

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

**EVERLIGHT CHEMICAL INDUSTRIAL
CORPORATION**

Parent-Company-Only Financial Statements

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

Address: 5~6F., No.77, Sec. 2, DunHua S.Rd., Taipei 106, Taiwan
Telephone: +886-2-2706-6006

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

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安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Everlight Chemical Industrial Corporation:

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We 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 Financial Statements section of our report. We are independent of the Company 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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(s) to the financial statements for the accounting policy of revenue and disclosure of revenue recognition.

Description of key audit matters

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

How the matter was addressed in our audit

Our principle audit procedures included understanding the types 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.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 audit resulting in this independent auditors' report are Huang, Ming-Hung and Tang, Chia-Chien.

KPMG

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

Notes to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

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))	\$ 730,493	6	866,586	8	2100	Short-term borrowings (note 6(j))	\$ 1,100,146	10	1,081,219	10
1110	Financial assets at fair value through profit or loss-current (note 6(b))	60,775	1	30,067	-	2151	Notes payable (note 7)	40,745	-	42,729	-
1136	Financial assets at amortized cost-current (note 6(b))	-	-	60,000	1	2170	Accounts payable (included related parties) (note 7)	524,602	5	474,364	4
1150	Notes receivable, net (notes 6(c) and (s))	41,385	-	44,737	-	2209	Other payables (included related parties) (notes 6(r) and 7)	308,542	3	314,522	3
1170	Accounts receivable, net (notes 6(c) and (s))	870,024	8	768,979	7	2213	Payables on equipment	25,813	-	20,860	-
1180	Accounts receivable due from related parties, net (notes 6(c), (s) and 7)	456,652	4	468,632	4	2230	Current tax liabilities	41,337	-	22,462	-
1210	Other receivables due from related parties (note 7)	27,066	-	29,987	-	2280	Lease liabilities-current (note 6(l))	7,204	-	10,516	-
130X	Inventories (note 6(d))	2,427,343	21	2,340,721	20	2399	Other current liabilities (note 6(m))	30,732	-	23,920	-
1476	Other current financial assets	27,108	-	18,201	-		Total current liabilities	<u>2,079,121</u>	<u>18</u>	<u>1,990,592</u>	<u>17</u>
1479	Other current assets (note 6(g))	113,428	1	91,376	1		Non-current liabilities:				
	Total current assets	<u>4,754,274</u>	<u>41</u>	<u>4,719,286</u>	<u>41</u>	2541	Long-term bank loans (note 6(k))	800,000	7	900,000	8
	Non-current assets:					2570	Deferred tax liabilities (note 6(o))	71,032	1	80,296	1
1517	Financial assets at fair value through other comprehensive income-non-current (notes 6(b) and (u))	792,614	7	845,868	8	2580	Lease liabilities non-current (note 6(l))	7,586	-	9,476	-
1550	Investments accounted for using equity method (notes 6(e) and 7)	1,947,875	17	1,901,077	17	2640	Net defined benefit liability (note 6(n))	-	-	18,273	-
1600	Property, plant and equipment (notes 6(f) and 9)	3,734,367	33	3,678,589	32	2670	Other non-current liabilities, others (note 6(m))	27,800	-	65,800	1
1755	Right-of-use-assets (note 6(h))	14,555	-	19,544	-		Total non-current liabilities	<u>906,418</u>	<u>8</u>	<u>1,073,845</u>	<u>10</u>
1780	Intangible assets (note 6(i))	82,964	1	112,009	1		Total liabilities	<u>2,985,539</u>	<u>26</u>	<u>3,064,437</u>	<u>27</u>
1840	Deferred tax assets (note 6(o))	34,215	-	39,741	-		Equity (notes 6(e), (n), (o), (p) and 7):				
1915	Prepayments for equipment	131,461	1	90,081	1	3100	Common shares	5,477,522	48	5,477,522	48
1975	Net defined benefit asset, non-current (note 6(n))	26,567	-	-	-	3200	Capital surplus	475,236	4	474,558	4
1980	Other non-current financial assets (note 6(c))	2,787	-	2,317	-	3300	Retained earnings	2,547,678	22	2,351,733	21
	Total non-current assets	<u>6,767,405</u>	<u>59</u>	<u>6,689,226</u>	<u>59</u>	3400	Other equity	35,704	-	40,262	-
	Total assets	<u>\$ 11,521,679</u>	<u>100</u>	<u>11,408,512</u>	<u>100</u>		Total equity	<u>8,536,140</u>	<u>74</u>	<u>8,344,075</u>	<u>73</u>
							Total liabilities and equity	<u>\$ 11,521,679</u>	<u>100</u>	<u>11,408,512</u>	<u>100</u>

See accompanying notes to parent-company-only financial statements.

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

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION**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(s) and 7)	\$ 6,528,041	100	6,108,600	100
5000 Operating costs (notes 6(d), (f), (h), (i), (l), (n), (r), 7 and 11)	5,205,392	80	5,008,425	82
5900 Gross profit from operations	1,322,649	20	1,100,175	18
5910 Realized (unrealized) gross profit from sales	(5,661)	-	18,783	-
5950 Gross profit from operations	1,316,988	20	1,118,958	18
6000 Operating expenses (notes 6(c), (f), (h), (i), (l), (n), (r), 7 and 11):				
6100 Selling expenses	522,853	8	478,197	8
6200 Administrative expenses	216,371	3	213,228	3
6300 Research and development expenses	324,277	5	310,164	5
6450 Expected credit loss	1,217	-	2,338	-
Total operating expenses	1,064,718	16	1,003,927	16
6900 Net operating income	252,270	4	115,031	2
7000 Non-operating income and expenses (notes 6(b), (e), (f), (l), (t) and 7):				
7100 Interest income	6,949	-	4,042	-
7010 Other income	18,928	-	20,731	-
7020 Other gains and losses	124,900	2	73,448	1
7050 Finance costs	(55,942)	(1)	(59,369)	(1)
7060 Share of gains of subsidiaries and associates accounted for using equity method	(75,038)	(1)	(55,760)	-
Total non-operating income and expense	19,797	-	(16,908)	-
7990 Income before income tax	272,067	4	98,123	2
7950 Income tax expenses (note 6(o))	28,477	-	12,257	-
Net income	243,590	4	85,866	2
8300 Other comprehensive income (notes 6(e), (n), (o) and (p)):				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans	43,448	-	30,492	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(53,254)	(1)	(20,164)	-
8330 Share of other comprehensive income of subsidiaries accounted for using equity method	(5,748)	-	6,693	-
8349 Income tax related to components that may not be reclassified to profit or loss	(8,690)	-	(6,098)	-
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	(24,244)	(1)	10,923	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	59,192	1	(7,009)	-
8380 Share of other comprehensive income of associates accounted for using equity method	(4,988)	-	(9,064)	-
8399 Income tax related to components that may be reclassified to profit or loss	-	-	-	-
Total components of other comprehensive income (loss) that will be reclassified to profit or loss	54,204	1	(16,073)	-
8300 Other comprehensive income(after tax)	29,960	-	(5,150)	-
8500 Total comprehensive income	\$ 273,550	4	80,716	2
9750 Basic earnings per share (note 6(q)) (expressed in New Taiwan dollars)	\$	0.44		0.16
9850 Diluted earnings per share (note 6(q)) (expressed in New Taiwan dollars)	\$	0.44		0.16

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan dollars)

	Retained earnings					Total	Other equity		Total	Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
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
Net income	-	-	-	-	85,866	85,866	-	-	-	85,866
Other comprehensive income	-	-	-	-	24,598	24,598	(16,073)	(13,675)	(29,748)	(5,150)
Total comprehensive income	-	-	-	-	110,464	110,464	(16,073)	(13,675)	(29,748)	80,716
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	45,770	-	(45,770)	-	-	-	-	-
Cash dividends	-	-	-	-	(191,713)	(191,713)	-	-	-	(191,713)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	394	394	-	(394)	(394)	-
Balance on December 31, 2023	5,477,522	474,558	1,189,717	30,438	1,131,578	2,351,733	(93,060)	133,322	40,262	8,344,075
Net income	-	-	-	-	243,590	243,590	-	-	-	243,590
Other comprehensive income	-	-	-	-	34,518	34,518	54,204	(58,762)	(4,558)	29,960
Total comprehensive income	-	-	-	-	278,108	278,108	54,204	(58,762)	(4,558)	273,550
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)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	678	-	-	-	-	-	-	-	678
Balance on December 31, 2024	\$ 5,477,522	475,236	1,200,803	18,413	1,328,462	2,547,678	(38,856)	74,560	35,704	8,536,140

See accompanying notes to parent-company-only financial statements.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

