u>	<u>2023</u>
Operating costs	\$ 3,266	4,562
Administration expenses	<u>2,347</u>	<u>3,109</u>
	<u>\$ 5,613</u>	<u>7,671</u>

5) Remeasurement of net defined benefit (liabilities) assets recognized in other comprehensive income

The Group's remeasurements of the net defined benefit (liabilities) assets recognized in other comprehensive income for the years ended December 31, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Accumulated amount as of January 1	\$ (92,184)	(123,011)
Recognized during the period	<u>43,054</u>	<u>30,827</u>
Accumulated amount as of December 31	<u>\$ (49,130)</u>	<u>(92,184)</u>

6) Actuarial assumptions

At the reporting date, the principal actuarial assumptions were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.750%~2.000%	1.375%~1.625%
Future salary increasing rate	1.500%~2.400%	1.500%~2.000%

The Group expects to make contributions of \$6,633 to the defined benefit plans in the next year starting from December 31, 2024.

The weighted-average lifetime of the defined benefits plans is 9.41 ~ 13.16 years.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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7) Sensitivity analysis

As of December 31, 2024 and 2023, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	The impact on defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2024		
Discount rate	\$ (11,679)	11,994
Future salary increasing rate	11,664	(11,405)
December 31, 2023		
Discount rate decreased	(13,372)	13,738
Future salary increasing rate	13,320	(13,026)

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

The method and assumptions used on current sensitivity analysis is the same as those of the prior year.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The foreign entities of the Group have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the local regulations. Other than the monthly contributions, the Group has no further obligations.

The pension costs incurred from the defined contributions plans amounted to \$70,818 and \$68,420 for the years ended December 31, 2024 and 2023, respectively.

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

(q) Income taxes

(i) Income tax expense

The components of income tax expenses for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current tax expense		
Current period	\$ 58,908	24,145
Adjustment for prior periods	<u>(14,515)</u>	<u>(6,025)</u>
	<u>44,393</u>	<u>18,120</u>
Deferred tax benefit		
Origination and reversal of temporary differences	<u>(11,442)</u>	<u>(4,240)</u>
Income tax expense	<u>\$ 32,951</u>	<u>13,880</u>

The amounts of income tax expenses (benefit) recognized in other comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Components that with not be reclassified to profit or loss:		
Re-measurements of defined benefit plans	<u>\$ 8,611</u>	<u>6,165</u>

Reconciliations of income tax expense and profit before tax for 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Profit before tax	<u>\$ 286,213</u>	<u>108,957</u>
Income tax using the Company's domestic tax rate	\$ 57,242	21,791
Effect on tax rates in foreign jurisdiction	41,492	20,782
Dividend revenue	(4,856)	(5,088)
Change in unrecognized temporary differences	(1,477)	(3,985)
Additional tax on undistributed earnings	881	3,100
Adjustment for prior periods	(14,515)	(6,025)
Other	<u>(45,816)</u>	<u>(16,695)</u>
Total	<u>\$ 32,951</u>	<u>13,880</u>

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

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following item:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Loss carryforward	<u>\$ 15,988</u>	<u>17,097</u>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As at December 31, 2024, the information of the Group's unutilized losses, for which no deferred tax assets were recognized, was as follows:

<u>Year of loss</u>	<u>Loss carryforward</u>	<u>Expiry date</u>
2016	\$ 25	2026
2018	74	2028
2019	7,259	2029
2020	<u>72,582</u>	2030
	<u>\$ 79,940</u>	

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the year ended December 31, 2024 and 2023 were as follows:

Deferred tax assets:

	<u>Allowance for</u> <u>impairment of</u> <u>receivables</u>	<u>Allowance for</u> <u>valuation of</u> <u>inventories</u>	<u>Defined</u> <u>benefit plans</u>	<u>Other</u>	<u>Total</u>
Balance as of January 1, 2024	\$ 3,637	5,236	3,765	29,870	42,508
Recognized in profit or loss	70	238	(3,691)	(2,709)	(6,092)
Recognized in other comprehensive income	-	-	79	-	79
Balance as of December 31, 2024	<u>\$ 3,707</u>	<u>5,474</u>	<u>153</u>	<u>27,161</u>	<u>36,495</u>
Balance as of January 1, 2023	\$ 3,662	5,436	15,190	35,176	59,464
Recognized in profit or loss	(25)	(200)	(5,260)	(5,306)	(10,791)
Recognized in other comprehensive income	-	-	(6,165)	-	(6,165)
Balance as of December 31, 2023	<u>\$ 3,637</u>	<u>5,236</u>	<u>3,765</u>	<u>29,870</u>	<u>42,508</u>

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

Deferred tax liabilities:

	Unrealized investment income under equity method	Defined benefit plans	Unrealized foreign exchange gains	Other	Total
Balance as of January 1, 2024	\$ (80,283)	-	-	(13)	(80,296)
Recognized in profit or loss	18,213	3,376	(3,913)	(142)	17,534
Recognized in other comprehensive income	-	(8,690)	-	-	(8,690)
Balance as of December 31, 2024	<u>\$ (62,070)</u>	<u>(5,314)</u>	<u>(3,913)</u>	<u>(155)</u>	<u>(71,452)</u>
Balance as of January 1, 2023	(93,032)	-	(2,295)	-	(95,327)
Recognized in profit or loss	12,749	-	2,295	(13)	15,031
Balance as of December 31, 2023	<u>\$ (80,283)</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(80,296)</u>

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

(r) Capital and other equity

(i) Common share

As of December 31, 2024 and 2023 the Company's authorized share capital consisted of 800,000 thousand shares of common share, with NT\$10 par value per share, of which 547,752 thousand shares, respectively, were issued and outstanding.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Cash subscription in excess of par value of shares	\$ 462,559	462,559
Treasury share transactions	10,999	10,999
Donation from shareholders	1,000	1,000
Difference between consideration and carrying amount of subsidiaries acquired or disposed	678	-
	<u>\$ 475,236</u>	<u>474,558</u>

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(iii) Retained earnings

The Company's Articles of Incorporation, it stipulates that the Company's net earning should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance is to 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 aforementioned distributed that paid in cash to shareholders, which is authorized the resolution has been adopted by a majority vote at a meeting of the Board of Directors attends by two- thirds of total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and the distribution amount is limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

2) Special reserve

The Company adopted to exemptions of IFRS 1 "First-time Adoption of International Financial Reporting Standards" of first time adoption in accordance with the IFRS Accounts Standards approved by the FSC. Based on the exemptions, the Company increased retained earnings amounted to \$132,824 from reserve for revaluation increment and cumulative translation adjustments (gains). In accordance with the ruling issued by the FSC, the Company shall reserve a special reserve amounted to \$18,752, which is same as the increased amount at first time adoption of IFRSs. The Company shall reverse to distribute of earnings proportionately based on the prior special reserve when the related assets had been used, disposal or reclassified. As of December 31, 2024 and 2023, the special reserve is amounted to \$18,413 and \$18,646, respectively.

According to the ruling issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve to account for cumulative changes to other shareholders' equity, and does not qualify for earnings distribution. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

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

(iv) 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>

On March 13, 2025, the Company's Board of Directors meeting resolved to appropriate the 2024 earnings. These earnings will be appropriated as follows:

	2024	
	Amount per share (NTD)	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.30	<u>\$ 164,326</u>

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

(v) 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	-	(58,762)	(280)	(59,042)
Exchange differences on translation of foreign financial statements	59,192	-	5,195	64,387
Exchange differences on associates accounted for using equity method	(4,988)	-	-	(4,988)
Balance on December 31, 2024	<u>\$ (38,856)</u>	<u>74,560</u>	<u>23,346</u>	<u>59,050</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	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, 2023	\$ (76,987)	147,391	15,489	85,893
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(13,675)	2,628	(11,047)
Exchange differences on translation of foreign financial statements	(7,009)	-	314	(6,695)
Exchange differences on associates accounted for using equity method	(9,064)	-	-	(9,064)
Disposal of equity instruments designated at fair value through other comprehensive income	-	(394)	-	(394)
Balance on December 31, 2023	<u>\$ (93,060)</u>	<u>133,322</u>	<u>18,431</u>	<u>58,693</u>

(s) Earning per share

	<u>2024</u>	<u>2023</u>
Basic earning per share		
Profit attributable to common shareholders of the Company	<u>\$ 243,590</u>	<u>85,866</u>
Weighted-average number of common shares outstanding (thousand share)	<u>547,752</u>	<u>547,752</u>
Basic earnings per share (expressed in New Taiwan Dollar)	<u>\$ 0.44</u>	<u>0.16</u>
Diluted earning per share		
Profit attributable to common shareholders of the Company	<u>\$ 243,590</u>	<u>85,866</u>
Weighted-average number of common shares outstanding (basic) (thousand share)	547,752	547,752
Effect of employee compensation(thousand share)	750	538
Weighted-average number of common shares outstanding (diluted)(thousand share)	<u>548,502</u>	<u>548,290</u>
Diluted earnings per share (expressed in New Taiwan Dollar)	<u>\$ 0.44</u>	<u>0.16</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>2024</u>	<u>2023</u>
Employees' compensation	\$ 14,627	5,276
Directors' remuneration	5,851	2,110
	<u>\$ 20,478</u>	<u>7,386</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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. The amount, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2024 and 2023.

