Letter To Shareholders

Dear Shareholders,

In 2025, the global landscape presented a stark contrast, much like a "split screen": while the AI technology sector flourished, other manufacturing industries faced severe tests due to supply-demand imbalances triggered by geopolitical conflicts and reciprocal tariffs. Amidst the intense volatility of the global economic and trade environment, capacity spillovers from China and India into global markets further intensified competition. For the fiscal year 2025, the Company's consolidated revenue was NT$7.57 billion, a 7% decrease from the previous year, with a consolidated net loss of NT$136.15 million and a loss per share of NT$0.21.

The following is a brief description of our business overview and outlook:

I. Color Chemicals Business

In 2025 , the Color Chemicals business recorded a revenue of NT$2.76 billion, accounting for 36% of total revenue, representing an 8% year-on-year decrease, with a pre-tax loss of NT$101.55 million. The decline in revenue was primarily driven by adverse factors such as inflation, geopolitical conflicts, rising interest rates, and the slow destocking of end-market inventories. As consumers allocated less disposable income toward non-essential goods, demand for apparel and footwear contracted, leading to overall market weakness. Although a recovery in demand remains subtle in 2026, we aim to expand revenue by increasing our sales share among major regional key accounts. Furthermore, we will intensify the promotion of our competitive green and eco-friendly products to brand owners in the apparel, leather goods, and sportswear sectors. By optimizing our sales mix with higher-margin products, we are committed to achieving a turnaround and returning to profitability.

II. Electronic Chemicals Business

In 2025, the Electronic Chemicals business recorded a revenue of NT$1.82 billion, accounting for 24% of total revenue, representing a 7% year-on-year increase. Pre-tax profit was NT$79.9 million, a 53% decrease compared to the previous year. The growth was primarily driven by the expansion of international foundry services for electronic chemicals, alongside growth in our proprietary products. The decline in profitability was mainly attributed to the impact of unfavorable exchange rate fluctuations. Looking ahead to this year, the foundry business is expected to see both sustained demand growth and the introduction of new product categories. Furthermore, we will continue to expand the sales of our proprietary photoresist products, including PSPI (Photosensitive Polyimide), as well as OC (Overcoat) and BM (Black Matrix) photoresists for low-temperature processes.

III. Specialty Chemicals Business

In 2025 , the Specialty Chemicals business recorded a revenue of NT$1.81 billion, accounting for 24% of total revenue, a 14% year-on-year decrease. Pre-tax profit was NT$80.25 million, representing a 62% decline from the previous year. The decline in performance last year was primarily due to the impact of reciprocal tariffs imposed by the U.S., sluggish demand in global end-markets, and intensifying price competition from peers, which collectively led to a contraction in profitability. Although demand has shown signs of a slight recovery in 2026 , market competition has become even more intense. We are proactively adopting a product differentiation strategy by increasing the sales of formulated products and reducing our sales dependency on multinational coating manufacturers. Meanwhile, we are aggressively promoting new products, including polymeric dyes, as well as infrared (IR) absorbing and blocking materials, to enhance our portfolio of high-value-added products and expand into new markets. In addition, we are developing specialized functional additives tailored for composite materials, specialty engineering plastics, thin-film markets, the PU sector, and medical device markets to scale up overall operations and improve profitability levels.

IV. Toner Business

In 2025 , the Toner business recorded a revenue of NT$970 million, accounting for 13% of total revenue, a 14% year-on-year decrease, with a pre-tax loss of NT$141.6 million. The decline was attributed, on one hand, to intensifying competition from peers, and on the other, to U.S. tariff policies, severe exchange rate fluctuations, and increased supply chain costs resulting from the production halt of a key resin supplier in Japan. Our priority for this year is to enhance operational resilience and extend the value chain by deepening customer relationships. After resolving patent infringement concerns, we will provide global distributors with integrated "Toner + Cartridge" services to achieve the goal of returning to profitability. In addition, we are actively developing new products beyond printing consumables.

V. Pharmaceutical Business

In 2025 , the Pharmaceutical business recorded a revenue of NT$204 million, accounting for 2.7% of the Group's total revenue, representing a 9.7% year-on-year decrease. The pre-tax loss was NT$136.75 million (a reduction in loss of NT$28.73 million compared to the previous year). Last year, our Active Pharmaceutical Ingredient (API) plant successfully passed the U.S. FDA GMP inspection. Overall, while the loss narrowed slightly, the annual price reductions of legacy products in the market remain a significant operational pressure. For the high-profit items we developed, our customers have initiated the application processes for drug licenses (Drug Master Files/New Drug Applications), which are expected to contribute to our revenue and profitability in the future. We are actively expanding our CDMO (Contract Development and Manufacturing Organization) business. Last year, contract manufacturing revenue exceeded NT$20 million, and it is expected to continue growing this year. In addition to API contract manufacturing, we are also pursuing high-end medical device contract manufacturing opportunities from major international corporations. We will continue our dedicated efforts with the goal of overcoming losses and achieving a turnaround to profitability as soon as possible.