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 operating activities:		
Income before income tax	\$ 272,067	98,123
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	498,451	495,990
Amortization expense	33,529	42,930
Expected credit losses	1,217	2,338
Net gains on financial assets at fair value through profit and loss	(1,011)	(153)
Interest expense	55,942	59,369
Interest income	(6,949)	(4,042)
Dividend income	(18,928)	(20,731)
Share of losses of subsidiaries and associates accounted for using equity method	75,038	55,760
Losses (gains) on disposal of property, plants and equipment	(813)	(1,607)
Realized losses (gross) profit from sales	5,661	(18,783)
Gains due to disaster	-	(6,352)
Total adjustments to reconcile profit	<u>642,137</u>	<u>604,719</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	3,353	1,375
Accounts receivable and overdue receivable (under other non-current financial assets)	(102,263)	(110,589)
Accounts receivable due from related parties	11,980	(73,769)
Other receivables due from related parties	2,921	(23,001)
Inventories	(86,622)	527,430
Other current financial assets	(8,878)	32,679
Other current assets	(21,353)	(11,912)
Total changes in operating assets	<u>(200,862)</u>	<u>342,213</u>
Changes in operating liabilities:		
Notes payable	(1,984)	(37,123)
Accounts payable (includes related parties)	50,238	206,362
Other payables (includes related parties)	4,271	(58,203)
Other current liabilities	(9,087)	(40,582)
Net defined benefit liabilities	(1,392)	(25,955)
Other non-current liabilities	(22,100)	34,000
Total changes in operating liabilities	<u>19,946</u>	<u>78,499</u>
Total changes in operating assets and liabilities	<u>(180,916)</u>	<u>420,712</u>
Total adjustments	<u>461,221</u>	<u>1,025,431</u>
Cash inflow generated from operations	733,288	1,123,554
Interest received	6,920	3,959
Dividends received	18,928	82,840
Income taxes paid	(32,271)	(30,873)
Net cash flows from operating activities	<u>726,865</u>	<u>1,179,480</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(60,000)	(120,000)
Proceeds from disposal of financial assets at fair value through profit or loss	30,303	90,086
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 investments accounted for using equity method	(78,363)	-
Acquisition of property, plant and equipment	(331,837)	(334,965)
Proceeds from disposal of property, plant and equipment	1,944	2,360
Acquisition of intangible assets	(5,008)	(17,844)
Proceeds from disposal of intangible assets	524	11,076
Increase in other non-current financial assets	(470)	(13)
Increase in prepayments for equipment	(232,557)	(167,186)
Net cash used in investing activities	<u>(615,464)</u>	<u>(596,486)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	4,392,896	4,629,244
Decrease in short-term borrowings	(4,373,969)	(4,641,927)
Proceeds from long-term borrowings	2,000,000	2,500,000
Repayments of long-term borrowings	(2,100,000)	(2,600,000)
Payment of lease liabilities	(11,427)	(10,504)
Cash dividends paid	(82,163)	(191,713)
Interest paid	(72,831)	(68,167)
Net cash used in financing activities	<u>(247,494)</u>	<u>(383,067)</u>
Net (decrease) increase in cash and cash equivalents	<u>(136,093)</u>	<u>199,927</u>
Cash and cash equivalents at beginning of period	<u>866,586</u>	<u>666,659</u>
Cash and cash equivalents at end of period	<u>\$ 730,493</u>	<u>866,586</u>

See accompanying notes to parent-company-only financial statements.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only 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 Group limited by shares and registered in accordance with the ROC Company Act. The Company engages in manufacturing and selling of dye, UV absorber, specialty chemicals, electronic chemicals, pharmaceutical product and material, chemical intermediary photoresistance, and etc.

(2) Approval date and procedures of the financial statements

These parent-company-only 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 Company has initially adopted the following new amendments, which do not have a significant impact on its 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 Company 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 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
Notes to the Parent-Company-Only 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 Company, 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

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

The Company 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 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 parent-company-only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(a) Statement of compliance

These parent-company-only 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”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

- 1) Financial assets 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(p).

(ii) Functional and presentation currency

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

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(c) Foreign currencies

(i) Foreign currency transactions

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 only part of its 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.

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.

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

The Company 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.

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The Company 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 Company 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.

(e) Cash and cash equivalents

Cash comprises cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Account receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account 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. An account receivable without a significant financing component is initially measured at the transaction price.

(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 Company 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

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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- 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 Company'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 Company 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.

4) Impairment of financial assets

The Company 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 receivable, other receivable, refundable deposits and other financial assets).

The Company 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 account receivables and contract assets are always measured at an amount equal to lifetime ECLs.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company 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 Company'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.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months 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 Company is exposed to credit risk.

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

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

The Company 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 Company 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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company 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

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- 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 Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company 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 Company 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 Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company 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.

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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 Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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 Company 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.

(iii) Derivative financial instruments and hedge accounting

The Company 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.

(g) 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 present 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.

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(h) Investment in associates

Associates are those entities in which the Company 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 parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, 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 significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, investments in subsidiaries which are controlled by the Company, are accounted for using the equity method. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(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.

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(ii) Subsequent cost

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

(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 and construction	3~65 years
3) 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 Company 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.

(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.

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

1) REACH registration related expense	5 years
2) Software	5 years
3) 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 Company 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 Company'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 Company 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 Company 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.

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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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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 Company'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 Company 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 Company 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 Company 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 assets.

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(n) Impairment of non-financial assets

At each reporting date, the Company 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

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company 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 Company's main types of revenue are explained below.

1) Sale of goods

The Company 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 Company has objective evidence that all criteria for acceptance have been satisfied.

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

2) Financing components

The Company 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 Company does not adjust any of the transaction prices for the time value of money.

(p) 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 Company'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 Company, 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 Company 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.

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 Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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(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 Company 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.

(q) 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 Company 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 the best estimate of the tax amount expected to be paid or received. It is 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 at the reporting date 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 Company 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 taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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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Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company 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.

(r) Earnings per share

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

(s) Operating segments

The Company discloses its segment reporting in the consolidated financial statements. Therefore, the Company does not disclose segment information in the parent-company-only financial statements.

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

In preparing these parent-company-only 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 Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

- (a) Judgment of whether the Company has substantive control over its investees, please refer to consolidated financial statements for the year ended December 31, 2024.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(b) Judgment regarding significant influence of investees

The Company 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 Company 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 Company has significant influence but not control over TAK Technology Co., Ltd.

The accounting policy and disclosure of the Company include measuring the financial and non-financial assets and financial liabilities at fair value. The accounting department of the Company 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 Company regularly revises the input parameters, makes retrospective review and makes essential adjustments of evaluation models to ensure that the evaluation results is reasonable.

When measuring the fair value of an asset or a liability, the Company 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).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	\$ 1,328	1,320
Cash in bank	603,781	809,448
Time deposits	<u>125,384</u>	<u>55,818</u>
Cash and cash equivalents	<u><u>\$ 730,493</u></u>	<u><u>866,586</u></u>

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

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(b) Financial assets

(i) Financial assets at fair value through profit and loss

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit and loss:		
Monetary market fund	\$ 60,775	30,067

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

	December 31, 2024	December 31, 2023
Stocks listed on domestic markets	\$ 697,992	693,519
Stocks unlisted on domestic markets	94,622	152,349
	\$ 792,614	845,868

The Company 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 Company intends to hold for long-term for strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2024 and 2023.

(iii) Financial assets at amortized cost-current

	December 31, 2024	December 31, 2023
Government bonds	\$ -	60,000

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

(iv) For credit risk, please refer to Note 6(u).

(v) The aforementioned financial assets were not pledged.

(vi) Derivative financial instruments – non-hedge

The Company 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 Company recognized gain on forward exchange contracts and foreign currency options amounted to \$12,354 and \$12,543 in 2024 and 2023, respectively.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(c) Receivables

	December 31, 2024	December 31, 2023
Notes receivable	\$ 41,385	44,738
Accounts receivable	883,697	782,245
Accounts receivable from related parties	456,652	468,632
Overdue receivable (under other non-current financial assets)	18,865	18,054
Less: loss allowance	<u>(32,538)</u>	<u>(31,321)</u>
	<u>\$ 1,368,061</u>	<u>1,282,348</u>

The Company 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 were determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,345,966	0.00%	-
1 to 90 days past due	33,931	0.00%~34.88%	11,836
91 to 365 days past due	1,837	100%	1,837
More than 365 days past due	<u>18,865</u>	100%	<u>18,865</u>
	<u>\$ 1,400,599</u>		<u>32,538</u>

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,275,722	0.00%	34
1 to 90 days past due	19,552	0.24%~65.94%	12,892
91 to 365 days past due	341	100%	341
More than 365 days past due	<u>18,054</u>	100%	<u>18,054</u>
	<u>\$ 1,313,669</u>		<u>31,321</u>

The details of loss allowance were as follows:

	December 31, 2024	December 31, 2023
Notes receivable	\$ -	1
Accounts receivable	13,673	13,266
Overdue receivable	<u>18,865</u>	<u>18,054</u>
	<u>\$ 32,538</u>	<u>31,321</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

The movements in the allowance for receivables were as follows:

	For the years ended December 31	
	2024	2023
Balance on January 1, 2024	\$ 31,321	29,621
Impairment losses recognized	1,217	2,338
Amounts written off	-	(638)
Balance on December 31, 2024	<u>\$ 32,538</u>	<u>31,321</u>

The aforementioned financial assets were not pledged.