(u) Revenue from contract with customers

(i) Disaggregation of revenue

		2024					
		Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:							
Taiwan	\$	400,946	260,423	1,151,361	50,869	12,809	1,876,408
Americas		180,615	531,485	-	203,621	41,382	957,103
Asia		1,945,044	870,894	544,312	686,501	80,425	4,127,176
Europe		416,540	400,723	-	177,578	90,233	1,085,074
Other		68,549	37,239	-	15,556	1,115	122,459
		<u>\$ 3,011,694</u>	<u>2,100,764</u>	<u>1,695,673</u>	<u>1,134,125</u>	<u>225,964</u>	<u>8,168,220</u>
Major products:							
Chemicals	\$	3,011,694	2,100,764	1,695,673	-	-	6,808,131
Toners		-	-	-	1,134,125	-	1,134,125
Other		-	-	-	-	225,964	225,964
		<u>\$ 3,011,694</u>	<u>2,100,764</u>	<u>1,695,673</u>	<u>1,134,125</u>	<u>225,964</u>	<u>8,168,220</u>
		2023					
		Color chemicals	Specialty chemicals	Electronic chemicals	Toners	Pharmaceuticals	Total
Primary geographical markets:							
Taiwan	\$	355,291	240,688	805,522	32,058	14,288	1,447,847
Americas		161,595	409,327	-	249,395	46,186	866,503
Asia		2,115,317	898,442	517,530	674,619	51,642	4,257,550
Europe		429,423	387,259	-	187,649	97,091	1,101,422
Other		81,818	76,744	-	18,374	11,166	188,102
		<u>\$ 3,143,444</u>	<u>2,012,460</u>	<u>1,323,052</u>	<u>1,162,095</u>	<u>220,373</u>	<u>7,861,424</u>
Major products:							
Chemicals	\$	3,143,444	2,012,460	1,323,052	-	-	6,478,956
Toners		-	-	-	1,162,095	-	1,162,095
Other		-	-	-	-	220,373	220,373
		<u>\$ 3,143,444</u>	<u>2,012,460</u>	<u>1,323,052</u>	<u>1,162,095</u>	<u>220,373</u>	<u>7,861,424</u>

(ii) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Receivables	\$ 1,816,374	1,681,993	1,601,475
Less: loss allowance	(62,957)	(61,620)	(66,670)
Total	<u>\$ 1,753,417</u>	<u>1,620,373</u>	<u>1,534,805</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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For the detail on receivables and loss allowance, please refer to note 6(c).

(v) Non-operating income and expenses

(i) Interest income

	2024	2023
Interest income from bank deposits	\$ 28,216	13,425

(ii) Other income

	2024	2023
Dividend income	\$ 24,338	25,539

(iii) Other gains and losses

	2024	2023
Foreign exchange gains net	\$ 79,864	19,957
Net gains on financial assets and liabilities at fair value through profit	1,110	220
Depreciation of investment property	(3,497)	-
Gains (losses) on disposal of property, plant and equipment	(1,061)	1,323
Losses on disposal of investment accounted for using equity method	-	(4,834)
Subsidy revenue	4,368	8,357
Gains on disaster	-	6,352
Others	62,178	52,807
	\$ 142,962	84,182

(iv) Finance costs

	2024	2023
Interest expense	\$ 89,737	93,203

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

As of December 31, 2024 and 2023, the Group's exposure to credit risk and the maximum exposure were mainly from:

- a) The carrying amount of financial assets recognized in the balance sheet; and
- b) The Group didn't provide financial guarantee to company other than the Group.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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2) Concentration of credit risk

The Group has exposure to credit risk of individual counterparty or group of counterparties with similar credit characteristics. Those related parties of which having transactions with the Group are regarded as group of counterparties with similar credit characteristics. There was no concentration of credit risk.

3) 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 years ended December 31, 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.

(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>
December 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,736,412	1,741,733	1,741,733	-	-	-
Notes payable	40,745	40,745	40,745	-	-	-
Accounts payable	670,835	670,835	670,835	-	-	-
Lease liabilities	242,706	303,532	31,784	27,191	45,763	198,794
Other payables	424,259	424,259	424,259	-	-	-
Payables on equipment	32,761	32,761	32,761	-	-	-
Long-term borrowings (including current portion)	<u>906,250</u>	<u>934,924</u>	<u>61,136</u>	<u>651,605</u>	<u>222,183</u>	-
	<u>\$ 4,053,968</u>	<u>4,148,789</u>	<u>3,003,253</u>	<u>678,796</u>	<u>267,946</u>	<u>198,794</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>\$ 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>