At the end of February 2026, conflict flared up again in the Middle East. Geopolitical tensions have triggered a global energy crisis and subsequent shortages in petrochemical raw materials, impacting supply chains across all industries. Everlight Chemical has activated its emergency response mechanism to secure the supply of raw materials. Guided by our principle of "Reshaping Competitiveness, Strengthening Value Resilience, and Advancing Dual-Axis Transformation," we aim to enhance industrial competitiveness and corporate resilience to steadily navigate geopolitical risks and external shocks. We will also seize growth opportunities within the AI sector by leveraging our local manufacturing advantages and expanding investments in relevant production lines to enhance corporate value. Regarding our Dual-Axis Transformation, we remain committed to sustainable innovation by applying green chemistry principles to develop products that meet modern demands. Furthermore, we continue to integrate AI and digital intelligence into our daily operations—including R&D, production, quality assurance, logistics, and sales—to build a solid foundation for long-term competitive advantage and fulfill our brand promise: "Better Chemistry Better Life".

Finally, we thank our shareholders for your support. We will continue our dedicated efforts to enhance the corporate value of Everlight Chemical.

Chairman Chen, Chien-Hsin

I.2025 Operating Performance

(I) Implementation results of operating plan

The Company’s consolidated operating revenue in 2025 was TWD 7,568,574,000 which was a decrease of 7% comparing to previous year; in terms of operating income, the consolidated net income after tax was TWD (136,155,000), and EPS was TWD(0.21), an decreaseof 154% and 148% respectively over the previous year.

(II) Budget Execution Status

Unit: NT$ thousand

Item	Annual Budget	Actual Amount	Achievement Rate
Operating Revenue	9,200,000	7,568,574	82%
Operating Costs	7,060,000	6,132,894	87%
Gross Profit	2,140,000	1,435,680	67%
Operating Expenses	1,700,000	1,631,682	96%
Operating Income(Loss)	440,000	(196,002)	(45)%
Net Income(Loss) Before Tax	480,000	(172,976)	(36)%

(III)Financial Income & Expenditure and Profitability Analysis

Unit: NT$ Thousand

<table>
<tr><th colspan="3">Item</th><th>2025</th><th>2024</th></tr>
<tr><td rowspan="10">Financial Income & Expenditure</td><td colspan="2">Operating Revenue</td><td>7,568,574</td><td>8,168,220</td></tr>
<tr><td colspan="2">Operating Cost</td><td>6,132,894</td><td>6,380,955</td></tr>
<tr><td colspan="2">Gross Profit</td><td>1,435,680</td><td>1,787,265</td></tr>
<tr><td colspan="2">Operating Expense</td><td>1,631,682</td><td>1,611,905</td></tr>
<tr><td colspan="2">Operating Profit(Loss)</td><td>(196,002)</td><td>175,360</td></tr>
<tr><td colspan="2">Non-operating Income (Net)</td><td>23,026</td><td>110,853</td></tr>
<tr><td colspan="2">Profit(Loss) Before Tax</td><td>(172,976)</td><td>286,213</td></tr>
<tr><td colspan="2">Income Tax Expense(Profit)</td><td>(36,821)</td><td>32,951</td></tr>
<tr><td colspan="2">Net Profit(Loss) After Tax</td><td>(136,155)</td><td>253,262</td></tr>
<tr><td colspan="2">Earnings(Loss) Per Share (NT$)</td><td>(0.21)</td><td>0.44</td></tr>
<tr><td rowspan="6">Profitability Analysis</td><td colspan="2">Return on Assets (ROA)</td><td>(0.6)%</td><td>2.5%</td></tr>
<tr><td colspan="2">Return on Equity (ROE)</td><td>(1.6)%</td><td>2.9%</td></tr>
<tr><td rowspan="2">Ratio to Paid-in Capital</td><td>Operating Profit(Loss)</td><td>(3.6)%</td><td>3.2%</td></tr>
<tr><td>Profit Before Tax(Loss)</td><td>(3.2)%</td><td>5.2%</td></tr>
<tr><td colspan="2">Net Profit Margin</td><td>(1.8)%</td><td>3.1%</td></tr>
<tr><td colspan="2">Earnings Per Share (NT$)</td><td>(0.21)</td><td>0.44</td></tr>
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(IV) R&D Status

Developing high-tech, high value-added chemical products and continuously enhancing ecological benefits are our R&D goals. In 2025, R&D expenses amounted to approximately TWD 370 million, representing 5.0% of operating revenue. The specific R&D results are as follows:

1.Intellectual Property Rights:

A total of 4 patents were granted in 2025. As of the end of February 2026, the cumulative number of granted patents reached 212.

2.New Product Development by Business Unit:

In 2025, new product development achievements by business unit were as follows: 59 Color chemicals, 12 Specialty chemicals, 7 Electronic chemicals, 1 Pharmaceuticals, and 11 Toner products, totaling 90 items.