(d) Inventories

	December 31, 2024	December 31, 2023
Raw materials	\$ 733,118	623,472
Supplies	19,806	18,763
Work in progress	352,859	369,898
Finished goods	<u>1,321,560</u>	<u>1,328,588</u>
	<u>\$ 2,427,343</u>	<u>2,340,721</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 (gains) on valuation of inventories	\$ 1,098	(999)
Losses on obsolescence	3,732	1,531
Losses (gains) on inventory count	(530)	1,546
Unallocated production overheads	251,831	269,115
Scrap income	<u>(2,055)</u>	<u>(1,633)</u>
	<u>\$ 254,076</u>	<u>269,560</u>

As of December 31, 2024 and 2023, the aforementioned 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
Subsidiaries	\$ 1,893,900	1,845,656
Associates	<u>53,975</u>	<u>55,421</u>
	<u>\$ 1,947,875</u>	<u>1,901,077</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(ii) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2024.

(iii) Associates

Summary of financial information for the individually insignificant investments in associates accounted for using the equity method were as follows. The aforementioned financial information was included in the parent-company-only financial statements of the Company.

	December 31, 2024	December 31, 2023
Carrying amount of individually insignificant associates	\$ 53,975	55,421
	2024	2023
Attributable to the Company:		
Profit from continuing operations	\$ (3,331)	(8,032)
Other comprehensive income	1,885	(2,030)
Total comprehensive income	\$ (1,446)	(10,062)

(iv) The aforementioned investments accounted for using equity method were not pledged.

(f) Property, plant and equipment

The details of movements of the property, plant and equipment for the Company were as follows:

	Land	Land improvement	Buildings and construction	Equipment	Construction in progress and equipment to be inspected	Total
Cost:						
Balance on January 1, 2024	\$ 890,375	195,701	3,324,045	8,178,550	245,783	12,834,454
Additions	-	-	22,948	84,949	245,072	352,969
Disposals	-	-	(4,098)	(48,161)	-	(52,259)
Reclassification (note)	-	-	21,952	177,132	(7,907)	191,177
Balance on December 31, 2024	\$ 890,375	195,701	3,364,847	8,392,470	482,948	13,326,341
Balance on January 1, 2023	\$ 890,375	159,000	3,350,896	8,066,423	120,413	12,587,107
Additions	-	34,700	12,199	117,127	167,292	331,318
Disposals	-	-	(60,768)	(179,805)	-	(240,573)
Reclassification (note)	-	2,001	21,718	174,805	(41,922)	156,602
Balance on December 31, 2023	\$ 890,375	195,701	3,324,045	8,178,550	245,783	12,834,454
Accumulated depreciation and impairment:						
Balance on January 1, 2024	\$ -	30,079	2,437,755	6,688,031	-	9,155,865
Depreciation	-	9,995	123,266	353,976	-	487,237
Disposals	-	-	(4,098)	(47,030)	-	(51,128)
Balance on December 31, 2024	\$ -	40,074	2,556,923	6,994,977	-	9,591,974
Balance on January 1, 2023	\$ -	20,538	2,365,717	6,513,681	-	8,899,936
Depreciation	-	9,541	122,690	353,401	-	485,632
Disposals	-	-	(50,652)	(179,051)	-	(229,703)
Balance on December 31, 2023	\$ -	30,079	2,437,755	6,688,031	-	9,155,865
Carrying amounts:						
Balance on December 31, 2024	\$ 890,375	155,627	807,924	1,397,493	482,948	3,734,367
Balance on January 1, 2023	\$ 890,375	138,462	985,179	1,552,742	120,413	3,687,171
Balance on December 31, 2023	\$ 890,375	165,622	886,290	1,490,519	245,783	3,678,589

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

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

- (i) For the years ended December 31, 2024 and 2023, the Company capitalized the interest expenses on construction in progress, amounted to \$16,179 and \$9,178, respectively, and the monthly interest rate used for capitalization calculation were 0.31% and 0.28%, respectively.
- (ii) As of December 31, 2024 and 2023, the property, plant and equipment of the Company were not pledged.

(g) Other current assets

	December 31, 2024	December 31, 2023
Prepayments	\$ 74,439	60,968
Offset against business tax payable and input taxes	30,340	24,210
Temperary payments	8,649	6,198
	<u>\$ 113,428</u>	<u>91,376</u>

(h) Right-of-use assets

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

	Buildings and construction	Equipment	Total
Cost:			
Balance on January 1, 2024	\$ 43,087	13,917	57,004
Acquisitions	3,367	2,858	6,225
Disposals	(28,807)	(1,740)	(30,547)
Balance on December 31, 2024	<u>\$ 17,647</u>	<u>15,035</u>	<u>32,682</u>
Balance on January 1, 2023	\$ 43,515	13,521	57,036
Acquisitions	8,152	1,909	10,061
Disposals	(8,580)	(1,513)	(10,093)
Balance on December 31, 2023	<u>\$ 43,087</u>	<u>13,917</u>	<u>57,004</u>
Accumulated depreciation:			
Balance on January 1, 2024	\$ 30,316	7,144	37,460
Depreciation	8,967	2,247	11,214
Disposals	(28,807)	(1,740)	(30,547)
Balance on December 31, 2024	<u>\$ 10,476</u>	<u>7,651</u>	<u>18,127</u>
Balance on January 1, 2023	\$ 30,724	6,471	37,195
Depreciation	8,172	2,186	10,358
Disposals	(8,580)	(1,513)	(10,093)
Balance on December 31, 2023	<u>\$ 30,316</u>	<u>7,144</u>	<u>37,460</u>
Carrying amount:			
Balance on December 31, 2024	<u>\$ 7,171</u>	<u>7,384</u>	<u>14,555</u>
Balance on January 1, 2023	<u>\$ 12,791</u>	<u>7,050</u>	<u>19,841</u>
Balance on December 31, 2023	<u>\$ 12,771</u>	<u>6,773</u>	<u>19,544</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(i) Intangible assets

The movements in intangible assets were as follows:

	REACH registration related expenses	Software	Others	Total
Cost:				
Balance on January 1, 2024	\$ 229,438	64,750	2,267	296,455
Additions	5,008	-	-	5,008
Disposals	<u>(524)</u>	<u>-</u>	<u>-</u>	<u>(524)</u>
Balance on December 31, 2024	<u>\$ 233,922</u>	<u>64,750</u>	<u>2,267</u>	<u>300,939</u>
Balance on January 1, 2023	\$ 229,145	58,275	2,267	289,687
Additions	11,369	6,475	-	17,844
Disposals	<u>(11,076)</u>	<u>-</u>	<u>-</u>	<u>(11,076)</u>
Balance on December 31, 2023	<u>\$ 229,438</u>	<u>64,750</u>	<u>2,267</u>	<u>296,455</u>
Accumulated amortization:				
Balance on January 1, 2024	\$ 169,238	12,950	2,258	184,446
Amortization	<u>20,570</u>	<u>12,950</u>	<u>9</u>	<u>33,529</u>
Balance on December 31, 2024	<u>\$ 189,808</u>	<u>25,900</u>	<u>2,267</u>	<u>217,975</u>
Balance on January 1, 2023	\$ 139,308	-	2,208	141,516
Amortization	<u>29,930</u>	<u>12,950</u>	<u>50</u>	<u>42,930</u>
Balance on December 31, 2023	<u>\$ 169,238</u>	<u>12,950</u>	<u>2,258</u>	<u>184,446</u>
Carrying amounts:				
Balance on December 31, 2024	<u>\$ 44,114</u>	<u>38,850</u>	<u>-</u>	<u>82,964</u>
Balance on January 1, 2023	<u>\$ 89,837</u>	<u>58,275</u>	<u>59</u>	<u>148,171</u>
Balance on December 31, 2023	<u>\$ 60,200</u>	<u>51,800</u>	<u>9</u>	<u>112,009</u>

(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 and expenses	<u>\$ 33,529</u>	<u>42,930</u>

(ii) Pledge

As of December 31, 2024 and 2023, the intangible assets of the Company were not pledged.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>Borrowing currency</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured bank loans	NTD	\$ 450,000	550,000
Unsecured bank loans	USD	650,146	531,219
Total		<u>\$ 1,100,146</u>	<u>1,081,219</u>
Unused credit lines		<u>\$ 2,980,879</u>	<u>3,024,894</u>
Range of interest rates		<u>1.87%~5.85%</u>	<u>1.74%~6.86%</u>

The Company had not pledged the assets as collateral for bank loans.

(k) Long-term borrowings

The long-term borrowings were summarized as follows:

	<u>December 31, 2024</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	2.01%~2.11%	2026.01~2027.03	\$ <u>800,000</u>
Unused credit lines				\$ <u>450,000</u>
	<u>December 31, 2023</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	1.88%~1.98%	2025.01~2026.10	\$ <u>900,000</u>
Unused credit lines				\$ <u>350,000</u>

The Company had not pledged the assets as collateral for bank loans.

(l) Lease liabilities

The carry amount of lease liabilities were as follow:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current	\$ <u>7,204</u>	<u>10,516</u>
Non-current	\$ <u>7,586</u>	<u>9,476</u>

For the maturity analysis, please refer to Note 6(u).

The amounts recognized in profit or loss were as follows:

	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ <u>248</u>	<u>311</u>
Expenses relating to short-term leases	\$ <u>1,582</u>	<u>1,734</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

	2024	2023
Total cash outflow for leases	\$ 13,257	12,549

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

For the years ended December 31, 2024 and 2023, the Company leases 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 7 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 Company 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 Company elected to apply the practical expedients by not recognizing its relative right-of-use assets and lease liabilities.