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:

	December 31, 2024			December 31, 2023		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 43,099	32.79	1,413,201	46,974	30.71	1,442,556
JPY	178,285	0.21	37,440	72,342	0.22	15,915
RMB	88,787	4.48	397,767	74,429	4.33	322,277
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	31,688	32.79	1,039,048	29,185	30.71	896,266
JPY	262,760	0.21	55,180	148,611	0.22	32,695
RMB	7,836	4.48	35,103	8,659	4.33	37,494

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 weakening (strengthening) 1% of the NTD against the USD, JPY and RMB for the years ended December 31, 2024 and 2023, would have changed the profit by \$5,753 and \$6,512, 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 years ended December 31, 2024 and 2023, foreign exchange gains (losses)(including realized and unrealized portions) amounted to \$79,864 and \$19,957, 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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If the interest rate had increased (decreased) by 1%, the Group's profit would have changed by \$21,141 and \$21,975, respectively, for the years ended December 31, 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 years ended December 31, 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	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
1% increase	\$ 8,854	608	9,444	369
1% decrease	\$ (8,854)	(608)	(9,444)	(369)

(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:

	December 31, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets mandatorily measured at fair value through profit or loss					
Monetary market fund	\$ 60,775	60,775	-	-	60,775
Subtotal	60,775	60,775	-	-	60,775
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	772,539	772,539	-	-	772,539
Stocks unlisted on domestic markets	112,866	-	112,866	-	112,866
Subtotal	885,405	772,539	112,866	-	885,405
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,305,622	-	-	-	-
Notes and accounts receivable	1,753,417	-	-	-	-
Other financial assets	48,115	-	-	-	-
Subtotal	3,107,154	-	-	-	-
Total	\$ 4,053,334	833,314	112,866	-	946,180

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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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:

- 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 years ended December 31, 2024 and 2023.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2024	\$ 174,484
Transfers out of Level 3	(174,484)
Balance on December 31, 2024	\$ -

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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	Fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2023	\$ 240,044
Total gains or losses:	
Recognized in other comprehensive income	(65,560)
Balance on December 31, 2023	\$ 174,484

The aforementioned total gains or losses were included “unrealized gains (losses) on equity investment measured at fair value through other comprehensive income”, which related to holding assets on December 31, 2024 and 2023 were as follows:

	2024	2023
Recognized in other comprehensive income	\$ -	(65,560)

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value were “financial assets measured at fair value through other comprehensive income – equity investments”.

Most of the Group's financial instruments that use level 3 inputs to measure fair value have multiple significant unobservable inputs. There is no correlation existence among the significant unobservable inputs of equity investments that have no active markets because they were independent of each other.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income- equity investments without an active market	Comparable companies approach	<ul style="list-style-type: none"> • Price-Book Ratio (as of December 31, 2023 were 2.90~4.41) • Market liquidity discount rate (as of December 31, 2023 was 20%) 	<ul style="list-style-type: none"> • The estimated fair value would increase if the multiplier was higher. • The estimated fair value would decrease if market liquidity discount rate was higher.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurements of financial instruments' fair value were reasonable, only if using different variables leading different results. For the fair value measurements in level 3, if changing valuation variables, would have the following effects :

Inputs	Upwards or Downwards	Fair value variation on other comprehensive income			
		Favorable		Unfavorable	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Price-book ratio	5%	-	8,600	-	(8,600)
Market liquidity discount rate	5%	-	8,035	-	(8,035)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(x) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

Detailed information about exposure risk arising from the aforementioned risk and the Group's objective, policies and process for managing risks have been stated below. Further quantitative disclosures have been disclosed as notes to the consolidated financial statements.

(ii) Risk management framework

The Group's inter departmental management and committee, which consists of general manager and managers from all departments, including manufacturing, research and development, environment, health and safety, financial and audit, is responsible to hold a meeting regularly for monitoring the Group's risk management policies.

The executive and responsible departments of risk management are as follows:

- 1) Financial risk, liquidity risk, credit risk and legal risk: based on regulations, government policy and analysis of market change, financial division and legal division make the strategy to reflect, then execute the strategy. The internal auditor reviews the risks control and procedures for the aforementioned risks.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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- 2) Market risk: the Group's Sales Business Units (SBUs) and functional division are responsible to make the strategy to identify risk based on regulation, government policy and analysis of market change, then execute the strategy. In order to manage the risk of market change dramatically, management with SBUs managers will establish a task force when it is necessary.
- 3) Operating strategy risk: in order to monitor the operating strategy in compliance with the Group's vision and meet the operating goals, general manager division with management of SBUs will evaluate the risk of operational policy through performance evaluation periodically.