II. Summary of the 2026 Operating Plan

(I) Management Principles for the Current Year

The Company has adopted "Reshaping Competitiveness, Strengthening Value Resilience, and Advancing Dual-Axis Transformation" as its management principles for 2026 , and is executing the following strategies:

1. Strengthening Market and Product Value Creation
2. Building Dual Resilience in Manufacturing and Finance
3. Digital and Sustainability Dual-Axis Transformation

(II) Projected Sales Volume and Basis

Based on the evaluation of the industry environment and future market supply and demand, the Company’s projected sales targets for 2026 are as follows:

Business / Product Category		Projected Sales Volume (2026)	Actual Sales Volume (2025)
Color chemicals		14,114 tons	13,370 tons
Specialty chemicals		3,890 tons	3,293 tons
Toner		4,437 tons	3,920 tons
Electronic chemicals	Photoresist	687 tons	572 tons
	Others	14,058 tons	13,254 tons
Pharmaceuticals	Prostaglandin	557,270 g	364,146 g
	Other material medicines	690 kg	490 kg

(III)Important production and sales policy

1.Sales Policies:

(1)Strengthen Brand Value: Promote “green chemical solutions” through targeted and precise brand marketing initiatives to key industries and customer segments, thereby establishing the Company’s leadership position in the field of green chemistry.

(2)Expand into Emerging Markets: Formulate differentiated sales strategies for emerging markets such as Southeast Asia and South Asia, develop products that meet local market needs, and establish localized sales and service networks.

(3)Leverage AI Tools: Strengthen the application of AI technologies to establish comprehensive market monitoring mechanisms, enabling timely analysis of industry trends and competitive dynamics, and supporting flexible adjustments to product pricing strategies.

2.Production Policies:

(1)Embed a Safety Culture: Enhance employees' safety awareness through education and training programs as well as simulation drills, with the objective of building a zero-accident manufacturing environment.

(2)Advance Smart Manufacturing Transformation: Introduce emerging technologies to build smart manufacturing systems, optimize production processes, and enhance production efficiency and product quality.

(3)Upgrade Green Production Practices: Promote the upgrading of energy management systems to reduce carbon emissions and achieve green production objectives.

III. Impacts of External Environment

(I) External Competitive Environment:

1. Low-Price Spillover Competition from Chinese and Indian Manufacturers: Affected by global tariffs and trade barriers, Chinese and Indian industry peers are actively overflowing into Southeast Asian, European, and American markets to diversify risks and maintain production capacity. Their aggressive low-price strategies to quickly seize market share have caused regional supply-demand imbalances and price chaos, compressing industry profits and intensifying market competition.
2. AI Technology-Driven Industrial Upgrading: AI is penetrating areas such as R&D, production, procurement decision-making, quoting, and market forecasting, becoming a key competitive capability in the manufacturing industry.
3. Supply Chain Diversification and Localization: As the China-US confrontation persists and geopolitical risks remain high, the chemical industry supply chain is gradually dispersing. Companies must strengthen regional multi-point production and local procurement capabilities to reduce the risk of disruption.
4. Sustainable Development and Green Transformation: The promotion of circular economy models requires the chemical industry to comprehensively review product life cycle designs. Companies must accelerate green transformation to comply with more stringent carbon emission standards.

(II) Regulatory Environment:

1. Tightening Environmental and Sustainability Regulations: The EU's Carbon Border Adjustment Mechanism (CBAM) and carbon disclosure regulations are being fully implemented, while IFRS Sustainability Disclosure Standards have become a common language for global enterprises.
2. Strengthened Chemical Management: Companies must accelerate green transformation to meet strict carbon emission standards. Simultaneously, in the face of an increasingly sophisticated chemical management system, internal management must be strengthened to ensure the safe use of chemicals.

(III) Overall Operating Environment:

1. Clear Divergence in Global Economic Outlook: Technology industries such as AI and semiconductors show strong momentum, but traditional manufacturing and chemical markets still face pressure from demand contraction. Companies should clearly identify growth engines and strengthen products and markets with sustainability potential to prepare in advance for business cycles and potential recession risks.

2. Geopolitical Risks Continue to Rise: Global trade fragmentation and protectionism are intensifying. Strategies to address "tariff storms" should involve long-term structural measures, reducing risks through supply chain localization and diversified production capacity layout, while continuing to monitor the risks that the situation in the Taiwan Strait may pose to industrial operations.
3. Normalization of Exchange Rate and Currency Wars: Exchange rate volatility will continue to be a source of operational risk. Companies should enhance their understanding of exchange rate fluctuations and refocus management on core technologies and product competitiveness to maintain long-term profitability stability.

IV. Future Corporate Development Strategies

Everlight Chemical’s vision is to become a high-tech chemical industrial group that contributes to human well-being.To enhance the quality of life and health of people, we remain committed to the research and development of forward-looking chemical products and the production of high-tech solutions. We aim to bring positive impact to human life through innovative chemistry—benefiting our employees’ quality of life, enhancing industrial competitiveness, advancing social welfare, and promoting a sustainable future.Through these efforts, we are dedicated to fulfilling our brand promise:“Better Chemistry, Better Life.”