- (m) Provisions

The movements of the provisions were as follows:

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

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

- (n) Employee benefits

- (i) Defined benefit plans

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

	December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	\$ 677,622	719,068
Fair value of plan assets	(704,189)	(700,795)
Net defined benefit (assets) liabilities	\$ (26,567)	18,273

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan and Nanshan life insurance nonforfeiture values that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to received retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

1) Composition of plan assets

The Company 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 Company's Bank of Taiwan labor pension reserve account balance and Nan-shan life insurance nonforfeiture values amounted to \$704,189 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 Company were as follows:

	<u>2024</u>	<u>2023</u>
Defined benefit obligations as of January 1	\$ 719,068	797,392
Current service costs and interest cost	14,949	20,232
Net remeasurements of defined benefit liabilities		
— Actuarial losses (gains) arising from changes in financial assumptions	18,695	(27,830)
Benefits paid by the plan	<u>(75,090)</u>	<u>(70,726)</u>
Defined benefit obligations as of December 31	<u><u>\$ 677,622</u></u>	<u><u>719,068</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	\$ 700,795	722,672
Return on plan assets	9,523	12,580
Net remeasurements of the defined benefit liabilities		
— Actuarial losses (gains) arising from changes in financial assumptions	62,143	2,662
Contributions paid to the plan	6,818	11,278
Benefits paid by the plan	<u>(75,090)</u>	<u>(48,397)</u>
Fair value of plan assets as of December 31	<u><u>\$ 704,189</u></u>	<u><u>700,795</u></u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

4) Expenses recognized in profit or loss

	2024	2023
Current service costs	\$ 5,228	6,532
Net interest expense of net defined benefit liabilities	198	1,120
	\$ 5,426	7,652
	2024	2023
Operating costs	\$ 3,250	4,550
Administration expenses	1,398	2,064
Research and development expenses	778	1,038
	\$ 5,426	7,652

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

The Company'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:

	2024	2023
Accumulated amount as of January 1	\$ (83,430)	(113,922)
Recognized during the period	43,448	30,492
Accumulated amount as of December 31	\$ (39,982)	(83,430)

6) Actuarial assumptions

The principal actuarial assumptions were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.75 %	1.375 %
Future salary increasing rate	1.50 %	1.50 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$6,246.

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

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

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:

	<u>The impact on defined benefit obligations</u>	
	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
December 31, 2024		
Discount rate	\$ (11,203)	11,500
Future salary increasing rate	11,182	(10,940)
December 31, 2023		
Discount rate	(12,973)	13,325
Future salary increasing rate	12,920	(12,635)

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 Company 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 Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the defined contributions plans amounted to \$38,480 and \$36,725 for the years ended December 31, 2024 and 2023, respectively.

(o) Income taxes

(i) Income tax expense

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

	<u>2024</u>	<u>2023</u>
Current tax expense		
Current period	\$ 55,420	22,462
Adjustment for prior periods	(14,515)	(6,025)
	<u>40,905</u>	<u>16,437</u>
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	(12,428)	(4,180)
Income tax expense	<u>\$ 28,477</u>	<u>12,257</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

	2024	2023
Components that with not be reclassified to profit or loss:		
Remeasurements from defined benefit plans	\$ <u>8,690</u>	<u>6,098</u>

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

	2024	2023
Profit excluding income tax	\$ <u>272,067</u>	<u>98,123</u>
Income tax using the Company's domestic tax rate	\$ 54,413	19,624
Dividend revenue	(3,786)	(4,146)
Adjustment for prior periods	(14,515)	(6,025)
Others	<u>(7,635)</u>	<u>2,804</u>
Income tax expense	\$ <u>28,477</u>	<u>12,257</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

As of December 31, 2024 and 2023, the Company has no unrecognized deferred tax assets and liabilities.

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2024 and 2023 were as follows:

Deferred tax assets:

	Allowance for impairment of receivables	Allowance for valuation of inventories	Defined benefit plans	Unrealized foreign exchange gains	Other	Total
Balance as of January 1, 2024	\$ 3,637	3,128	3,655	295	29,026	39,741
Recognized in profit or loss	<u>70</u>	<u>219</u>	<u>(3,655)</u>	<u>(295)</u>	<u>(1,865)</u>	<u>(5,526)</u>
Balance as of December 31, 2024	\$ <u>3,707</u>	<u>3,347</u>	<u>-</u>	<u>-</u>	<u>27,161</u>	<u>34,215</u>
Balance as of January 1, 2023	\$ 3,662	3,328	14,944	-	34,756	56,690
Recognized in profit or loss	(25)	(200)	(5,191)	295	(5,730)	(10,851)
Recognized in other comprehensive income	<u>-</u>	<u>-</u>	<u>(6,098)</u>	<u>-</u>	<u>-</u>	<u>(6,098)</u>
Balance as of December 31, 2023	\$ <u>3,637</u>	<u>3,128</u>	<u>3,655</u>	<u>295</u>	<u>29,026</u>	<u>39,741</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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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	(3,493)	(142)	17,954
Recognized in other comprehensive income	-	(8,690)	-	-	(8,690)
Balance as of December 31, 2024	<u>\$ (62,070)</u>	<u>(5,314)</u>	<u>(3,493)</u>	<u>(155)</u>	<u>(71,032)</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.

(p) 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, 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
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(iii) Retained earnings

The Company's Articles of Incorporation stipulates that the Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance is to be appropriated as follows:

- 1) Legal reserve should be at 10%.
- 2) Special reserve should be appropriated (reversed) in accordance with related rules.
- 3) Remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The aforementioned distributed that pay 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 only the portion of legal reserve which exceeds 25% of capital may be distributed.

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 IFRSs 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.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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3) Earnings distribution

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 common 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.

(iv) 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	Total
Balance on January 1, 2024	\$ (93,060)	133,322	40,262
Unrealized (losses) gains from financial assets measured at fair value through other comprehensive income	-	(53,254)	(53,254)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on subsidiaries accounted for using equity method	-	(5,508)	(5,508)
Exchange differences on translation of foreign financial statements	59,192	-	59,192
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>35,704</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	\$ (76,987)	147,391	70,404
Unrealized (losses) gains from financial assets measured at fair value through other comprehensive income	-	(20,164)	(20,164)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on subsidiaries accounted for using equity method	-	6,489	6,489
Disposal of investments in equity instruments designated at fair value through other comprehensive income on subsidiaries accounted for using equity method	-	(394)	(394)
Exchange differences on translation of foreign financial statements	(7,009)	-	(7,009)
Exchange differences on associates accounted for using equity method	(9,064)	-	(9,064)
Balance on December 31, 2023	<u>\$ (93,060)</u>	<u>133,322</u>	<u>40,262</u>

(q) Earning per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
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 (thousand share)	<u>547,752</u>	<u>547,752</u>
Basic earnings per share (express in New Taiwan dollar)	\$ <u>0.44</u>	<u>0.16</u>
	2024	2023
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 (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 (express in New Taiwan dollar)	\$ <u>0.44</u>	<u>0.16</u>

(r) Employee 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.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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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>

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. The amounts, as stated in the parent-company-only financial statements, are identical to those of the actual distributions for 2024 and 2023.

(s) Revenue from contract with customers

(i) Disaggregation of revenue

	<u>2024</u>				
	<u>Color chemicals</u>	<u>Specialty chemicals</u>	<u>Electronic chemicals</u>	<u>Pharmaceuticals</u>	<u>Total</u>
Primary geographical markets:					
Taiwan	\$ 400,947	260,423	1,151,361	12,809	1,825,540
Americas	162,919	445,300	-	41,382	649,601
Asia	1,780,995	799,527	449,890	80,425	3,110,837
Europe	381,660	363,267	-	90,233	835,160
Other	68,548	37,240	-	1,115	106,903
	<u>\$ 2,795,069</u>	<u>1,905,757</u>	<u>1,601,251</u>	<u>225,964</u>	<u>6,528,041</u>
Major products:					
Chemicals	\$ 2,795,069	1,905,757	1,601,251	-	6,302,077
Other	-	-	-	225,964	225,964
	<u>\$ 2,795,069</u>	<u>1,905,757</u>	<u>1,601,251</u>	<u>225,964</u>	<u>6,528,041</u>
	<u>2023</u>				
	<u>Color chemicals</u>	<u>Specialty chemicals</u>	<u>Electronic chemicals</u>	<u>Pharmaceuticals</u>	<u>Total</u>
Primary geographical markets:					
Taiwan	\$ 355,291	240,688	805,522	14,288	1,415,789
Americas	129,640	346,959	-	46,186	522,785
Asia	1,887,022	776,360	440,027	51,643	3,155,052
Europe	393,471	354,684	-	97,091	845,246
Other	81,819	76,744	-	11,165	169,728
	<u>\$ 2,847,243</u>	<u>1,795,435</u>	<u>1,245,549</u>	<u>220,373</u>	<u>6,108,600</u>
Major products:					
Chemicals	\$ 2,847,243	1,795,435	1,245,549	-	5,888,227
Other	-	-	-	220,373	220,373
	<u>\$ 2,847,243</u>	<u>1,795,435</u>	<u>1,245,549</u>	<u>220,373</u>	<u>6,108,600</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(ii) Contract balance

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>January 1,</u> <u>2023</u>
Receivables	\$ 1,400,599	1,313,669	1,131,324
Less: loss allowance	<u>(32,538)</u>	<u>(31,321)</u>	<u>(29,621)</u>
Total	<u>\$ 1,368,061</u>	<u>1,282,348</u>	<u>1,101,703</u>

For the detail on receivable and allowance, please refer to Note 6(c).