The Group's Audit Committee oversees how management monitors counterparty with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by the internal auditor. The internal auditor undertakes both regular and exceptional reviews of risk management controls and the procedures, and the result of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations that arises principally from the Group's accounts receivable and investments.

1) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. According to the credit policy, the Group analyzes each new customer individually for their credit worthiness before granting the new customer standard payment terms. Credit lines are established for each customer and reviewed periodically.

The Group did not require any collateral for accounts receivable and other receivables.

2) Investments

The credit risk exposure in the bank deposits, and debt instruments are measured and monitored by the Group's finance department. Since the Group's transactions resulted from the external parties with good credit standing and investment grade above financial institutions, publicly-traded stock companies and unlisted companies with good reputation, there are no non-compliance issues and therefore no significant credit risk.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2024 and 2023, the Group's unused credit line were amounted to \$4,688,538 and \$4,504,718, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines of derivative transaction management set by the board of directors and general meeting of shareholders and the related financial transactions are under oversight by internal auditor. The management of the Group's market risk is as follows:

1) Currency risk

The Group is exposed to currency risk on foreign currency assets and liabilities resulted from operating, financing and investing activities. The Group hedges the currency risk by derivatives. Most of the foreign exchange gains and losses arising from foreign currency assets and liabilities will be offset by the gains or losses on derivative instruments. The Group may reduce the currency risk through derivative instruments but do not avoid all of the currency influence resulted from foreign currency exchange.

The Group monitors the exposure of individual foreign currency assets and liabilities periodically. When necessary, the Group uses foreign currency options and forward exchange contracts to hedge above currency risk exposure. The duration of foreign currency options and forward exchange contracts are within one year and do not meet the criteria for hedge accounting.

2) Interest rate risk

The Group's exposure of interest rate risk is mainly from floating-rate loans. Any change in interest rates will cause influence in the effective interest rates of loans and thus cause the alternation of future cash flows. The Group enters into and designates interest rate swaps and other capital market financing as hedges of the variability in cash flows by continuing to review the interest rate variability in order to control the financial cost at the relatively low in market interest rate.

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3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments, and material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

(y) Capital management

The Group's policy is to manage its capital to safeguard the capacity to continue as a going concern, to continue to provide returns for shareholders, maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

	December 31, 2024	December 31, 2023
Total liability	\$ 4,434,046	4,244,851
Less: cash and cash equivalents	<u>1,305,622</u>	<u>1,409,839</u>
Net liability	<u>\$ 3,128,424</u>	<u>2,835,012</u>
Total equity	<u>\$ 8,809,155</u>	<u>8,655,875</u>
Debt-to-equity ratio	<u>36 %</u>	<u>33 %</u>

There were no change in the Group's approach to capital management for the year ended December 31, 2024.

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

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			Foreign exchange movement	Others	
Short-term borrowings	\$ 1,698,179	26,465	11,594	174	1,736,412
Long-term borrowings	1,048,750	(142,500)	-	-	906,250
Lease liabilities	<u>258,231</u>	<u>(35,818)</u>	<u>1,671</u>	<u>18,622</u>	<u>242,706</u>
Total liabilities from financing activities	<u>\$ 3,005,160</u>	<u>(151,853)</u>	<u>13,265</u>	<u>18,796</u>	<u>2,885,368</u>

	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Foreign exchange movement	Others	
Short-term borrowings	\$ 1,665,417	38,843	(6,081)	-	1,698,179
Long-term borrowings	1,100,000	(51,250)	-	-	1,048,750
Lease liabilities	<u>269,235</u>	<u>(35,074)</u>	<u>(486)</u>	<u>24,556</u>	<u>258,231</u>
Total liabilities from financing activities	<u>\$ 3,034,652</u>	<u>(47,481)</u>	<u>(6,567)</u>	<u>24,556</u>	<u>3,005,160</u>

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(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:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Chung Hwa Chemical Industrial Works, Ltd. (CHCIW)	The entity's chairman is the director of the Company
Taiwan Dyestuffs and Pigments Industrial Association (TDPIA)	The association's chairman is the chairman of the Company
Ethical Investment Corporation, Ltd. (EIC)	The entity is the corporate director of the Company
Chen, Ding-Chuan	An individual is the first 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
Iteks Boya ve Kimyevi- Maddeler Sanayi ve Ticaret A.S. (Iteks)	The entity is other related party of the Group
Meysan Mensucat Yan Sanayi ve Ticaret A.S. (Meysan)	The entity is other related party of the Group
Gun-Pa Boyar Madde ve Kimyasal Maddeler Tekstil Sanayi ve Ticaret A.S. (Gun-Pa)	The entity is other related party of the Group