(t) Non-operating income and expenses

(i) Interest income

	<u>2024</u>	<u>2023</u>
Interest income	\$ <u>6,949</u>	<u>4,042</u>

(ii) Other income

	<u>2024</u>	<u>2023</u>
Dividend income	\$ <u>18,928</u>	<u>20,731</u>

(iii) Other gains and losses

	<u>2024</u>	<u>2023</u>
Foreign exchange gains net	\$ 64,108	19,882
Net gains on disposal of financial assets and liabilities at fair value through profit	1,011	153
Gains (losses) on disposal of property plant and equipment	813	1,607
Subsidy revenue	6,685	10,849
Gains (losses) on disaster	-	6,352
Others	<u>52,283</u>	<u>34,605</u>
	<u>\$ 124,900</u>	<u>73,448</u>

(iv) Finance costs

	<u>2024</u>	<u>2023</u>
Interest expense	\$ <u>55,942</u>	<u>59,369</u>

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

- a) The carrying amount of financial assets recognized in the balance sheet; and
- b) The amounts of liabilities as a result from the Company providing financial guarantees were \$65,570 and \$61,410, respectively.
- 2) Concentration of credit risk

The Company 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 Company are regarded as group of counterparties with similar credit characteristics. The concentrations of credit risk on notes and accounts receivables due from subsidiaries resulted that the Company distributed product through subsidiaries. Please refer to Note 7.

- 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. (Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(f)).

(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	\$ 1,100,146	1,104,675	1,104,675	-	-	-
Notes payable	40,745	40,745	40,745	-	-	-
Accounts payable (included related parties)	524,602	524,602	524,602	-	-	-
Other payables (included related parties)	308,542	308,542	308,542	-	-	-
Payables on equipment	25,813	25,813	25,813	-	-	-
Lease liabilities	14,790	15,067	7,369	4,639	3,059	-
Long-term borrowings (including current portion)	<u>800,000</u>	<u>824,885</u>	<u>16,370</u>	<u>607,805</u>	<u>200,710</u>	<u>-</u>
	<u>\$ 2,814,638</u>	<u>2,844,329</u>	<u>2,028,116</u>	<u>612,444</u>	<u>203,769</u>	<u>-</u>

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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	<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, 2023						
Non derivative financial liabilities						
Short-term borrowings	\$ 1,081,219	1,086,531	1,086,531	-	-	-
Notes payable	42,729	42,729	42,729	-	-	-
Accounts payable (included related parties)	474,364	474,364	474,364	-	-	-
Other payables (included related parties)	314,522	314,522	314,522	-	-	-
Payables on equipment	20,860	20,860	20,860	-	-	-
Lease liabilities	19,992	20,365	10,731	4,979	4,655	-
Long-term borrowings (including current portion)	<u>900,000</u>	<u>931,131</u>	<u>17,340</u>	<u>409,751</u>	<u>504,040</u>	<u>-</u>
	<u>\$ 2,853,686</u>	<u>2,890,502</u>	<u>1,967,077</u>	<u>414,730</u>	<u>508,695</u>	<u>-</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Foreign currency (thousand dollars)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (thousand dollars)</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 36,479	32.79	1,196,146	38,206	30.71	1,173,306
JPY	93,483	0.21	19,631	69,190	0.22	15,222
RMB	77,045	4.48	345,162	64,956	4.33	281,259
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	26,827	32.79	879,657	24,367	30.71	748,311
JPY	148,509	0.21	31,187	58,181	0.22	12,800
RMB	7,595	4.48	34,026	8,506	4.33	36,831

2) Sensitivity analysis

The Company'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, accounts payable and loans and borrowings that are denominated in foreign currency. A strengthening (weakening) 1% of depreciation (appreciation) of the NTD against the USD, JPY, and RMB for the years ended December 31, 2024 and 2023, would have changed the profit by \$4,929 and \$5,375, respectively. The analysis is performed on the same basis for 2024 and 2023.

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3) Foreign exchange gains and losses on monetary items

Since the Company has many kinds of foreign currency transactions, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years 2024 and 2023, foreign exchange gains on losses (including realized and unrealized portions) are exchange gains amounted to \$64,108 and \$19,882, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company'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 Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased (decreased) by 1%, the Company's profit would have decreased/increased by \$15,201 and \$15,850, respectively, for the years ended December 31, 2024 and 2023, with all other variable factors that remain constant. This is mainly due to the Company's borrowing at floating rates.

(v) Other market price risk

For the years ended December 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Prices of securities at the reporting date				
1% increase	\$ 7,926	608	8,458	301
1% decrease	\$ (7,926)	(608)	(8,458)	(301)

(Continued)

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(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 Company'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
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	697,992	697,992	-	-	697,992
Stocks unlisted on domestic markets	94,622	-	94,622	-	94,622
Subtotal	792,614	697,992	94,622	-	792,614
Financial assets measured at amortized cost					
Cash and cash equivalents	730,493	-	-	-	-
Notes and accounts receivable (included related parties)	1,368,061	-	-	-	-
Other financial assets (included other receivables-related parties)	56,961	-	-	-	-
Subtotal	2,155,515	-	-	-	-
Total	\$ 3,008,904	758,767	94,622	-	853,389
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,900,146	-	-	-	-
Notes and accounts payable (included related parties)	565,347	-	-	-	-
Other payables (included related parties)	308,542	-	-	-	-
Lease liabilities	14,790	-	-	-	-
Payables on equipment	25,813	-	-	-	-
Total	\$ 2,814,638	-	-	-	-

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	December 31, 2023				
	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	\$ 30,067	30,067	-	-	30,067
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	693,519	693,519	-	-	693,519
Stocks unlisted on domestic markets	152,349	-	-	152,349	152,349
Subtotal	845,868	693,519	-	152,349	845,868
Financial assets measured at amortized cost					
Cash and cash equivalents	866,586	-	-	-	-
Financial assets at amortized cost	60,000	-	-	-	-
Notes and accounts receivable (included related parties)	1,282,348	-	-	-	-
Other financial assets (included other receivables-related parties)	50,505	-	-	-	-
Subtotal	2,259,439	-	-	-	-
Total	\$ 3,135,374	723,586	-	152,349	875,935
Financial liabilities measured at amortized cost					
Bank loans	\$ 1,981,219	-	-	-	-
Notes and accounts payable (included related parties)	517,093	-	-	-	-
Other payables (included related parties)	314,522	-	-	-	-
Lease liabilities	19,992	-	-	-	-
Payables on equipment	20,860	-	-	-	-
Total	\$ 2,853,686	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

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

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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 Company is traded in an active market, its fair value is illustrated by the category and nature as follows:

- The fair value of stocks listed on domestic and foreign markets, which are the financial assets with standard terms and conditions and traded in an active market, 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 Company didn't have any fair value transfer between levels from January 1 to 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	\$ 152,349
Transfers out of Level 3	(152,349)
Balance on December 31, 2024	\$ -

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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	Fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2023	\$ 214,659
Total gains or losses:	
Recognized in other comprehensive income	(62,310)
Balance on December 31, 2023	\$ 152,349

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	\$ -	(62,310)

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

The Company'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 Company'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 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 was 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.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company'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 on other comprehensive income:

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%	-	7,911	-	(7,911)
Market liquidity discount rate	5%	-	7,352	-	(7,352)

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 inter-relationships with another input.

- (v) Financial risk management

- (i) Overview

The Company has exposure 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 Company's objective, policies and process for managing risks have been stated below. Further quantitative disclosures have been disclosed as notes to the parent-company-only financial statements.

- (ii) Structure of risk management

The Company'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 Company'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.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

- 2) Market risk: the Company'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 Company'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 Company's Audit Committee oversees how management monitors counterparty with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company'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 Company if a customer or counterparty to financial instruments fails to meet its contractual obligations that arises principally from the Company's accounts receivable and investments in securities.

1) Accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. According to the credit policy, the Company 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 Company did not have any collateral or other enhancements to avoid credit risk of financial assets.

2) Investments

The credit risk exposure in the bank deposits, and debt instruments are measured and monitored by the Company's finance department. Since the Company'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 Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2024 and 2023, the outstanding balance of guarantees were \$65,570 and \$61,410, respectively.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(iv) Liquidity risk

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company'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 Company. As of December 31, 2024 and 2023, the Company's unused credit line were amounted to \$3,430,879 and \$3,374,894, 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 Company'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 Company 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 Company's market risk is as follows:

1) Currency risk

The Company is exposed to currency risk on foreign currency assets and liabilities resulted from operating, financing and investing activities. The Company 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 Company may reduce the currency risk through derivative instruments but do not avoid all of the currency influence resulted from foreign currency exchange.

The Company monitors the exposure of individual foreign currency assets and liabilities periodically. When necessary, the Company 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 Company'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 Company 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.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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3) Other market price risk

The Company 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 Company 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.

(w) Capital management

The Company'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 liabilities	\$ 2,985,539	3,064,437
Less: cash and cash equivalents	730,493	866,586
Net liabilities	\$ 2,255,046	2,197,851
Total equity	\$ 8,536,140	8,344,075
Debt-to-equity ratio	26%	26%

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

(x) 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 Other	December 31, 2024
Short-term borrowings	\$ 1,081,219	18,927	-	1,100,146
Lease liabilities	19,992	(11,427)	6,225	14,790
Long-term borrowings	900,000	(100,000)	-	800,000
Total liabilities from financing activities	\$ 2,001,211	(92,500)	6,225	1,914,936

	January 1, 2023	Cash flows	Non-cash changes Other	December 31, 2023
Short-term borrowings	\$ 1,093,902	(12,683)	-	1,081,219
Lease liabilities	20,435	(10,504)	10,061	19,992
Long-term borrowings	1,000,000	(100,000)	-	900,000
Total liabilities from financing activities	\$ 2,114,337	(123,187)	10,061	2,001,211

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(7) Related-party transactions:

- (a) Parent company and ultimate controlling company

The Company is the ultimate controlling party of the Company and its subsidiaries.

- (b) Names and relationship with related parties

The following are entities that have had transactions with related party during the periods covered in the parent-company-only financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
EVERLIGHT USA, INC. (EVUS)	Subsidiary
EVERLIGHT (HONG KONG) LIMITED (EVHK)	Subsidiary
EVERLIGHT CHEMICALS (SINGAPORE) PTE LTD. (EVSG)	Subsidiary
EVERLIGHT EUROPE B.V. (EVEU)	Subsidiary
TREND TONE IMAGING, INC. (TTI)	Subsidiary
ELITE FOREIGN TRADING INCORPORATION (ELITE)	Subsidiary
ETHICAL INTERNATIONAL TRADING & WAREHOUSING (SHANGHAI) CO.,LTD. (ETSH)	Subsidiary
GUANGZHOU ETHICAL TRADING CO., LTD. (ETGZ)	Subsidiary
SHANGHAI EVERLIGHT TRADING CO., LTD. (EVSH)	Subsidiary
EVERLIGHT (SUZHOU) ADVANCED CHEMICALS LTD. (EVSZ)	Subsidiary
GREATLIGHT INVESTMENT CORPORATION (GLTP)	Subsidiary
SHANGHAI ANDA INTERNATIONAL TRADING CO., LTD. (ADSH)	Subsidiary
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 (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
Diler Gunasti	An individual is other related party of the Company
Demet Batmanoglu	An individual is other related party of the Company

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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(c) Significant transactions with related parties

(i) Operating revenue

Significant sales to related parties of the Company were as follow:

	<u>2024</u>	<u>2023</u>
Subsidiaries	<u>\$ 1,989,452</u>	<u>1,827,525</u>

The payment terms for EVUS, ELITE and ADSH are Open Account 100 days, Open Account 100 days and Open Account 120 days, respectively and for other related parties are Open Account 90 days. Other conditions of sale transactions with related parties were not different from those of the third-parties sales. There was no collateral on the accounts receivable from related parties. The Company did not recognized allowance of impairment after considerations.

(ii) Purchase

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

	<u>2024</u>	<u>2023</u>
Subsidiaries	\$ 646	1,563
Other related parties	<u>40,450</u>	<u>28,735</u>
	<u>\$ 41,096</u>	<u>30,298</u>

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

(iii) Other

1) The Company had provided a guarantee for loans taken out by related parties as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
EVUS	<u>\$ 65,570</u>	<u>61,410</u>

2) As of December 31, 2024 and 2023, other receivables of prepayments from subsidiaries were \$27,066 and \$29,987, respectively.

3) As of December 31, 2024 and 2023, other payables of prepayments to subsidiaries were \$1,949 and \$2,487, respectively.

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(iv) Receivables from related parties

The Company's receivables from related parties were as follows:

<u>Account</u>	<u>Name of Entity</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable from related parties	EVUS	\$ 102,760	96,692
	EVEU	55,007	47,976
	ELITE	46,577	62,493
	ADSH	121,488	118,273
	Other subsidiaries	<u>130,820</u>	<u>143,198</u>
	Subtotal	456,652	468,632
Other receivables from related parties	EVSZ	21,986	17,558
	Subsidiaries	<u>5,080</u>	<u>12,429</u>
	Subtotal	<u>27,066</u>	<u>29,987</u>
		<u>\$ 483,718</u>	<u>498,619</u>

(v) Payables to related parties

The Company's payables to related parties were as follows:

<u>Account</u>	<u>Name of Entity</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes and accounts payable	Other related parties	\$ 14,784	10,692
Accounts payable	Subsidiaries	19	299
Other payables	Subsidiaries	<u>1,949</u>	<u>2,487</u>
		<u>\$ 16,752</u>	<u>13,478</u>

(vi) Dividend

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
EIC	\$ 8,400	17,150
Chen Ding-Chuan	<u>7,950</u>	<u>20,300</u>
	<u>\$ 16,350</u>	<u>37,450</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(vii) Equity transactions

1) Changes in a ownership interest in subsidiary

In 2024, the Company 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 Company 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>

2) The Company participated in the cash capital increase of subsidiaries as follows:

	<u>2024</u>	<u>2023</u>
EVSG	<u>\$ 25,744</u>	<u>-</u>

(viii) Other

1) Rental income

The Company leases out the office building, with rental based on that nearby offices. For the years ended December 31, 2024 and 2023, the rental income incurred by the Company both amounted to \$48, which had been fully received during both periods.

2) Donation

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

3) For the years ended December 31, 2024 and 2023, due to the cost sharing agreement, the Company allocated the fees \$524 and \$11,076 of REACH with ELITE and the above amount has been fully collected as December 31, 2024 and 2023.

(d) Key management personnel compensation

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 28,335	25,097
Post-employment benefits	<u>667</u>	<u>583</u>
	<u>\$ 29,002</u>	<u>25,680</u>

(Continued)

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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(8) Pledged assets: None.

(9) Commitments and contingencies

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

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	\$ 285,131	327,136

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

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

(10) Subsequent Events: None.

(11) Other

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

By item	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	584,138	385,482	969,620	552,774	364,861	917,635
Labor and health insurance	63,036	39,511	102,547	62,987	39,211	102,198
Pension	26,363	17,543	43,906	24,338	20,039	44,377
Remuneration of directors	-	15,814	15,814	-	13,334	13,334
Others	31,609	17,113	48,722	31,820	16,682	48,502
Depreciation (note)	426,896	71,555	498,451	418,698	77,292	495,990
Amortization	3,287	30,242	33,529	3,329	39,601	42,930

As of December 31, 2024 and 2023, the additional information for employee numbers and employee benefits were as follows:

	2024	2023
Average employee numbers	1,351	1,340
Average directors numbers without serving concurrently as employee	8	10
Average employee benefits	\$ 867	837
Average employee salaries	\$ 722	690
Average adjustment rate of employee salaries	4.64 %	(6.88)%
Remuneration of supervisor	\$ -	-

(Continued)

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The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

Directors:

According to the Company's Articles of Incorporation, the Company's director remuneration is authorized to be determined by the Board of Directors based on the director's participation procedure in the Company's operation and the value of contribution, no matter whether the Company has realized profit or loss. The standard of the industry is also taken into consideration when deciding director remuneration. A rational remuneration was approved by the Remuneration Committee and the Board of Directors.

General managers and employees:

The salaries and bonuses of general managers and employees are based on the Company's salary standards, taking into their positions, contribution and performance, not due to age, gender, race, religion, political position, marital status or membership in a trade union. The principle is the salary level meet the basic need of maintain basic lives and takes into the motivation and sense of accomplishment. The salaries and bonuses of general managers were approved by the Remuneration Committee and the Board of Directors.