(b) Significant transactions with related parties

(i) Sales

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

	<u>2024</u>	<u>2023</u>
AST	\$ 20,503	21,958
SAM	27,013	-
	<u>\$ 47,516</u>	<u>21,958</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>2024</u>	<u>2023</u>
CHCIW	\$ <u>40,450</u>	<u>28,735</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.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(iii) Receivables from related parties

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	AST	\$ 10,400	11,369
Accounts receivable	SAM	26,284	-
		<u>\$ 36,684</u>	<u>11,369</u>

(iv) Payables to related parties

<u>Account</u>	<u>Name of related party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes and accounts payable	CHCIW	<u>\$ 14,784</u>	<u>10,692</u>

(v) Dividend

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

	<u>2024</u>	<u>2023</u>
EIC	\$ 8,400	17,150
Chen, Ding-Chuan	7,950	20,300
	<u>\$ 16,350</u>	<u>37,450</u>

(vi) Other

1) Rental income

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

	<u>2024</u>	<u>2023</u>
EIC	<u>\$ 24</u>	<u>24</u>

2) Donation

For the year ended December 31, 2023, the Group donated \$150 to the TDPIA. There was no such transaction for the year ended December 31, 2024.

3) Customer relationships

The Group acquired the customer relationships from Gun-Pa, Meysan, and Iteks in Turkey, with the acquisition price of \$22,949, of which \$19,771 was listed under intangible assets, and the remaining \$3,178 was listed under operating expenses. There were no such transaction for the year ended December 31, 2023.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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- (vii) In 2024, the Group acquired an additional interest in ELITE for \$52,619 in cash from other related parties Diler Gunasti and Demet Batmanoglu, increasing its ownership from 50% to 75%. The Group did not have any transaction with non-controlling interests in 2023.

The effects of the changes in shareholdings were as follows:

	<u>2024</u>
Carrying amount of non-controlling interests on acquisition	\$ 53,297
Consideration paid to non-controlling interests	<u>(52,619)</u>
Capital surplus - difference between consideration and carrying amounts subsidiaries acquired	<u>\$ 678</u>

- (c) Key management personnel compensation

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 31,714	29,560
Post-employment benefits	<u>849</u>	<u>583</u>
	<u>\$ 32,563</u>	<u>30,143</u>

- (8) Assets pledged as security: None.**

- (9) Commitments and contingencies**

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Acquisition of property, plant and equipment	<u>\$ 291,807</u>	<u>461,266</u>

- (b) The Group's outstanding standby letter of credit are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Outstanding standby letter of credit	<u>\$ -</u>	<u>19,708</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
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(10) Subsequent Events: None.

(11) Other

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

By item	By function	For the years ended December 31, 2024			For the years ended December 31, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		719,367	614,662	1,334,029	693,679	573,107	1,266,786
Labor and health insurance		73,201	61,925	135,126	73,242	60,287	133,529
Pension		40,526	35,905	76,431	41,914	34,177	76,091
Remuneration of directors		-	15,814	15,814	-	13,334	13,334
Others		38,219	26,383	64,602	37,928	24,156	62,084
Depreciation		497,980	111,608	609,588	485,375	117,423	602,798
Amortization		7,601	45,162	52,763	5,107	43,832	48,939

(note): For the years ended December 31, 2024 and 2023, the depreciation expenses of investment properties were \$3,497 and \$0, respectively, which were listed under other losses.

(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 year ended December 31, 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		
0	ECIC	EVSZ	Other receivable-related parties	Yes	163,925	163,925	-	-	2	-	Operating Turnover	-	NA	-	853,614	3,414,456
21	EVSZ	Wujiang Longhui	Other receivable	No	19,616	-	-	4%	1	163,930	-	-	NA	-	70,964	283,856

Note1 : According to ECIC’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	853,614	65,670	65,570	-	-	0.77%	2,134,035	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 December 31, 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				Highest balance during the year	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	30,493	-	30,493	1,971	
"	FUBON CHI-HSIANG MONEY MARKET FUND	-	"	1,854	30,282	-	30,282	1,854	
					60,775		60,775		
ECIC	Polytronics Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	464,800	8,000	
"	Chemical Industrial Works, LTD	The entity's chairman is the director of the Company	"	5,500	92,217	4%	160,325	5,500	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	72,867	2,140	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	11%	94,622	4,724	
GLTP	QISDA Corp.	-	"	50	1,745	-	1,680	50	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	5,208	260	
"	Taiwan Bio Therapeutics Co., Ltd.	-	"	414	11,400	-	13,036	414	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	72,867	2,140	
			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		74,076		-		
	Total				885,405		885,405		