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EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
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(12) Other disclosures:

(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 Company for the year ended December 31, 2024:

1. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Highest balance of financing to other parties during the period	Actual usage amount 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 from related	Yes	163,925	163,925	-	-	2	-	operating financing	-	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 the Company'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 90% 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				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	
"	FUBON CHI-HSIANG MONEY MARKET FUND	-	"	1,854	30,282	-	30,282	
					60,775		60,775	
ECIC	Polytronic Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	8,000	445,247	9%	464,800	
"	Chemical Industrial Works, LTD	The entity's chairman is the director of the Company	"	5,500	92,217	4%	160,325	
"	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	72,867	
"	Andros Pharmaceuticals Co., Ltd.	-	"	4,724	103,120	11%	94,622	
GLTP	QISDA Crop.	-	"	50	1,745	-	1,680	
"	Andros Pharmaceuticals Co., Ltd.	-	"	260	7,800	1%	5,208	
"	Taiwan Bio Therapeutics Co., Ltd.	-	"	414	11,400	-	13,036	
TTI	General Plastic Industrial Co., Ltd.	-	"	2,140	74,900	2%	72,867	
			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%	
"	EVEU	"	"	339,109	4.15%	OA 90	"	"	55,007	3.14%	
"	ELITE	"	"	254,958	3.12%	OA 100	"	"	46,577	2.66%	
"	ADSH	"	"	234,938	2.88%	OA 120	"	"	121,488	6.93%	
"	EVSZ	"	"	198,678	2.43%	OA 90	"	"	34,957	1.99%	
"	EVSH	"	"	175,546	2.15%	OA 90	"	"	34,196	1.95%	
"	ETSH	"	"	156,857	1.92%	OA 90	"	"	35,100	2.00%	
"	EVHK	"	"	124,681	1.53%	OA 90	"	"	280	0.02%	
TTI	EVSZ	Affiliates	"	120,610	1.48%	OA 90	"	"	38,143	2.18%	

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8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	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	Enhanced Collections and Capital Increase	57,903	-
"	EVUS	"	102,760	4.22	-	-	55,539	-

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

(b) Information on investments:

The following are the information on investees for the year ended December 31, 2024 (excluding investment in mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance of December 31, 2024			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	(1,346)	(1,346)	
"	EVHK	Hong Kong	Selling chemical product and related raw materials	34,579	34,579	1,000	100.00%	41,461	(210)	(210)	
"	EVSG	Singapore	Investing business	820,034	794,290	25,600	100.00%	853,197	(88,956)	(88,956)	
"	EVEU	Netherland	Selling chemical product and related raw materials	7,890	7,890	1	100.00%	53,577	(897)	(897)	
"	TTI	Hsinchu City	Manufacturing and selling toners of laser printer, copier and fax machine	242,192	242,192	44,906	76.15%	669,255	25,402	19,272	
"	ELITE	Turkey	Selling chemical product and related raw materials	97,635	45,016	33	75.00%	163,052	2,386	345	
"	GOOOTV	Taipei City	Cable TV channels	19,000	19,000	1,900	22.35%	22,038	7,232	1,608	
"	TAK	Taoyuan City	Manufacturing of inductance core and cathode materials of Lithiumion battery	58,600	58,600	4,856	16.78%	31,937	(33,875)	(4,939)	
"	GLTP	Taipei City	Investing business	100,000	100,000	10,000	100.00%	27,085	85	85	
	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	(2,917)	(2,917)	

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(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

Name of investee	Main businesses and products	Total amount of paid-in capital		Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024		Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024		Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period		
		USD/RMB	NTD		USD	NTD	Outflow	Inflow	USD	TWD					USD	TWD	
ETSH	Selling chemical product and related raw materials	USD	1,700 (Note 6 - 7)	55,735	(Note 6)	700	22,950			700	22,950	(2,210)	100.00%	(2,210)	159,382	2,961	97,076
ETGZ	Selling chemical product and related raw materials	USD	700 (Note 6)	22,950	(Note 6)	200	6,557			200	6,557	(10,678)	100.00%	(10,678)	90,489	1,523	49,932
EVSH	Selling chemical product and related raw materials	USD	1,250 (Note 6)	40,981	(Note 6)	1,100	36,064			1,100	36,064	(7,680)	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 (Note 4)	775,365	(Note 1)	18,600	609,801			18,600	609,801	(96,323)	100.00%	(96,323)	709,640	-	-
ANDA	Selling electronic high tech chemical product	CNY	20,000 (Note 4)	89,560	(Note 1)	650	21,310			650	21,310	(7,028)	29.80%	(2,094)	10,004	-	-
ADSH	Selling electronic high tech chemical product	CNY	1,000 (Note 5)	4,478	(Note 5)	-	-			-	-	3,600	56.25%	2,026	11,272	-	-
3ESZ	Manufacturing and selling chemical product and related raw materials	USD	4,500 (Note 4)	147,533	(Note 1)	2,490	81,635			2,490	81,635	26,247	40.00%	10,499	59,548	-	-

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

Note 2: These financial statements are audited by the same auditor of the Taiwan parent company and accounted for equity method. The financial statement of ANDA 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 thousand, ANDA USD 25 thousand and 3ESZ USD 150 thousand 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. In addition, 3ESZ reduced its registered capital from USD 6,600 thousand to USD 4,500 thousand.

Note 5: ANDA invested in ADSH amounted to RMB 1,000 thousand (USD 157 thousand) by owned funds. In addition, due to the transfer of the equity structure, ADSH was directly reinvested by EVSG.

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

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

(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 (USD 25,437)	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, is disclosed in Note 12(a) Information on significant transactions.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION AND SUBSIDIARIES
Notes to the Parent-Company-Only Financial Statements

(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%

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Notes to the Parent-Company-Only Financial Statements

(13) Segment information:

Please see the consolidated financial statements for the year ended December 31, 2024.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of cash and cash equivalents

December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash		\$ <u>1,328</u>
Cash in Bank:		
Checking account		56,582
Foreign deposits	(USD11,431 thousand, USD: NTD 1: 32.79)	374,761
	(EUR4,129 thousand, EUR: NTD 1: 34.14)	140,961
	(JPY63,679 thousand, JPY: NTD 1:0.20)	13,366
	(RMB686 thousand, RMB: NTD 1:4.48)	3,072
Demand deposit		<u>15,039</u>
		<u>603,781</u>
	(RMB28,000 thousand, RMB: NTD 1 : 4.48, Due date on 2025.01.02~2025.02.20, annual interest rate is 1.3%~2.4%)	125,384
Time deposit		<u>125,384</u>
		<u>\$ <u>730,493</u></u>

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Statement of financial assets at fair value through profit or loss-current

December 31, 2024

(expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Summary</u>	<u>Quantity</u>	<u>Unit price (dollar)</u>	<u>Cost of acquisition</u>	<u>Profit and loss</u>	<u>Book value</u>	Units in thousand	
							<u>Unit price (dollar)</u>	<u>Total</u>
Jin Sun Money Market Fund	Fund	1,971	15.22	30,000	493	30,493	15.47	30,493
Fubon Chi-huiang Money Market Fund	Fund	1,854	16.18	30,000	282	30,282	16.33	30,282
				<u>\$ 60,000</u>	<u>775</u>	<u>60,775</u>		<u>60,775</u>

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of notes receivable

December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties:			
Company A	Operating	\$ 4,076	
Company B	"	2,982	
Other	"	<u>34,327</u>	Note
		<u><u>\$ 41,385</u></u>	

Note: Each amount is less than 5% of the balance.

Statement of accounts receivable

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties:			
Company C	Operating	\$ 207,134	
Other	"	<u>676,563</u>	Note
Subtotal		883,697	
Less: loss allowance		<u>(13,673)</u>	
		<u><u>\$ 870,024</u></u>	

Note: Each amount is less than 5% of the balance.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of inventories

December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Item</u>	<u>Description</u>	<u>Amount</u>		<u>Note</u>
		<u>Cost</u>	<u>Net realizable value</u>	
Finished goods		\$ 1,338,297	1,321,560	
Work in process		352,859	352,859	
Raw material		733,118	733,118	
Supplies		<u>19,806</u>	<u>19,806</u>	
Total		2,444,080	<u><u>2,427,343</u></u>	
Less: losses on valuation of inventories		<u>(16,737)</u>		
		<u><u>\$ 2,427,343</u></u>		

Other current financial assets

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Other receivable	Selling samples	\$ 15,277	
"	Employee advance	1,573	
Duty receivables deposits		2,473	
Other		<u>7,785</u>	Note
		<u><u>\$ 27,108</u></u>	

Note: Each amount is less than 5% of the balance.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of changes in financial assets measured at fair value through other comprehensive income - non-current

For the year ended December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Name</u>	<u>Beginning Balance</u>		<u>Increase</u>		<u>Decrease</u>		<u>Ending Balance</u>		<u>Accumulated impairment</u>	<u>Collateral</u>	<u>Note</u>
	<u>Shares (thousand)</u>	<u>Carrying amounts</u>	<u>Shares (thousand)</u>	<u>Amount</u>	<u>Shares (thousand)</u>	<u>Amount</u>	<u>Shares (thousand)</u>	<u>Carrying amounts</u>			
Stocks											
Polytronic Technology Corp.	8,000	\$ 445,247	-	-	-	-	8,000	445,247	None	None	
Chung Hwa Chemical Industrial Works, LTD.	5,500	92,217	-	-	-	-	5,500	92,217	None	None	
General Plastic Industrial Co., Ltd.	2,140	74,900	-	-	-	-	2,140	74,900	None	None	
Andros Pharmaceuticals Co., Ltd.	4,724	103,120	-	-	-	-	4,724	103,120	None	None	
Add: valuation on fair value	-	<u>130,384</u>	-	<u>-</u>	-	<u>53,254</u>	-	<u>77,130</u>			
		<u>\$ 845,868</u>		<u>-</u>		<u>53,254</u>		<u>792,614</u>			

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION
Statement of changes in investments accounted for using the equity method
For the year ended December 31, 2024
(expressed in thousands of New Taiwan dollars units)

Name	Beginning balance		Increase		Decrease		Ending Balance			Market value or net assets value		Collateral	Note
	Shares (thousand)	Amount	Shares (thousand)	Amount	Shares (thousand)	Amount	Shares (thousand)	Percentage of ownership	Amount	Unit price (dollars)	Total amount		
EVUS	300	\$ 149,181	-	10,077	-	1,346	300	100.00 %	157,912	526	157,912	None	
EVHK	1,000	38,784	-	2,887	-	210	1,000	100.00 %	41,461	41	41,461	None	
EVSG	24,800	886,071	800	56,082	-	88,956	25,600	100.00 %	853,197	33	853,197	None	
EVEU	1	54,202	-	272	-	897	1	100.00 %	53,577	107,152	53,577	None	
TTI	44,906	651,120	-	19,272	-	1,137	44,906	76.15 %	669,255	15	669,255	None	
ELITE	22	100,665	11	62,387	-	-	33	75.00 %	163,052	4,964	163,052	None	
GLTP	10,000	31,611	-	85	-	4,611	10,000	100.00 %	27,085	12	27,085	None	
GOODTV	1,900	20,430	-	1,608	-	-	1,900	22.35 %	22,038	7	22,038	None	
TAK	4,856	34,991	-	1,885	-	4,939	4,856	16.78 %	31,937	3	31,937	None	
Less: Unrealized gross profit on sale to subsidiaries		(65,978)		-		5,661			(71,639)		(71,639)		
		<u>\$ 1,901,077</u>		<u>154,555</u>		<u>107,757</u>			<u>1,947,875</u>		<u>1,947,875</u>		

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Other non-current financial assets

December 31, 2024

(expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Refundable deposits		\$ 2,787	
Overdue receivable		18,865	
Less: loss allowance		<u>(18,865)</u>	
		<u>\$ 2,787</u>	

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of short-term borrowings

December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Type</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Credit line</u>	<u>Collateral</u>	<u>Note</u>
Unsecured bank loan and usance exchange loan	First Bank	\$ 92,397	90~180 days	2.11%~5.72%	300,000	None	
"	Fubon Bank	57,089	90~180 days	5.57%~5.82%	360,635	"	
"	Mega Bank	121,019	90~180 days	2.03%~5.43%	500,000	"	
"	China Trust	54,784	90~180 days	2.05%~5.85%	400,000	"	
"	Taiwan Bank	169,385	90~180 days	1.87%~5.61%	313,103	"	
"	Hua Nan Bank	199,306	90~180 days	5.35%~5.77%	350,000	"	
"	TCB Bank	143,738	90~180 days	1.98%~5.66%	300,000	"	
"	HSBC Bank	-	90~180 days		491,775	"	
"	ANZ Bank	162,428	90~180 days	1.88%~5.73%	491,775	"	
"	CCB Bank	100,000	90~180 days	1.87%	327,850	"	
"	Citi Bank	-	90~180 days		245,887	"	
		<u>\$ 1,100,146</u>			<u>4,081,025</u>		

Statement of notes payable

<u>Vendor name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties:			
Company D	Operating	\$ 27,598	
Company E	"	3,312	
Company F	"	2,905	
Company G	"	1,972	
Other	"	4,958	Note
Total		<u>\$ 40,745</u>	

Note: Each amount is less than 5% of the balance.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of accounts payable

December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Vendor name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Related party:			
Chung Hwa Chemical Industrial Works, Ltd.	Operating	\$ <u>14,784</u>	
Non-related parties:			
Company D	Operating	35,666	
Company H	"	29,998	
Other	"	<u>444,154</u>	Note
Subtotal		<u>509,818</u>	
Total		<u><u>\$ 524,602</u></u>	

Note: Each amount is less than 5% of the balance.

Statement of other payables

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Accrued payroll		\$ 115,786	
Commission payable		35,973	
Other		<u>156,783</u>	Note
		<u><u>\$ 308,542</u></u>	

Note: Each amount is less than 5% of the balance.

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of other current liabilities

December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Provisions-current		\$ 15,900	
Other		<u>14,832</u>	Note
		<u><u>\$ 30,732</u></u>	

Note: Each amount is less than 5% of the balance.

Statement of other non-current liabilities

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Provisions-non-current		<u><u>\$ 27,800</u></u>	

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of lease liabilities

December 31, 2024

(expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending balance</u>	<u>Note</u>
Building and structures	Office	2015.01.01~2025.11.30	1.5	\$ 416	
	Dormitory	2017.07.01~2026.08.31	1.5	6,828	
Other equipment	Factory equipment	2014.01.01~2028.03.31	1.5	4,222	
	Official vehicles	2022.02.23~2029.07.22	1.5	3,324	
Subtotal				14,790	
Less: Current portion				(7,204)	
Total				<u>\$ 7,586</u>	

Statement of long-term borrowings

<u>Creditor</u>	<u>Description</u>	<u>Borrowing amount</u>	<u>Term of contract</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>Note</u>
China Trust	Unsecured bank loans	\$ 200,000	2023.10.20~2026.10.20	2.05	None	
Mega Bank	"	200,000	2024.03.06~2027.03.05	2.03	"	
Taiwan Bank	"	200,000	2023.05.15~2026.05.15	2.01	"	
First Bank	"	200,000	2024.01.15~2026.01.15	2.11	"	
Total		<u>\$ 800,000</u>				

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of operating revenue

For the year ended December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Operating revenue:			
Color chemicals		\$ 2,804,143	
Specialty chemicals		1,906,900	
Electronic chemicals		1,615,173	
Pharmaceuticals		225,964	
Less: sales returns		(11,225)	
sales allowance		(12,914)	
		<u>\$ 6,528,041</u>	

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of operating costs

For the year ended December 31, 2024

(expressed in thousands of New Taiwan dollars units)

Item	Amount
Raw materials:	
Beginning balance	\$ 623,472
Add: net purchases	3,260,983
other	40,405
Less: transferring to expense	90,198
losses on inventory counts	403
ending balance (including materials in transit)	<u>733,118</u>
Cost of raw materials	<u>3,101,141</u>
Supplies:	
Beginning balance	18,763
Add: net purchases	122,834
gains on inventory counts	2
other	3,735
Less: transferring to expense	418
other	198
ending balance	<u>19,806</u>
Cost of supplies	124,912
Direct labor	221,451
Manufacturing overhead	1,582,456
Unallocated production overheads	<u>251,831</u>
Manufacturing cost	5,281,791
Add: beginning balance of work in process	369,898
gains on inventory counts	213
other	13,756
Less: transferring to expense	44,741
cost of sale of work in process	642
obsolescence	3,458
ending balance of work in process	<u>352,859</u>
Cost of finished goods	<u>5,263,958</u>
Add: beginning balance of finished goods	1,344,227
gains on inventory counts	718
Less: transferring to expense	41,651
obsolescence	274
other	20,944
ending balance of finished goods	<u>1,338,297</u>
Cost of sales of finished goods	<u>5,207,737</u>
Cost of sales of raw materials and work in process	642
Losses on valuation of inventories	1,098
Scrap income	(2,055)
Gains on inventory count and obsolescence	3,202
Other	<u>(5,232)</u>
Operating costs	<u><u>\$ 5,205,392</u></u>

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of selling expenses

For the year ended December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Payroll (including pension)		\$ 140,748	
Freight		135,970	
Commission expense		49,518	
Expenses on international brands		33,944	
Depreciation expense		25,378	
Other (each amount is less than 5% of the balance)		<u>137,295</u>	
		<u><u>\$ 522,853</u></u>	

Statement of administrative expenses

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Payroll (including pension and directors' remuneration)		\$ 112,943	
Computer expenses		32,887	
Personnel expenses		17,662	
Depreciation		14,813	
Other expenses		6,377	
Other (each amount is less than 5% of the balance)		<u>31,689</u>	
		<u><u>\$ 216,371</u></u>	

EVERLIGHT CHEMICAL INDUSTRIAL CORPORATION

Statement of research and development expenses

For the year ended December 31, 2024

(expressed in thousands of New Taiwan dollars units)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Payroll (including pension)		\$ 167,497	
Consumables		47,323	
Depreciation expenses		31,364	
Personnel expenses		22,452	
Other (each amount is less than 5% of the balance)		<u>55,641</u>	
		<u>\$ 324,277</u>	

Statement of accounts receivable from related parties, net and other receivables from related parties, please refer to Note 7 to the parent-company-only financial statements.

Statement of financial assets at amortized cost-current, please refer to Note 6 (b) to the parent-company-only financial statements.

Statement of other current assets, please refer to Note 6 (g) to the parent-company-only financial statements.

Statement of changes in property, plant and equipment, please refer to Note 6 (f) to the parent-company-only financial statements.

Statement of changes in right-of-use assets, please refer to Note 6 (h) to the parent-company-only financial statements.

Statement of changes in intangible assets, please refer to Note 6 (i) to the parent-company-only financial statements.

Statement of defined benefit assets, please refer to Note 6 (n) to the parent-company-only financial statements.

Statement of deferred tax assets and liabilities, please refer to Note 6 (o) to the parent-company-only financial statements.

Statement of other income, please refer to Note 6 (t) to the parent-company-only financial statements.

Statement of other gains and losses, please refer to Note 6 (t) to the parent-company-only financial statements.

Statement of finance costs, please refer to Note 6 (t) to the parent-company-only financial statements.