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	420,852	5.15%	OA 100	Non material differences from those of third-parties	Non material differences from those of third-parties	102,760	5.86%	Note
"	EVEU	"	"	339,109	4.15%	OA 90	"	"	55,007	3.14%	Note
"	ELITE	"	"	254,958	3.12%	OA 100	"	"	46,577	2.66%	Note
"	ADSH	"	"	234,938	2.88%	OA 120	"	"	121,488	6.93%	Note
"	EVSZ	"	"	198,678	2.43%	OA 90	"	"	34,957	1.99%	Note
"	EVSH	"	"	175,546	2.15%	OA 90	"	"	34,196	1.95%	Note
"	ETSH	"	"	156,857	1.92%	OA 90	"	"	35,100	2.00%	Note
"	ETHK	"	"	124,681	1.53%	OA 90	"	"	280	0.02%	Note
TTI	EVSZ	Associated company	"	120,610	1.48%	OA 90	"	"	38,143	2.18%	Note

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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 March 11, 2025)	Loss allowance
					Amount	Action taken		
ECIC	ADSH	Subsidiary	121,488	1.96	29,331	Strengthen collection	57,903	-
"	EVUS	"	102,760	4.22	-	-	55,539	-

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	420,852	No material differences from those of third parties	5.15%
0	"	EVEU	1	"	339,109	"	4.15%
0	"	ELITE	1	"	254,958	"	3.12%
0	"	ADSH	1	"	234,938	"	2.88%
0	"	EVSZ	1	"	198,678	"	2.43%
0	"	EVSH	1	"	175,546	"	2.15%
0	"	ETHK	1	"	124,681	"	1.92%
0	"	ETSH	1	"	156,857	"	1.53%
1	TTI	EVSZ	2	"	120,610	"	1.48%
1	"	EVUS	2	"	81,871	"	1.00%

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 year ended December 31, 2024:

Reports by Securities Issuers	Name of investee	Location	Main businesses and products	Original investment amount		Balance of December 31, 2024			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value				
ECIC	EVUS	America	Selling chemical product and related raw materials	88,868	88,868	300	100.00%	157,912	300	(1,346)	(1,346)	(Note)
"	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000	100.00%	41,461	1,000	(210)	(210)	(Note)
"	EVSG	Singapore	Investing business	820,034	794,290	25,600	100.00%	853,197	25,600	(88,956)	(88,956)	(Note)
"	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	1	100.00%	53,577	1	(897)	(897)	(Note)
"	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906	76.15%	669,255	44,906	25,402	19,272	(Note)
"	ELITE	Turkey	Selling chemical product and related raw materials	97,635	45,016	33	75.00%	163,052	33	2,386	345	(Note)
"	GOODTV	Taipei City	Cable TV channels	19,000	19,000	1,900	22.35%	22,038	1,900	7,232	1,608	
"	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithium ion battery	58,600	58,600	4,856	16.78%	31,937	4,856	(33,875)	(4,939)	
"	GLTP	Taipei City	Investing business	100,000	100,000	10,000	100.00%	27,085	10,000	85	85	(Note)
	Unrealized gross profit on sales			-	-			(71,639)			-	
				1,468,798	1,390,435			1,947,875			(75,038)	
EVSG	EVVN	Vietnam	Selling chemical product and related raw materials	12,140	12,140	-	100.00%	4,984	12,140	(2,917)	(2,917)	(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, 2024		Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024		Net income (losses) of the investee	Percentage of ownership	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	Selling chemical product and related raw materials	USD	1,700	55,735	(Note 6)	700	22,950			700	22,950	(2,210)	100.00%	100.00%	(2,210)	159,382	2,961	97,076
ETGZ	Selling chemical product and related raw materials	USD	700	22,950	(Note 6)	200	6,557			200	6,557	(10,678)	100.00%	100.00%	(10,678)	90,489	1,523	49,932
EVSH	Selling chemical product and related raw materials	USD	1,250	40,981	(Note 6)	1,100	36,064			1,100	36,064	(7,680)	100.00%	100.00%	(7,680)	142,085	950	31,146
EVSZ	Manufacturing and selling color chemical, toners and electronic high tech chemical product	USD	23,650	775,365	(Note 1)	18,600	609,801			18,600	609,801	(96,323)	100.00%	100.00%	(96,323)	709,640	-	-
ANDA	Selling electronic high tech chemical product	RMB	20,000	89,560	(Note 1)	650	21,310			650	21,310	(7,028)	29.80%	29.80%	(2,094)	10,004	-	-
ADSH	Selling electronic high tech chemical product	RMB	1,000	4,478	(Note 5)	-	-			-	-	3,600	56.25%	56.25%	2,026	11,272	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	USD	4,500	147,533	(Note 1)	2,490	81,635			2,490	81,635	26,247	40.00%	40.00%	10,499	59,548	-	-

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 (1:32.785), NTD vs RMB (1:4.478) . 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,3ESZ cash capital reduction will change the original registered capital from USD 6,600 to USD 4,500.

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 December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
833,952 (USD25,437)	765,595 (USD 23,352)	5,285,493

As of December 31, 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 year ended December 31, 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

(a) General information

The reportable segments and its operating were as follows:

- (i) Color chemicals: manufacturing textile dye, leather dye, inkjet dye, metal dye, paper dye, textile functional chemicals, digital textile printing ink, dye for DSSC, colors pigments and etc.
- (ii) Specialty chemicals: manufacturing of weatherability HALS, plastic HALS, PU/TPU anti-yellowing materials and cosmetic sun-screening materials.
- (iii) Pharmaceuticals: manufacturing of prostaglandin API, cardiovascular disease API and Parkinson disease API.
- (iv) Electronic chemicals: manufacturing of industrial photoresist for IC, LCD, LED and TP, developers, slurry and functional surface nano coating.
- (v) Toner: manufacturing and sale of toner for laser printer, copier and fax machine.

(b) Information about reportable segments and their measurement and reconciliations

Taxation, are managed on a group basis, and hence they are not able to be allocated to each reportable segment. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 "summary of significant accounting policies". The Group uses operating segment profit or loss as the basis to determine resource allocation and make a performance evaluation. The Group treated intersegment sales and transfers as third-party transactions.

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

	2024							
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	Total
Revenue from external customers	\$ 3,011,694	2,100,764	1,695,673	1,134,125	225,964	-	-	8,168,220
Intersegment revenue	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	28,216	-	28,216
Total revenue	<u>\$ 3,011,694</u>	<u>2,100,764</u>	<u>1,695,673</u>	<u>1,134,125</u>	<u>225,964</u>	<u>28,216</u>	<u>-</u>	<u>8,196,436</u>
Interest expense	<u>\$ 21,975</u>	<u>22,628</u>	<u>19,348</u>	<u>23,420</u>	<u>2,366</u>	<u>-</u>	<u>-</u>	<u>89,737</u>
Depreciation and amortization	<u>\$ 302,271</u>	<u>122,964</u>	<u>50,654</u>	<u>85,869</u>	<u>88,891</u>	<u>15,199</u>	<u>-</u>	<u>665,848</u>
Gains on investment	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,074</u>	<u>-</u>	<u>5,074</u>
Reportable segment profit (loss)	<u>\$ 85,494</u>	<u>211,087</u>	<u>170,240</u>	<u>(33,690)</u>	<u>(165,472)</u>	<u>18,554</u>	<u>-</u>	<u>286,213</u>

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	2023							Total
	Color chemicals	Specialty chemicals	Electronic chemicals	Toner	Pharmaceuticals	Others	Reconciliation and elimination	
Revenue from external customers	\$ 3,143,444	2,012,460	1,323,052	1,162,095	220,373	-	-	7,861,424
Intersegment revenue	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	13,425	-	13,425
Total revenue	\$ 3,143,444	2,012,460	1,323,052	1,162,095	220,373	13,425	-	7,874,849
Interest expense	\$ 35,761	20,047	20,692	14,496	2,207	-	-	93,203
Depreciation and amortization	\$ 291,062	131,009	50,008	74,610	91,014	14,034	-	651,737
Gains on investment	\$ -	-	-	-	-	(4,406)	-	(4,406)
Reportable segment profit (loss)	\$ 15,919	129,839	110,473	(31,543)	(142,481)	26,750	-	108,957

(c) Information for the entity as a whole

- (i) Product and service information: the information is disclosed in (b), the Group's operating segment information and reconciliation.
- (ii) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue from the external customers:

Area	2024	2023
China	\$ 4,127,176	4,257,550
Taiwan	1,876,408	1,447,847
Europe	1,085,074	1,101,422
Americas	957,103	866,503
Other	122,459	188,102
	\$ 8,168,220	7,861,424

Non-current assets

Area	December 31, 2024	December 31, 2023
Taiwan	\$ 4,740,046	4,670,687
Europe	15,895	18,362
China	620,640	384,861
Americas	18,514	18,518
	\$ 5,395,095	5,092,428

Non-current assets included property, plant and equipment, right of use assets, investment property, intangible assets and other assets, not including investments accounted for using equity method, financial instruments, deferred tax assets and net defined benefit asset.

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(iii) Major customers

For the year ended December 31, 2024 the amount of sales to customers representing greater than 10% were as follows:

	<u>2024</u>
Customer A	<u>\$ 856,450</u>

For the year ended December 31, 2023, there was no revenue from the customers greater than 10%.